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SECTION III

## Corporate Governance Report

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**CORTICEIRA AMORIM  
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CORK OAK FORESTS**

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around the world knew  
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## Corporate Governance Report

### Introduction

In 1999, the board of Portugal's Security Markets Commission (CMVM) approved an initial package of recommendations on the governance of listed companies with the aim of improving mechanisms for protecting security market investors. It has subsequently encouraged far-ranging reflection on the subject as part of a prolonged process of public consultation involving all parties associated with the markets.

This led to a reformulation of the first package of recommendations. Some recommendations have been changed to obligations and the content of annual reports relating to corporate governance structures and practices has been standardised.

CORTICEIRA AMORIM welcomed the initial recommendations, as well as the changes to the regulatory framework that followed from the subsequent debate, as an opportune and pertinent initiative that will benefit all individuals and groups with an interest in the company's activities. Thus, the company's position in relation to corporate governance has been critically analysed in the light of the recommendations and the context in which the company operates and due consideration has been given to the real advantages of implementing them in full.

From the publication of the first CMVM recommendations in 1999 until today, CORTICEIRA AMORIM has engaged in a process of analysing its corporate governance, comparing it, on one hand, with what are considered the best existing practices, and, on the other hand, with the circumstances in which it operates and the challenges it has to face. As a result of this process, it has implemented a number of measures with the overall aim of strengthening its internal systems of control and supervision, increasing transparency, encouraging shareholders to participate in company life and guaranteeing the sustained creation of shareholder value.

However, it should be noted that the rapid evolution of CMVM recommendations – which are revised every two years – has required several revisions, including changes to the articles of association. Without neglecting the importance of these recommendations and the commitment that CORTICEIRA AMORIM has shown in seeking to adopt them, it is also important to register the positive advantages of providing the company with a stable internal structure that enables it: (i) to test the aptness of the options it takes and the measures it implements; (ii) to assess improvements achieved by these options, both in regard to the company's governing bodies and – most importantly – to shareholders; and (iii) to avoid any possibility of alarmism resulting from normal changes in corporate governance rules being wrongly interpreted as corrective measures designed in response to a particular event under the pretext of strengthening supervision, transparency and other values that are theoretically of benefit to shareholders.

The information required by articles 447 and 448 of the Portuguese Companies Act is also included in the report.

## Chapter 0 – Statement of Compliance

### 0.1. Location where the public may find the Corporate Governance Codes to which the issuer is subject to or those which the issuer voluntarily abides by.

In matters of corporate governance, CORTICEIRA AMORIM is subject to: (i) current Portuguese legislation as set out in the Portuguese Companies Act (PCA) (Código das Sociedades Comerciais), the Portuguese Securities Code and regulations issued by Portugal's Security Markets Commission (CMVM) (these documents can be consulted at the CMVM Internet website: [www.cmvm.pt](http://www.cmvm.pt)); (ii) its own articles of association (available at the company's Internet website, [www.corticeiraamorim.com](http://www.corticeiraamorim.com)); and (iii) the CMVM Corporate Governance Code referred to in CMVM Regulation no. 1/2007, which, despite taking the form only of recommendations, constitutes an important benchmark for good practices (also available at [www.cmvm.pt](http://www.cmvm.pt)).

CORTICEIRA AMORIM assesses its practices with reference to the CMVM Corporate Governance Code on a comply or explain basis and prepares this report on its corporate governance structures and practices with reference to all the legislation, statutes and recommendations to which the company is subject.

### 0.2. Detailed description of the recommendations contained in the CMVM Corporate Governance Code that have or have not been adopted.

Analysis shows CORTICEIRA AMORIM achieved a **high degree of compliance with the CMVM's recommendations** on corporate governance, as indicated by the following table:

CORTICEIRA AMORIM achieves a high degree of compliance with the CMVM's recommendations on corporate governance.

| I. GENERAL MEETING  |                                    |                           |
|---|------------------------------------|---------------------------|
|   | Situation as of 31-12-2008         | Description in the report |
| <b>I.1 GENERAL MEETING BOARD</b>  |                                    |                           |
| I.1.1 The Chair of the General Meeting Board shall be equipped with the necessary and adequate human resources and logistic support, taking the financial position of the company into consideration.   | Adopted                            | 1.1                       |
| I.1.2 The remuneration of the Chair of the General Meeting Board shall be disclosed in the annual report on corporate governance.   | Not Adopted                        | 1.3                       |
| <b>I.2 PARTICIPATION AT THE MEETING</b>   |                                    |                           |
| I.2.1 The obligation to deposit or block shares before the General Meeting, contained in the articles of association, shall not exceed five working days.   | Adopted                            | 1.4                       |
| I.2.2 Should the General Meeting be suspended, the company shall not compel share blocking during that period until the meeting is resumed and shall then follow the standard requirement of the first session.   | Adopted                            | 1.4                       |
| <b>I.3 VOTING AND EXERCISING VOTING RIGHTS</b>  |                                    |                           |
| I.3.1 Companies may not impose any statutory restriction on postal voting.  | Adopted                            | 1.8                       |
| I.3.2 The statutory deadline for receiving early voting ballots by mail shall not exceed three working days.  | Not Adopted<br>(2009: in adoption) | 1.8                       |
| I.3.3 The company's articles of association shall provide for the one share-one vote principal.   | Not Adopted<br>(2009: in adoption) | 1.6                       |
| <b>I.4 QUORUM AND RESOLUTIONS</b>   |                                    |                           |
| I.4.1 Companies shall not set a constitutive or deliberating quorum that outnumbers that which is prescribed by law.  | Not Adopted                        | 1.7                       |
| <b>I.5 ATTENDEES LIST, MINUTES AND INFORMATION ON RESOLUTIONS PASSED</b>  |                                    |                           |
| I.5.1 The minutes of the General Meetings shall be made available to shareholders on the company's website within a five day period, irrespective of the fact that such information may not be legally classified as material information. The list of attendees, agenda items of the minutes and resolutions passed during such meetings shall be kept on file on the company's website for a three year period.   | Not Adopted<br>(2009: in adoption) | 3.12                      |
| <b>I.6 MEASURES ON CORPORATE CONTROL</b>  |                                    |                           |
| I.6.1 Measures aimed at preventing successful takeover bids, shall respect both the company's and the shareholders' interests.  | Adopted                            | 1.13; 1.14; 1.15          |
| I.6.2 In observance to the principle of the previous sub-paragraph, the company's articles of association that restrict/limit the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the General Meeting, (five year intervals, at least) on whether that statutory provision is to prevail – without super quorum requirements as to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction. | Adopted                            | 1.7                       |
| I.6.3 In cases such as change of control or changes to the composition of the Board of Directors, defensive measures should not be adopted that instigate an immediate and serious asset erosion in the company, and further disturb the free transmission of shares and voluntary assessment of the performance of the Board of Directors by the shareholders.   | Adopted                            | 1.13                      |

## II. MANAGEMENT AND SUPERVISORY BOARDS

| II.1 GENERAL POINTS   | Situation as of 31-12-2008            | Description in the report |
|---|---------------------------------------|---------------------------|
| <b>II.1.1 STRUCTURE AND DUTIES</b>  |                                       |                           |
| II.1.1.1 The Board of Directors shall assess the adopted model in its governance report and pin-point possible hold-ups to its functioning and shall propose measures that it deems fit for surpassing such obstacles.  | Adopted                               | 2.1                       |
| II.1.1.2 Companies shall set up internal control systems in order to efficiently detect any risk to the company's activity by protecting its assets and keeping its corporate governance transparent.   | Adopted                               | 2.1 to 2.7                |
| II.1.1.3 The Management and Supervisory Boards shall establish internal regulations and shall have these disclosed on its website.  | Not Adopted<br>(2009: under analysis) | 2.6                       |
| Formal internal regulation:   |                                       |                           |
| – of the Board of Directors.  | Not Adopted<br>(2009: under analysis) | 2.6                       |
| – of the Supervisory Board.   | Adopted                               | 2.6                       |
| Disclosure of the regulations on the Society website:   |                                       |                           |
| – of the Board of Directors.  | Not Adopted<br>(2009: under analysis) | 2.6                       |
| – of the Supervisory Board.   | Not Adopted<br>(2009: under analysis) | 2.6                       |
| <b>II.1.2 GOVERNANCE INCOMPATIBILITY AND INDEPENDENCE</b>   |                                       |                           |
| II.1.2.1 The Board of Directors shall include a number of non-executive members that ensure the efficient supervision, auditing and assessment of the executive members' activity.  | Adopted                               | 2.1                       |
| II.1.2.2 Non-executive members must include an adequate number of independent members. The size of the company and its shareholder structure must be taken into account when devising this number and may never be less than a fourth of the total number of Directors.   | Not Adopted                           | 2.1; 2.9                  |
| <b>II.1.3 ELIGIBILITY CRITERIA FOR APPOINTMENT</b>  |                                       |                           |
| II.1.3.1 Depending on the applicable model, the Chair of the Audit Board, the Audit Committee or the Financial Matters Committees shall be independent and be adequately capable to carry out its duties.   | Adopted                               | 2.7; 2.12; 2.13           |
| <b>II.1.4 POLICY ON THE REPORTING OF IRREGULARITIES</b>   |                                       |                           |
| II.1.4.1 The company shall adopt a policy whereby irregularities occurring within the company, are reported. Such reports should contain the following information:   |                                       |                           |
| II.1.4.1. i) – the means through which such irregularities may be reported internally, including the persons that are entitled to receive the reports;  | Adopted                               | 2.12                      |
| II.1.4.1. ii) – how the report is to be handled, including confidential treatment, should it be required by the reporter.   | Adopted                               | 2.12                      |
| II.1.4.2 The general guidelines on this policy should be disclosed in the corporate governance report.  | Adopted                               | 2.12                      |
| <b>II.1.5 REMUNERATION</b>  |                                       |                           |
| II.1.5.1 The remuneration of the members of the Board of Directors shall be aligned with the interests of the shareholders. Thus:   |                                       |                           |
| II.1.5.1. i) – the remuneration of Directors carrying out executive duties should be based on performance and a performance assessment shall be carried out periodically by the competent body or committee;  | Adopted                               | 2.18; 2.20                |
| II.1.5.1. ii) – the level of remuneration shall be consistent with the maximization of the long term performance of the company, and shall be dependent on sustainability of the levels of the adopted performance;   | Adopted                               | 2.18                      |
| II.1.5.1. iii) – when the remuneration of non-executive members of the Board of Directors is not legally imposed, a fixed amount should be set.   | Adopted                               | 2.18; 2.20                |
| II.1.5.2 The Remuneration Committee and the Board of Directors shall submit a statement on the remuneration policy to be presented at the Annual Shareholders General Meeting on the Management and Supervisory bodies and other directors as provided for in Article 248/3/b of the Securities Code. The shareholders shall be informed on the proposed criteria and main factors to be used in the assessment of the performance for determining the level (share bonuses; option on share acquisition, annual bonuses or other awards).  | Not Adopted<br>(2009: in adoption)    | -                         |
| II.1.5.3 At least one of the Remuneration Committee's representatives shall be present at the Annual Shareholders' General Meeting.   | Not Adopted<br>(2009: in adoption)    | 1.12                      |
| II.1.5.4 A proposal shall be submitted at the General Meeting on the approval of plans for the allotment of shares and/or options for share purchase or further yet on the variations in share prices, to members of the Management and Supervisory Boards and other Directors within the context of Article 248/3/B of the Securities Code. The proposal shall mention all the necessary information for its correct assessment. The proposal shall contain the regulation plan or in its absence, the plan's general conditions. The main characteristics of the retirement benefit plans for members of the Management and Supervisory Boards and other Directors within the context of Article 248/3/B of the Securities Code, shall also be approved at the General Meeting. | Adopted                               | 3.10                      |



|  |                                    |                               |
|--|------------------------------------|-------------------------------|
| II.1.5.5 The remuneration of the members of the Management and Supervisory Boards shall be individually and annually disclosed and, information on fixed and variable remuneration must be discriminated as well as any other remuneration received from other companies within the group of companies or companies controlled by shareholders of qualifying holdings.   | Not Adopted                        | 2.20                          |
| <b>II.2 BOARD OF DIRECTORS</b>   |                                    |                               |
| II.2.1 Within the limits established by law for each Management and Supervisory structure, and unless the company is of a reduced size, the Board of Directors shall delegate the day-to-day running and the delegated duties should be identified in the Annual Report on Corporate Governance.   | Adopted                            | 2.2; 2.3                      |
| II.2.2 Board of Directors shall ensure that the company acts in accordance with its goals, and should not delegate its duties, namely in what concerns:  |                                    |                               |
| II.2.2. i) – definition of the company's strategy and general policies;  | Adopted                            | 2.3                           |
| II.2.2. ii) – definition of the corporate structure of the group;  | Adopted                            | 2.3                           |
| II.2.2. iii) – decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.   | Adopted                            | 2.3                           |
| II.2.3 Should the Chair of the Board of Directors carry out executive duties, the Board of Directors shall set up efficient mechanisms for coordinating non-executive members that can ensure that these may decide upon, in an independent and informed manner, and furthermore shall explain these mechanisms to the shareholders in the corporate governance report.  | Adopted                            | 2.3                           |
| II.2.4 The annual management report shall include a description of the activity carried out by the non-executive board members and shall mention any restraints encountered.   | Adopted                            | -                             |
| II.2.5 The management body should promote member replacement for financial matters at least after a two year mandate.  | Adopted                            | 2.3                           |
| <b>II.3 CHIEF EXECUTIVE OFFICER (CEO), EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF DIRECTORS</b>  |                                    |                               |
| II.3.1 When Directors that carry out executive duties are requested by other board members to supply information, the former shall do so in a timely manner and the information supplied must adequately suffice the request made.   | Adopted                            | 2.3                           |
| II.3.2 The Chair of the Executive Committee shall send the convening notices and minutes of the meetings to the Chair of the Board of the Directors and, when applicable, to the Chair of the Supervisory Board or the Auditing Committee.   | Not Adopted<br>(2009: in adoption) | 2.3                           |
| II.3.3 The Chair of the Executive Board of Directors shall send the convening notices and minutes of the meetings to the Chair of the General and Supervisory Board and to the Chair of the Financial Matters Committee.   | Not Applicable                     | -                             |
| <b>II.4 GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND AUDIT BOARD</b>  |                                    |                               |
| II.4.1 Besides fulfilling its supervisory duties, the General and Supervisory Board shall advise, follow-up and carry out on an on-going basis, the assessment on the management of the company by the Executive Board of Directors. Besides other subject matters, the General and Supervisory Board shall decide on:   | Not Applicable                     | -                             |
| II.4.1. i) – definition of the strategy and general policies of the company  | Not Applicable                     | -                             |
| II.4.1. ii) – the corporate structure of the group;  | Not Applicable                     | -                             |
| II.4.1. iii) – decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.   | Not Applicable                     | -                             |
| II.4.2 The annual reports and financial information on the activity carried out by the General and Supervisory Committee, the Financial Matters Committee, the Audit Committee and the Audit Board shall be disclosed on the company's website together with the financial statements.   | Adopted                            | -                             |
| II.4.3 The annual reports on the activity carried out by the General and Supervisory Board, the Financial Matters Committee, the Audit Committee and the Audit Board shall include a description on the supervisory activity and shall mention any restraints that they may have come up against.  | Adopted                            | -                             |
| II.4.4 The Financial Matters Committee, the Audit Committee and the Audit Board (depending on the applicable model) shall represent the company for all purposes at the external auditor, and shall propose the services supplier, the respective remuneration, ensure that adequate conditions for the supply of these services are in place within the company, as well as being the liaison officer between the company and the first recipient of the reports. | Not Adopted<br>(2009: in analysis) | -                             |
| II.4.5 According to the applicable model, the Committees for Financial Matters, Audit Committee and the Audit Board, shall assess the external auditor on an annual basis and advise the General Meeting that he/she be discharged whenever justifiable grounds are present.   | Adopted                            | -                             |
| <b>II.5 SPECIAL COMMITTEES</b>   |                                    |                               |
| II.5.1 Unless the company is of a reduced size and depending on the adopted model, the Board of Directors and the General and Supervisory Committees, shall set up the necessary Committees in order to:   |                                    |                               |
| II.5.1. i) – ensure that a competent and independent assessment of the Executive Directors' performance is carried out, as well as its own overall performance and further yet, the performance of all existing Committees;  | Adopted                            | 1.12                          |
| II.5.1. ii) – study the adopted governance system and verify its efficiency and propose to the competent bodies, measures to be carried out with a view to its improvement.  | Adopted                            | Introduction to the Chapter 2 |
| II.5.2 Members of the Remuneration Committee or alike, shall be independent from the members of the Board of Directors.  | Adopted                            | 2.19                          |
| II.5.3 All the Committees shall draw up minutes of the meetings held.  | Adopted                            | -                             |



### III INFORMATION AND AUDITING

#### III.1 GENERAL DISCLOSURE DUTIES

|  | Situation as of 31-12-2008         | Description in the report |
|--|------------------------------------|---------------------------|
| III.1.2 Companies shall maintain permanent contact with the market thus upholding the principle of equality for shareholders and ensure that investors are able to access information in a uniform fashion. To this end, the company shall create an Investor Assistance Unit. | Adopted                            | 3.12                      |
| III.1.3 The following information that is made available on the company's Internet website, shall be disclosed in the English language:  |                                    |                           |
| III.1.3. a) The company, public company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code;  | Adopted                            | 3.12                      |
| III.1.3. b) Articles of association;   | Adopted                            | 3.12                      |
| III.1.3. c) Credentials of the members of the Board of Directors and the Market Liaison Officer;   | Adopted                            | 3.12                      |
| III.1.3. d) Investor Assistance Unit – its functions and access tools;   | Adopted                            | 3.12                      |
| III.1.3. e) Accounts Reporting documents;  | Adopted                            | 3.12                      |
| III.1.3. f) Half-yearly calendar on company events;  | Adopted                            | 3.12                      |
| III.1.3. g) Proposals sent through for discussion and voting during the General Meeting;   | Not Adopted<br>(2009: in adoption) | 3.12                      |
| III.1.3. h) Notices convening meetings.  | Adopted                            | 3.12                      |

#### 0.3. When the structure or the corporate governance practices deviate from the CMVM's Recommendations or from other Corporate Governance Codes that the company is subject to or had voluntarily applied to, the company shall explain which parts of each code have not been complied with and the reasons therefore.

On December 31, 2008 CORTICEIRA AMORIM was in full compliance with current legislation and statutes. In regard to the CMVM Corporate Governance Code referred to in Point 0.1. above, CORTICEIRA AMORIM had not fully implemented all the recommended practices, as shown in the previous chart.

CORTICEIRA AMORIM recognises the CMVM Code as a benchmark for good practices and an important contribution and incentive for reflection on and adoption of a corporate organisational model that safeguards the rights of shareholders, the transparency of corporate governance and is a stimulus to greater business efficiency and competitiveness.

However, as envisaged in the CMVM Recommendations, reflection on the specifics circumstances that surround and shape a company and consideration of the cost/benefits expected to result from implementing some of the recommendations of the Corporate Governance Code that the company has not adopted – in terms of both the balanced and transparent use of executive power and the group's competitiveness – have led to the adoption of some of the recommendations and the non-adoption of others, as detailed in the next page:



A cork oak forest: one of Portugal's greatest natural treasures

*Playing a crucial role in soil conservation, regulating the water cycle, capturing carbon dioxide and protecting biodiversity.*

### **Recommendation I.1.2 – Disclosure of the individual remuneration of the Chair of the Board of the General Meeting.**

Although the CMVM recommends disclosure of the individual remuneration of the Chair of the Board of the General Meeting, the company opted to disclose only the collective remuneration of the members of the Board of the General Meeting because it considers this information to be more complete and in accordance with the transparency that the Recommendation seeks to encourage – given that the all members of this body are subject to the same rules in terms of nomination and duties – and, at the same time, because it considers it appropriate to preserve the privacy of the Chair of the Board of the General Meeting.

The company also believes that the commitment, professionalism and independence of this body are ensured by appropriate training, technical competence and compliance with a strict legal regime of independence and incompatibility to which its members are subject, not by the remuneration they receive.

### **Recommendation I.3.2 – The statutory deadline for receiving postal votes.**

The company's articles of association require postal votes to be received at least five working days before a General Meeting. The three-day recommendation made by the CMVM was not adopted.

At the General Meeting held on May 28, 2007, shareholders approved a revision to the articles of association to extend the use of postal votes to all business transacted at General Meetings. The five-day deadline was stipulated in consideration of:

- a) questions of internal organisation, specifically the need to allow sufficient time for votes to be properly dealt with;
- b) a simplification of the administrative process that it was felt helpful to introduce, making the statutory minimum period that shares are required to be blocked before a General Meeting the same as the minimum five-day deadline for receiving postal votes.

Because only a short period separated the decision taken at this General Meeting and the publication of the new CMVM Corporate Governance Code, it was considered inopportune to ask shareholders to deliberate on this matter at another General Meeting and shareholders did not express any interest in doing so. It should also be noted that shareholders are always given time at the beginning of each General Meeting to reflect on any postal ballots they may have cast and withdraw them if they wish. To do so, they need only be present or represented at the General Meeting, as stipulated in the company's articles of association.

The Board of Directors proposes that the next General Meeting of Shareholders, scheduled for March 19, 2009, deliberates on altering the articles of association to reduce this deadline to the CMVM recommendation of three working days.

### **Recommendation I.3.3 – Number of shares corresponding to one vote.**

The CORTICEIRA AMORIM's articles of association stipulate that each block of 1,000 shares, corresponding to €1,000 of share capital, held by a shareholder or group of shareholders corresponds to one vote at a General Meeting, in accordance with the stipulations of no. 2, line a) of article 384 of the Portuguese Companies Act.

This matter was also given considerable consideration when alterations to CORTICEIRA AMORIM's model of corporate governance were approved at the General Meeting of May 28, 2007.

Considering that:

- a) the company has properly informed shareholders that each block of 1,000 shares corresponds to one vote and that shareholders can group together to form such blocks and thus exercise their right to vote;
- b) several international studies by renowned researchers have produced no evidence that the adoption of this Recommendation would improve corporate governance;

it was decided at that time that the amount that a shareholder or group of shareholders was required to invest was fully compatible with the desired participation of small shareholders in the life of the company and that it was not likely that adopting the Recommendation would improve the efficiency or the competitiveness of the company and thereby generate effective value for shareholders.

**However, in view of the growing interest and attention this matter has aroused, the Board of Directors proposes that the next General Meeting of Shareholders scheduled for March 19, 2009, considers altering the Statutes so that one share corresponds to one vote.**

### **Recommendation I.4.1 – Constitutive and deliberating quorums.**

CORTICEIRA AMORIM's articles of association stipulate a constitutive/deliberating quorum that is larger than the quorum stipulated by law<sup>(1)</sup> in the following situations:

<sup>(1)</sup> The Portuguese Companies Act establishes the following requirements for validating the decisions approved by a General Meeting:

#### Quorum (article 383):

1. The General Meeting can approve decisions, at a first convocation, whatever the number of shareholders present or represented, except when otherwise stipulated in the following paragraph or in the contract.
2. For the General Meeting to approve decisions, at a first convocation, on alterations to the contract, merger, de-merger, transformation or dissolution of the company or other matters for which the law requires an unspecified qualified majority, shareholders holding shares representing one third of the share capital must be present or represented.
3. At a second convocation, the General Meeting can approve decisions whatever the number of shareholders present or represented or the amount of share capital they represent.

#### Majority (article 386):

1. The General Meeting approves decisions by a majority of votes, whatever the percentage of share capital represented, except when otherwise stipulated by law or by contract; abstentions are not counted.
2. When there are competing proposals in decisions on the appointment of members of governing bodies, official auditors or companies of official auditors, the proposal receiving the largest number of votes shall win.
3. Decisions on any of the matters referred to in no. 2 of article 383 must be approved by a majority of two-thirds of the votes cast, whether the meeting is a first or second convocation.
4. If shareholders holding at least half the share capital are present or represented at the second convocation of a General Meeting, decisions on any of the matters referred to in no. 2 of article 383 can be approved by a majority of the votes cast.

CORTICEIRA AMORIM combines a corporate governance structure with good practices that promote greater transparency and high levels of professionalism and competence.

- limitation or suppression of the right of preference in capital increases – the articles of association require shareholders representing at least 50 per cent of paid-up share capital to be present at the General Meeting of Shareholders (article 7);
- removal from office of an elected member of the Board of Directors under the terms of the special rules set out in article 392 of the PCA, when shareholders representing only 20 per cent or less of the share capital have voted against the removal (article 17);
- for a General Meeting convened by shareholders to approve decisions – the articles require the presence of shareholders representing the minimum amount of share capital required by law to legitimise such a meeting (article 22);
- altering the composition of the Board of Directors – the articles require approval by shareholders representing at least two-thirds of the share capital (article 24);
- dissolution of the company – the articles require approval by shareholders representing at least 85 per cent of the paid-up share capital (article 33).

As a consequence of the stipulation described above, non-compliance with the CMVM Recommendation and the imposition of a constitutive/deliberating quorum larger than that required by the Companies Act confers on shareholders, particularly those with smaller shareholdings, an important role in a number of decisions that can have significant impact on the life of the company (dissolution), its corporate governance model (removal of a board member proposed by minority shareholders and the alteration of the composition of the Board of Directors), the property rights of shareholders (limitation or suppression of preference rights in capital increases) and an appropriate participation in General Meetings convened by shareholders.

In consideration of the above, it is felt that maintaining these stipulations promotes and protects the rights and the role of shareholders in important matters of corporate governance – values that the Corporate Governance Code seeks to protect.

**Recommendation I.5.1 – The availability of information relating to General Meetings.**

CORTICEIRA AMORIM has been providing information on General Meetings since 2005.

Up to the General Meeting of March 31, 2006 inclusive, the following documents were made available with a view to encouraging the participation of shareholders: notice of meetings, the agenda of meetings, information relating to the administrative and legal processes required to validate the presence/representation of shareholders, the postal ballot and the proposals to be discussed; information on the decisions approved by the General Meeting, when this was considered to constitute relevant information (the concept used prior to the current concept of privileged information), it was published in the form of a market statement through the CMVM and the company's Internet websites. These documents remain available on the company's Internet website.

From the General Meeting of March 30, 2007 onwards, the company has, in addition to the information listed in the previous paragraph, made available to shareholders the

ballot sheets required for exercising postal votes and forms for proxy voting. Immediately after a General Meeting, it has also published a market statement on the decisions approved via the CMVM and the company's Internet websites. These documents remain available on the company's Internet website.

Given that the range of documents that is considered good practice to make available on corporate websites has been widened to include statistical information on attendance and the minutes of General Meetings, **CORTICEIRA AMORIM now also includes this information in the archive of historical documents made available online, with a view to ensuring full compliance with this Recommendation (in terms of both content and deadlines) by the next General Meeting.**

#### **Recommendation II.1.1.3.1 and Recommendation II.1.1.3.2 – The existence and disclosure of formal regulations for the Board of Directors.**

Although it has not produced written, formal internal regulations envisaged in this Recommendation, the Board of Directors of CORTICEIRA AMORIM scrupulously complies with all the regulations to which it is subject, specifically those stipulated in the Portuguese Companies Act, the articles of association and the regulations issued by the CMVM. The company considers this to constitute legitimate internal regulation that is both appropriate and conducive to the board's proper functioning and to ensuring its collective commitment to working efficiently in the interests of the company and all its shareholders.

Although the board has no formal internal regulations, CORTICEIRA AMORIM also considers that the principles of good business practice are part of the business values upheld both by the members of the Board of Directors and by all the staff members that support and/or advise it.

Given that these internal regulations have not been formalised, they are not available on the company's Internet website. However, all the regulations, stipulated either by legislation (PCA) or by the articles of association, followed by the Board of Directors are available on the CMVM Internet website ([www.cmvm.pt](http://www.cmvm.pt)) or the company's Internet website ([www.corticeiraamorim.com](http://www.corticeiraamorim.com)) respectively.

**This matter is currently being reconsidered.**

#### **Recommendation II.1.1.3.2 – Disclosure of the internal regulations of the Supervisory Board.**

In addition to complying with the stipulations of the law and the articles of association, the Supervisory Board of CORTICEIRA AMORIM also complies with its own formal, written internal regulations. These regulations were drawn up with the aim of systematising and formalising the operations of the board – a new corporate governance body introduced following the adoption of the corporate governance system known as the “strengthened Latin model” – in accordance with its legal and statutory obligations.





Cork oak harvesting:  
*Every nine years without ever harming the tree.*

These regulations are not available on the company's Internet website. However, as is the case of the Board of Directors, all the regulations, stipulated either by legislation (PCA) or by the articles of association, followed by the Supervisory Board are available on the CMVM Internet website ([www.cmvm.pt](http://www.cmvm.pt)) or the company's Internet website ([www.corticeiraamorim.com](http://www.corticeiraamorim.com)) respectively.

This matter is currently being reconsidered.

**Recommendation II.1.2.2 – The Board of Directors should include non-executive independent members.**

The Board of Directors is made up of seven members – four of them non-executive and three executive, thus complying with the requirement for an adequate number of non-executive directors.

Although, in accordance with the current concept of independence, the Board of Directors does not include any independent non-executive members as recommended by the CMVM Corporate Governance Code, the company believes that, given the existence of a double system of supervision – a Supervisory Board and a Board of Statutory Auditors – whose members are all independent, that the interests envisaged in this recommendation to be fully and appropriately protected. Thanks to the observance of this independence, together with the standards of responsibility required of the members of the Supervisory Board, the company considers the conditions are in place to ensure effective supervision to a high level of impartiality, rigour and independence.

**Recommendation II.1.5.2 – The Remuneration Committee and the Board of Directors should submit to the Annual General Meeting of Shareholders a statement on remuneration policy as it applies management and Supervisory Boards and other directors.**

The General Meeting of Shareholders appoints a Remuneration Committee, taking into consideration the ability and capacity of its respective members to perform the duties assigned to them in an independent manner for the length of the respective mandate, that is, to determine remuneration policies for the governing bodies that promote, over the medium and long term, the alignment of their respective interests with those of the company.

The strategic alignment of the whole organisation is enhanced by the use of the balanced scorecard method, which enables the Remuneration Committee to determine how well the group performed each year in terms of established targets and to determine on this basis the amount of performance bonuses to be paid.

The Remuneration Committee, appointed, as previously described, by decision of the General Meeting of Shareholders, is not required to disclose to the General Meeting information on these matters, the appreciation of which is delegated to the Committee by the General Meeting itself. However, the company, publishes in its Annual Report (Corporate Governance Report, and, in the specific case of the remuneration of directors,

in the Annex to the Balance Sheet and Financial Statements): its remuneration policy, the mechanisms for aligning the interests of the company and the remuneration awarded to the management and supervisory bodies in the year to which the report refers.

The practice envisaged in this Recommendation will be adopted at the next General Meeting of Shareholders scheduled for March 19, 2009.

**Recommendation II.1.5.3 – At least one representative of the Remuneration Committee should be present at the Annual General Meeting of Shareholders.**

Representatives of the Remuneration Committee have not attended General Meetings. Although CORTICEIRA AMORIM considers it upholds the CMVM recommendations on remuneration policy and that these are reflected in the remuneration it attributes each year, it has decided that, given the growing visibility and emphasis given to these matters – not to mention the proliferation of analyses and interpretations that, comparing matters that are not always comparable, often result in opinions that are distorted and not in any way related to the specific practices of the company – to ensure that a representative of the Remuneration Committee will be present at the next General Meeting of Shareholders scheduled for March 19, 2009.

**Recommendation II.1.5.5 – Disclosure of the individual remuneration of members of management and supervisory bodies.**

CORTICEIRA AMORIM discloses the annual remuneration of its management and supervisory bodies, but does not disclose the individual remuneration of each member of these bodies.

In regard to the Board of Directors, the collective remuneration of executive and non-executive members is disclosed separately, specifying the amount of remuneration that is fixed or variable.

The company considers this level of detail is an adequate response to the interests and to the transparency that the Recommendation seeks to protect and to the need to preserve the privacy of the members of these bodies.

**Recommendation II.3.2 – The sending of convening notices and minutes of meetings of the Executive Board to the Chair of the Board of Directors and the Chair of the Supervisory Board.**

At CORTICEIRA AMORIM, the Chair of the Executive Board is the Chair of the Board of Directors.

The meetings of the Executive Board are held every two weeks and the annual schedule of meetings is drawn up at the beginning of each business year. Although the Chair of the Executive Board does not send convening notices to the Chair of the Supervisory Board, the latter is aware of the dates on which the meetings are due to take place. Although the minutes of the meetings of the Executive Board are not formally sent to

The website  
[www.corticeiraamorim.com](http://www.corticeiraamorim.com)  
discloses relevant  
information about  
the company's activities.



the Chair of the Supervisory Board, they are included in the large amount of information made available to any member of the Supervisory Board.

The procedures envisaged in this Recommendation were implemented at the beginning of 2009.

**Recommendation II.4.4 – Representation of the company at the external auditor.**

CORTICEIRA AMORIM has been represented at the Statutory Auditor not by the Supervisory Board, but by the Board of Directors.

This matter is being analysed by the company in 2009 with a view to assessing whether the potential advantages of adopting the CMVM Recommendation would justify altering this practice.

**Recommendation III.1.3.g) – Disclosures in English on the company's Internet website.**

CORTICEIRA AMORIM discloses the following information in Portuguese and English:

- the company, its public company status, head office and other details referred to in article 171 of the Portuguese Companies Act;
- its articles of association;
- the identity of the members of its governing bodies and its market liaison officer;
- its investor relations unit – its functions and the means of access;
- its financial statements;
- a half-yearly calendar of company events;
- convening notices for General Meetings.

Proposals to be discussed and voted on at General Meetings are made available in Portuguese, sufficiently in advance of meetings.

At the next General Meeting of Shareholders scheduled for March 19, 2009, the company will simultaneously disclose these proposals in English.

However, it is not possible to translate into English the documentation that accompanies the proposal for the approval of the financial statements, that is, the financial statements themselves, in time for the General Meeting. In regard to this specific point, the company provides in English an outline of the proposal and foreign shareholders are able to consult the most important elements of the financial statements in the statements issued by the company and published on its Internet website ([www.corticeiraamorim.com](http://www.corticeiraamorim.com)) in the statements section.

0.4. The corporate body or the committee shall at all times, assess the independency of each of its members and shall inform the shareholders, via a statement included in the corporate governance report, on its assessment both at the time of the appointment and following the loss of independency.

The compliance of all members of the Board of the General Meeting and the Supervisory Board with the regulations on independence and incompatibility set out in articles 414 and 414-A of the Portuguese Companies Act is subject to legal verification. On first appointment, each member of these bodies issues a statement in which they expressly:

1. state their awareness of the legislation applying to their eligibility and to the exercise of the duties entailed in their appointment, specifically the requirements relating to independence and incompatibility;
2. state that they have no knowledge of any facts or conditions that could bring into question their compliance with the legal requirements for exercising the respective office;
3. make a commitment to inform CORTICEIRA AMORIM in a timely manner of the emergence of any fact that could negatively affect their compliance with such requirements.

Up to the date of the signing of this report, CORTICEIRA AMORIM has not received any communication under the terms of point 3 above, enabling it to conclude that the members of the Board of the General Meeting and the Supervisory Board are in full compliance with the regulations on independence and incompatibility to which they are subject.

In terms of the concept of independence set out by the CMVM in the preamble to Regulation 1/2007 ("Reference to the independence of non-executive directors not directly covered by the provisions of the PCA is now made in articles 414/A and 414/5 of the PCA") none of the members of the Board of Directors of CORTICEIRA AMORIM is considered independent. However, it should be noted that verification of independence in the terms proposed by the Regulation constitutes a benchmark for assessing compliance with the good practices recommended by the CMVM Corporate Governance Code and not a legal or statutory requirement for validating the appointment or the activities of board members.



#### Cork production

*One of the few examples of truly sustainable forestry practices.*

# Chapter I – General Meeting

## 1.1. Identification of the members of the General Meeting Board.

As a result of the alterations to the Portuguese Companies Act introduced by Decree-Law no. 76-A/2006 of March 29, specifically article 374-A regarding special independence and/or incompatibility requirements, the General Meeting of Shareholders held on March 30, 2007 decided that the Board of the General Meeting would be made up of a chairman and a secretary. Joaquim Taveira da Fonseca and Tiago Borges de Pinho were elected respectively chairman and secretary and immediately took office, which they continued to hold up to the date of this report.

The company makes available adequate technical and administrative support to ensure that the Board of the General Meeting can competently carry out its functions.

## 1.2. Indication of the commencement and end of the mandates.

### **Chairman: Joaquim Taveira da Fonseca**

First appointment: March 30, 2007

Renovation of the mandate: March 28, 2008

End of the current mandate: December 31, 2010

### **Secretary: Tiago Borges de Pinho**

First appointment: March 30, 2007

Renovation of the mandate: March 28, 2008

End of the current mandate: December 31, 2010

## 1.3. Indication of the remuneration of the Chairman of the General Meeting Board.

In 2008, the members of the Board of the General Meeting were attributed a collective remuneration in excess of €6,500.

## 1.4. Indication of the prior notice for deposit of shares or share-blocking for participation at the General Meeting.

For shareholders to participate in a General Meeting, their shares must be blocked for a minimum of five working days before the meeting. The same rule applies when a General Meeting is resumed at a later date after the initial session has been suspended.

### 1.5. Indication of the applicable rules for share-blocking should the General Meeting be suspended.

As in the case of initial General Meetings, shareholders wishing to participate in a General Meeting resumed at a later date, must ensure their shares have been blocked for a minimum of five working days before the meeting.

### 1.6. Number of shares that correspond to one vote.

Each block of 1,000 shares corresponds to one vote.

Given the growing interest and attention this matter has attracted, the Board of Directors proposes that the next General Meeting of Shareholders scheduled for March 19, 2009 considers altering the articles of association so that one share corresponds to one vote.

### 1.7. The existence of statutory rules on the exercise of voting rights, including constitutive or deliberating quorums or systems for equity rights.

In addition to the regulations referred to in points 1.4 to 1.6, 1.8 and 1.11 of this report, the articles of association make specific requirements in regard to constitutive/deliberating quorums in the following situations:

- limitation or suppression of the right of preference in capital increases – the articles of association require shareholders representing at least 50 per cent of paid-up share capital to be present at the General Meeting of Shareholders;
- removal from office of an elected member of the Board of Directors under the terms of the special rules set out in article 392 of the PCA, when only shareholders representing less than 20 per cent of the share capital have voted against the removal;
- exercising the right to vote – the articles of association require shareholders to hold at least 1,000 shares for a minimum of five working days before the date scheduled for the General Meeting. Shareholders holding fewer than 1,000 shares can group together to form blocks of 1,000 shares and be represented at the General Meeting by one member of the group;
- for a General Meeting convened by shareholders to approve decisions – the articles of association require the presence of shareholders representing the minimum amount of share capital required by law to legitimise such a meeting;
- altering the composition of the Board of Directors – the articles of association require approval by shareholders representing at least two-thirds of the share capital;
- dissolution of the company – the articles of association require approval by shareholders representing at least 85 per cent of the paid-up share capital.

The corporate governance model of CORTICEIRA AMORIM improves business efficiency and competitiveness.

There are no limits on the number of votes that can be held or exercised by a single shareholder, individually or in coordination with other shareholders.

#### **1.8. Existence of statutory rules on the exercise of voting rights via postal voting.**

The articles of association allow shareholders to vote by post, provided the votes arrive at the company a minimum of five working days before the General Meeting.

#### **1.9. Availability of a model format for exercising the right to vote via postal means.**

Forms for postal voting are available from CORTICEIRA AMORIM's head office (Rua de Meladas, no. 380 – 4536-902 Mozelos) and from the company's Internet website ([www.corticeiraamorim.com](http://www.corticeiraamorim.com)). At the request of shareholders, the company can also provide ballot papers by email.

#### **1.10. A deadline requirement for the receipt of the postal ballots and the date on which the General Meeting is held.**

Postal votes must be received at least five working days before the date of a General Meeting.

Postal votes will be disregarded if they relate to a proposal put forward at a date later than the actual date of postal voting. The postal votes of shareholders who subsequently attend a General Meeting in person will be void.

#### **1.11. The exercise of voting rights via electronic means.**

CORTICEIRA AMORIM's articles of association allow electronic voting, provided adequate technical facilities are in place to verify the validity of electronic votes and to guarantee the integrity and confidentiality of their contents.

Electronic voting is conditional on the Chair of the Board of the General Meeting ensuring before the meeting is held that adequate technical facilities are in place to ensure the security and reliability of the votes cast in this way.

If the Chair of the Board of the General Meeting determines that adequate technical facilities are in place for electronic voting, shareholders will be informed of this fact in the notice convening the meeting. Electronic votes must be received at least five working days before the date of a General Meeting. Electronic votes will be disregarded if they relate to a proposal put forward at a date later than the actual date of postal voting. The postal votes of shareholders who subsequently attend a general meeting in person will be void.

### 1.12. Information of the intervention by the General Meeting on matters concerning the remuneration policy of the company and the performance assessment of the members of the Board of Directors.

The General Meeting of Shareholders appoints a Remuneration Committee, taking into consideration the ability and capacity of its respective members to perform the duties assigned to them in an independent manner for the length of the respective mandate, that is, to determine remuneration policies for the governing bodies that promote, over the medium and long term, the alignment of their respective interests with those of the company.

The adoption of the balanced scorecard method, which assesses performance on the basis of financial and non-financial indicators, enables the Remuneration Committee to determine annual performance in relation to established targets and to determine on this basis the amount of performance bonuses to be paid.

The Remuneration Committee, appointed, as previously described, by decision of the General Meeting of Shareholders, is not required to disclose to the General Meeting information on these matters, the appreciation of which has been delegated to the



Cork: a natural product

*corresponding to superior performance standards.*



Committee by the General Meeting itself. The next General Meeting of Shareholders scheduled for March 19, 2009 will consider policy statements issued by the Remuneration Committee and the Board of Directors on the remuneration of the managing and supervisory bodies and of other directors.

**1.13. Indication of the defensive measures that are intended to immediately instigate asset erosion in cases such as changes in the control or to the composition of the Board of Directors.**

The articles of association do not include measures of this nature and, to the best of CORTICEIRA AMORIM's knowledge, there exist no other dispositions and/or measures intended to cause an automatic erosion of company assets in the event of a transfer of control or changes to the composition of the Board of Directors.

**1.14. Main agreements to which the company is a part of and that come into force, are changed or end in cases such as change in company control, as well as related outcome, unless the disclosure of same, due to its nature, is highly damaging to the company and save when the company is specifically obliged to disclose such information by force of legal imperatives.**

There are no agreements based on these terms.

**1.15. Agreements between the company and the Board of Directors, within the meaning of article 248/B/3 of the Securities Code, that provide for compensation if they resign or are made redundant without a valid reason or if their employment ceases following a change in company control.**

The company has no agreements with board members or other directors for providing compensation, except where compensation payments are required by law.



## Chapter II – Management and Supervisory Boards

Following the alterations to the Portuguese Companies Act introduced by Decree-Law no. 76-A/2006 of March 29, the corporate governance models available to companies such as CORTICEIRA AMORIM were comprehensively studied, leading to the adoption of a model based on a separation between the management and supervisory bodies and a double system of supervision comprising a Supervisory Board and a Board of Statutory Auditors, a model generally known as the "strengthened Latin model".

The Board of Directors considers that, as intended by the change in the legislation, the adoption of this model resulted in the creation of a more effective supervisory body with strengthened powers, composed entirely of members subject to broader regulations in relation to incompatibility and independence. It also considers that attributing this function to an autonomous body – the Supervisory Board – helps create an efficient corporate governance model, because it establishes a clear division between the management and supervisory bodies, ending the granting of supervisory powers to members of the Board of Directors, which is by law a collegial body.

As a consequence, the Board of Directors is confident that the corporate governance model adopted is suitable for the specific circumstances of CORTICEIRA AMORIM in that it:

- combines a corporate governance structure with good practices that respectively promote greater transparency and high levels of professionalism and competence;
- guarantees an alignment of the interests of the whole organisation, specifically shareholders, members of the governing bodies, directors and other employees;
- encourages the participation of shareholders in the life of the company;
- promotes the efficiency and competitiveness of CORTICEIRA AMORIM.

As mentioned in the introduction to this report, CORTICEIRA AMORIM engaged in a process of internal reflection on the corporate governance structures and practices adopted, comparing the level of efficiency with the potential advantages to be gained by implementing other practices and/or measures envisaged in the CMVM Corporate Governance Code or by other organisations. The Executive Board has analysed this matter together with questions related to the organic development of CORTICEIRA AMORIM. The process of deliberating on the structure of corporate governance itself took place both at the level of the Executive Board – with the presence of the market liaison officer – and the Board of Directors.



**Manufacturing cork products:**

*Cork is 100% natural and pollution from cork manufacturing processes is practically zero.*

## 2.1. Identification and composition of the corporate bodies.

As of December 31, 2008 the corporate bodies were composed as follows:

### Board of Directors:

#### Executive Directors:

**Chairman:** António Rios de Amorim

**Vice-Chairman:** Jorge Viriato de Freitas Barros Diniz Santos

**Member:** Nuno Filipe Vilela Barroca de Oliveira

#### Non-Executive Directors:

**Member:** Joaquim Ferreira de Amorim

**Member:** Luísa Alexandra Ramos Amorim

**Member:** José da Silva Carvalho Neto

**Member:** André de Castro Amorim

### Supervisory Board:

**Chairman:** Durval Ferreira Marques

**Member:** Joaquim Alberto Hierro Lopes

**Member:** Gustavo José de Noronha da Costa Fernandes

**Substitute Member:** Alberto Manuel Duarte de Oliveira Pinto

### Statutory Auditor:

**Auditor:** PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., represented by José Pereira Alves (ROC) or António Joaquim Brochado Correia (ROC)

**Substitute:** Hermínio António Paulos Afonso (ROC)

## 2.2. Identification and composition of other committees created with responsibilities for the management or the supervision of the company.

As envisaged in CORTICEIRA AMORIM's articles of association, the following bodies are currently in operation:

- **Adviser to the Board of Directors** – board meetings are attended by an adviser in addition to board members. The position of adviser to the Board of Directors was created in 2001 and, since that date, has been filled by Américo Ferreira de Amorim.
- **Executive Directors** – the Executive Board is composed of three members, a Chair and two board members. On December 31, 2008, the board was composed of the following members, given that the vacancy caused by the resignation of one board member had not yet been filled:

**Chairman:** António Rios de Amorim

**Member:** Jorge Viriato de Freitas Barros Diniz Santos

2.3. Organisational structure or functional chart concerning the delegation of responsibilities among the various corporate bodies, committees and/or departments within the company, including information on the scope of delegating responsibilities or distributing duties among the members of the Management or Supervisory bodies, as well as a list of non-delegable subject matters.



The **Board of Directors** is composed of four non-executive members and three executive members.

CORTICEIRA AMORIM's Board of Directors has effective control over the activities of the company, being the body responsible for taking strategic decisions. It is also the body that monitors the most important aspects of the company's activities, including significant matters decided on or analysed by the Executive Board, ensuring that members of the Board of Directors remain aware of measures adopted as a result of Executive Board decisions and can monitor their implementation and the results produced.

As stipulated in the PCA, the role of the Board of Directors is to manage the activities of the company and deliberate on any matter relating to its administration, giving precedence to decisions made by a General Meeting or to rulings of the Supervisory Board in cases where this is required by law or by the articles of association.

The powers of the Board of Directors include: choosing its chair; co-opting directors; convening General Meetings, preparing annual reports and financial statements; acquiring, selling or leasing real estate; providing personal, real or other guarantees on behalf of the company; opening or closing facilities or important sections of them; significantly expanding or reducing important company activities; establishing or ceasing lasting and important cooperation projects with other companies; changing the company's headquarters and capital increases; implementing the merger, de-merger or transformation of the company; and deliberating on any other matter at the request of any director.



**Selecting cork boards:**

*Highly specialised employees inspect cork – board by board –, ensuring that every piece is used to its full potential.*

The articles of association also confer on the Board of Directors the following powers; running, managing and representing the company; transferring the company head office to any other location permitted by law; creating, in any part of Portugal or overseas, delegations, agencies, branches, subsidiaries, branch offices, offices or other local forms of representation; acquiring, transferring and pledging shares and bonds of its own stock belonging to the company and any rights pertaining to them, as well as carrying out any operations in regard to those securities that is deemed appropriate; acquiring, transferring, exchanging and leasing property, by means of any agreement or contract, and to mortgage real estate as security for a debt; exercising and promoting the rights of the company in other companies in which it owns a holding; acquiring, selling, exchanging and leasing personal property in any manner; negotiating finance with credit institutions; operating bank accounts, depositing and withdrawing monies, issuing, accepting, signing and endorsing cheques, letters, promissory notes, invoices and other negotiable instruments; acknowledging, desisting or acquiescing in any legal action, or entering into arbitration.

The Board of Directors may delegate its power as follows:

1. The current management of the company may be delegated to one or more directors or to an Executive Board, setting limits on this delegation or charging one or more directors to assume responsibility for certain management affairs. In this context, the following powers can be delegated:

- choosing the chair of the Board of Directors;
- co-opting directors;
- convening General Meetings;
- annual reports and financial statements;
- acquiring, selling or leasing real estate;
- providing personal, real or other guarantees on behalf of the company;
- opening or closing facilities or important sections of them;
- significantly expanding or reducing important company activities;
- company's significant organisational changes;
- establishing or ceasing lasting and important cooperation projects with other companies;
- changing the company's head offices and capital increases;
- implementing the merger, de-merger or transformation of the company.

2. The execution of the Board of Directors' decisions, the current management of the company, the power to decide on certain administrative matters and the definition of the internal regulations of the Executive Board can be delegated to any board member or to an Executive Board. In this context the following powers can be delegated:

- choosing the chair of the Board of Directors;
- co-opting directors;
- convening General Meetings;
- annual reports and financial statements;
- providing personal, real or other guarantees on behalf of the company;
- changing the company's headquarters and capital increases;
- implementing the merger, de-merger or transformation of the company.

The **Adviser to the Board of Directors**, as the title indicates, advises the Board of Directors on all matters addressed at board meetings, but does not have the right to vote on the decisions taken.

In the specific case of CORTICEIRA AMORIM, the unequalled experience, forward vision and entrepreneurial spirit of Américo Ferreira de Amorim make an important contribution to the development of the company. A wise and experienced counsellor who plays an important role at board meetings, he also challenges and encourages the company to adopt new initiatives and approaches.

The **Executive Board** results from the delegation of the powers of the Board of Directors in a manner designed to increase management flexibility and ensure closer and continuous monitoring of the company's different structures (management, operations and support) and its operating and business activities.

CORTICEIRA AMORIM's articles of association confer on the Executive Board the power to implement the decisions of the Board of Directors, to assume the current management of the company and to deal with administrative matters.

The company has implemented a system from the Executive Board to report to the Board of Directors that ensures that the activities of the two boards are aligned and that members of the Board of Directors are informed in a timely fashion of the activities of the Executive Board.



Boiling cork – 60 minutes  
at 100 degrees Celsius

*This guarantees the hygiene, stability  
and flexibility of the raw material.*

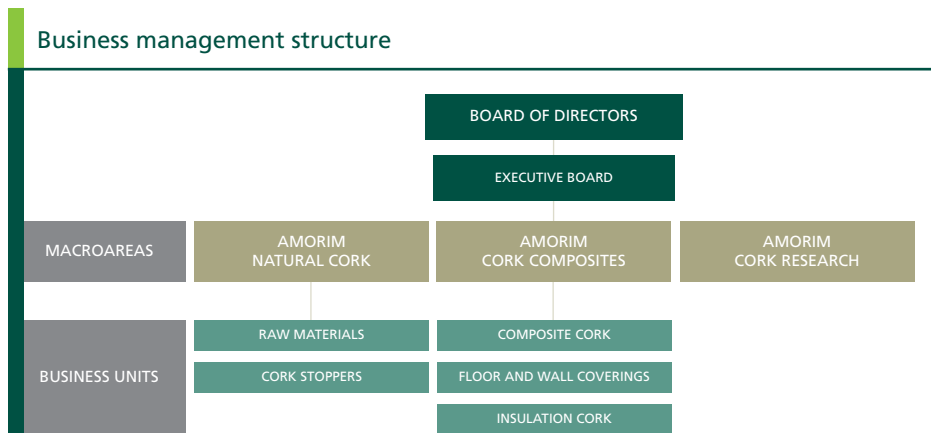
## Business management structure

CORTICEIRA AMORIM's operational activities are structured into five Business Units (BUs).

Using a management model based on the concept of a strategic-operational holding company, the BUs are co-ordinated by the Executive Board, which has wide-ranging management powers, excepting those powers which, for legal or statutory reasons, are reserved for the Board of Directors.

The strategic alignment of the whole organisation is enhanced by the use of the balanced scorecard method, both globally in CORTICEIRA AMORIM and individually in the BUs. Under this system, approval of strategic objectives and priority initiatives falls to the Board of Directors in terms of both (i) the whole organisation; (ii) matters specifically concerning CORTICEIRA AMORIM and the individual BUs.

Each BU has a Board of Directors made up of non-executive and executive members, including a managing director. These boards are responsible for decisions on all matters deemed to be of importance. The following diagram shows how the company's management structure is currently organised:

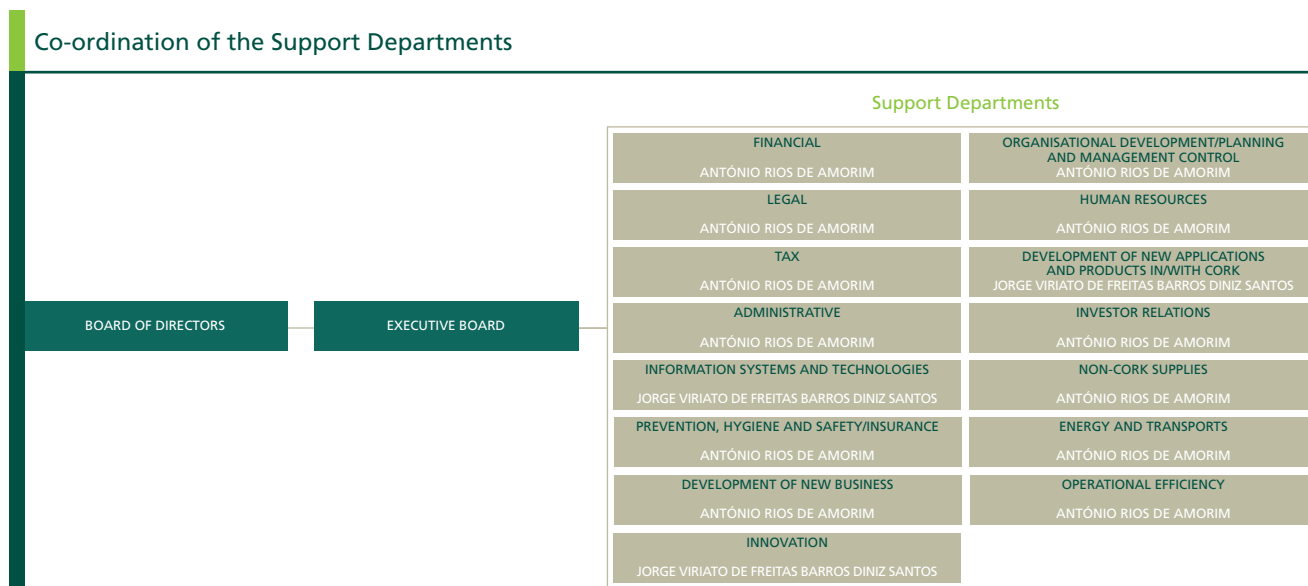


The **Support Departments** are responsible for monitoring and co-ordinating the activities of the BU and their respective operational areas.

Nuno Filipe Vilela Barroca de Oliveira coordinates two support departments: Internal Auditing and Sustainable Development. Objectives and intervention of these areas are coordinated with those of the whole organisation, namely throughout its regular reporting to the Board of Directors.



The remaining **Support Areas** are coordinated by members of the Executive Board, as shown in the following diagram:



At intervals considered to be the most suitable/appropriate, the managing director of the **support department**, the Executive Board and Board of Directors can request – and do so – an analysis of the activities of the **support departments** so that the Board of Directors can consider the need/opportunity for attributing new functions or developing new strategies.

The directors responsible for each BU and each support department are also moved to other BUs and **support departments** on a regular basis – at least once during each mandate – to ensure the continuing high performance of each of these units, permanently challenging the units to work more cohesively together, become more proactive and promote innovation.

Given the importance and critical nature of the financial operations of CORTICEIRA AMORIM, which has subsidiaries all over the world, sells its products in more than 100 countries (sometimes in the currency of the client country) and has a considerable level of debt, the company monitors these operations at several levels, coordinating them together by means of an information and reporting system as well as through meetings for deliberating on, debating and drawing up conclusions on the company's financial operations.

António Rios de Amorim was responsible for overseeing the financial area in 2008 (taking over from José Araújo Silva, who fulfilled this role in 2007).



The Executive Board and the Board of Directors promote regular analysis of the support areas' activities, considering the need/opportunity for attributing new functions or developing new strategies.

**The financial area is structured as follows:**

- the General Financial Direction (GFD) coordinates financial operations at a central level. It is responsible for developing policies and measures (for approval by the Executive Board) and implementing them, for global dealings with financial counterparties, for monitoring, developing and making regular reports (to the director responsible for the financial area and to the Executive Board and the Board of Directors);
- financial managers who, at the level of the group's individual companies, manage the financial component of their activities in accordance with predetermined policies and measures, coordinating their activities with the DGF.

**The coordination of the whole organic structure is ensured by means of:**

- daily information and fortnightly discussion on financial markets and economic developments that could have an impact on group companies;
- regular information (monthly) on the terms and benchmarks of the group's global financial operations;
- quarterly meetings of financial managers – for the analysis of specific situations and deliberation on measures to be implemented;
- reports sent to the Board of Directors, which deliberates on the most important aspects of financial operations (indebtedness, capital expenditure, responsibilities).

These measures ensure that financial know-how is consolidated and used for the benefit of the company by means of a stable structure. They also ensure the regular rotation of supervision of financial operations, with the director responsible for this area taking on the role of challenging and helping group companies to adopt new approaches and practices.

#### **2.4. Description of the internal control and risk management systems within the company, namely as regards the financial information disclosure system.**

In terms of the Board of Directors and the Executive Board, the main aim is to establish an integrated overview of critical factors in terms of profitability and/or associated risks with a view to sustained value creation for the company and its shareholders.

Because of the specific characteristics of CORTICEIRA AMORIM, two critical factors have been identified at the operational level: market and business risks and raw material (cork) risk. Operational management is the responsibility of the BUs.

##### **Market and business risks:**

In the first instance, market and business risk is managed by the four BUs – Cork Stoppers, Floor and Wall Coverings, Composite Cork and Insulation Cork – which intervene in the markets that deal in CORTICEIRA AMORIM's end products.

In their strategic planning, these BUs, supported by the balanced scorecard methodology, have identified key factors for value creation, using a multi-faceted approach that encompasses finance, markets and customers, and processes and infrastructures.

Using this approach, strategic objectives and intermediate goals are defined, together with the actions required to achieve them.

The balanced scorecard methodology strengthens the alignment between strategic goals and operational planning, enabling priority actions for reducing risk and sustaining value creation to be implemented over shorter periods. Processes for systematically monitoring these actions are implemented by the BUs and are subject to periodic auditing and monthly evaluation by each BU's Board of Directors.

#### Raw material (cork) risk:

Because of the critical importance of the raw material factor, which affects all the company's BUs, the management of purchasing, storing and preparing raw materials (cork), the single variable common to all of CORTICEIRA AMORIM's operations, has been concentrated into a single autonomous BU since 2002. This has enabled the company to:

- create a specialised team exclusively dedicated to raw materials;
- make the most of synergies and integrate the processing of all raw materials (cork) processed by other BUs;
- manage raw materials from a multinational perspective;
- strengthen its presence in cork-producing countries;
- keep an historical record of production that is updated in terms of each cork-producing forestry unit;
- strengthen relations with producers, promote forest certification, enhance the technical quality of products and develop research and development partnerships in the forestry area;
- prepare, discuss and enable the Board of Directors to decide on multi-annual provisioning policies;
- ensure the right mix of raw materials to meet market demand for end products;
- ensure the supply stability of cork, a critical variable for CORTICEIRA AMORIM's operations, over the long term.

Under the direction of the Board of Directors, with the support of the Executive Board or an Executive Director, the company's support departments play an important role in managing critical risk factors, including risk prevention and detection. The financial, organisational development/planning and management control and internal auditing support departments make the biggest contributions in this area.



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### The Financial Department:

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

Together with its responsibilities for preventing, auditing and managing the above-mentioned risks, the main objective of the finance department is to support the definition and implementation of global financial strategies and to co-ordinate the financial management of the group's BUs.

### The Organisational Development/Planning and Management Control and the Internal Auditing Support Departments:

These two support departments work together to reduce the group's operating risks. Their two main tasks are to assess and review internal control systems with a view to optimising resources and safeguarding assets, and to monitor operations with the aim of providing management with a reasonable degree of certainty that business goals will be met.

In regard to the **disclosure of financial information**, the company promotes close cooperation between all those involved in the process to ensure that:

1. disclosure complies with all the relevant legislation and the best practices in terms of transparency, relevance and reliability;
2. the information has been properly verified both internally and by the appropriate supervisory bodies;
3. the information has been approved by the appropriate governing body;
4. its public disclosure complies with all the relevant legal requirements and recommendations, specifically those of the CMVM, and is made in the following order: first via the CMVM information system ([www.cmvm.pt](http://www.cmvm.pt)); second via the company's Internet website ([www.corticeiraamorim.com](http://www.corticeiraamorim.com)); third, by means of a long list of Portuguese and foreign media contacts; and fourth to CORTICEIRA AMORIM staff and to shareholders, investors, analysts and stakeholders, whose contacts are stored in a database.

The company also uses a written Manual of Internal Control Procedures, which has been approved by senior management and which all companies belonging to the CORTICEIRA AMORIM group were required to adopt. The Manual sets out regulations designed to ensure that the rules listed above are properly implemented in preparing and disclosing financial information to guarantee quality, transparency and balance.

## 2.5. Powers of the Management Body, particularly as regards resolutions on capital increase.

The powers of the Board of Directors are set out in point 2.3.

With specific regard to capital increases, the Board of Directors can, under the terms of article 8 of the articles of association, decide by a unanimous resolution of all its members to increase the company's share capital, once or several times, in accordance with methods envisaged under Portuguese law up to a maximum limit of €250 million. The Board of Directors is also empowered to determine the respective terms and conditions of capital increases as well as the type of subscription and operation and the deadlines involved.

## 2.6. Indication on the existence of regulations on the functioning of the corporate bodies or any internally defined rules on incompatibility and the maximum number of positions that a member is entitled to hold and the place where these rules may be consulted at.

The functioning of the **Board of Directors** of CORTICEIRA AMORIM complies with all the regulations to which it is subject, specifically those stipulated in the Portuguese Companies Act, the articles of association and the regulations issued by the CMVM. The company considers this to constitute legitimate internal regulation that is both appropriate and conducive to the board's proper functioning and to ensuring its collective commitment to working efficiently in the interests of the company and all its shareholders.

Although it has no formal internal regulations, CORTICEIRA AMORIM also considers that the principles of good business practice are part of the business values upheld by the members of the Board of Directors and by all the staff members that support and/or advise the board.

The company's **Supervisory Board Regulations** stipulate those persons who are disqualified from being elected or appointed a member of the Supervisory Board:

- beneficiaries of special advantages from the supervised company<sup>(\*)</sup>;
- persons occupying management positions in the supervised company<sup>(\*)</sup>;
- members of governing bodies of companies that control or have a group relationship with the supervised company<sup>(\*)</sup>;
- partners in companies that collectively control the supervised company<sup>(\*)</sup>;
- persons who directly or indirectly supply services to or have a significant commercial relationship with the supervised company or a company that controls or has a group relationship with the supervised company<sup>(\*\*)</sup>;

<sup>(\*)</sup> Including spouses, direct family members, relations and in-laws to the third generation;

<sup>(\*\*)</sup> Including spouses.



Industrial process environmentally-friendly:  
*Nothing is lost, all is valued.*

- persons on the staff of competing companies and who act in representation of or on behalf of that company or who are connected by any other means with the interests of a competing company<sup>(\*)</sup>;
- persons who occupy management or supervision positions in five or more companies, with the exception of law firms, auditing companies and statutory auditors;
- statutory auditors that, under the terms of the respective legislation, are incompatible in other ways;
- persons who are banned, even if only temporarily, from holding public office because they are prohibited, debarred, insolvent, bankrupt, or subject to legal punishment.

## 2.7. Rules applicable to the appointment and replacement of members of the Management and Supervisory Body.

Rules regarding the **appointment and replacement of members of the Board of Directors** are in accordance with Portuguese law, except for the addition of the following criteria, which are contained in the company statutes:

Shareholders **elect** the board by choosing between competing lists of candidates, which specify the office for which each individual is a candidate. Voting is carried out in two stages:

**First stage:** the election of one individual board member from candidates proposed in lists put forward by groups of shareholders who own between 10% and 20% of the share capital. Each list must propose at least two candidates for each office to be filled. No shareholder may back more than one list. If more than one list is put forward, shareholders will first vote for a list and then vote for the individual candidates for each office contained in the winning list. Lists of candidates may be proposed at the general meeting at any time before discussion begins on the item on the agenda regarding the election of the Board of Directors;

**Second stage:** the general meeting elects the other members of the Board of Directors. All shareholders attending the meeting may participate may take part in the discussion regardless of whether they have backed or voted for any of the lists in the first stage. The general meeting cannot elect the remaining board members until one of the candidates proposed in the lists in the first stage has been elected, unless no list was put forward.

The **mandate** of the members of the Board of Directors lasts for one year and is automatically renewable up to a maximum of three years provided shareholders do not propose replacing any or all of them at the general meeting of shareholders when the management report, the annual financial statement of accounts and the proposal for the appropriation of profits are put forward for approval. Shareholders obligatorily elect the

<sup>(\*)</sup> Including spouses, direct family members, relations and in-laws to the third generation.

members of the Board of Directors every three years. Board members may be re-elected indefinitely.

Rules regarding the alteration of company statutes are in accordance with Portuguese law with the addition of the following specific provisions contained in the company statutes:

The company is managed by a Board of Directors made up of a Chairman, a Vice-Chairman and between one to nine other members. This statute may be altered only by shareholders representing a minimum of two-thirds of the company's share capital.

The rules governing the **appointment and replacement of members of supervisory bodies** are set out in the relevant legislation, the articles of association and the Regulations of the Supervisory Board:

- candidates are elected in separate lists that specify the post for which each individual candidate is standing;
- members of the Supervisory Board are elected for a mandate of three calendar years. After serving their mandate, they remain in place until they are legally replaced; the calendar year in which they are elected counts as a whole year for calculating the term of their mandate. Members of the Supervisory Board can be re-elected according to the terms stipulated by law;
- the Supervisory Board is composed of three permanent members and one or more reserve members. Permanent members who are temporarily impeded from carrying out or who cease their duties are replaced by reserve members. When the Chair of the Supervisory Board steps down before the period from which he or she was elected or appointed, the other members will appoint one of their number to be Chair until the end of the respective mandate. Reserve members who take over the duties of permanent members who have ceased their duties will remain in the post until the next Annual General Meeting, which will elect or appoint new permanent members. If it is not possible to fill a vacancy left by a permanent member because an insufficient number of reserve members has been elected, the vacant positions of both permanent and reserve members are filled by means of a new election. To this end, the Supervisory Board should advise the Chair of the Board of the General Meeting and the Board of Directors in writing of any such vacancies as soon as they become known;
- the Supervisory Board should include at least one member who has a university degree appropriate to the position, knowledge of auditing or accounting and who is independent;
- the Supervisory Board should have a majority of independent members. Members of the Supervisory Board should immediately advise the Supervisory Board, the Chairman of the Board of the General Meeting and the Board of Directors in writing of any situation or circumstance that might imply the loss of their independence under the terms of the previous paragraph.

Rotation of the Directors responsible for each BU ensures high performance levels, challenging the whole organisation to work together in a forward-looking and innovative way.

Additional reasons that could result in incompatibility or loss of independence (other than those described in point 2.6 above) will also lead to the nullification of appointments. Members of the Supervisory Board should immediately advise the Supervisory Board, the Chairman of the Board of the General Meeting and the Board of Directors in writing of any such occurrences.

#### **2.8. Number of meetings held by the Management and Supervisory Body and other created Committees that are responsible for managing and supervising during that time.**

Under the terms of the articles of association, the Board of Directors meets whenever it is in the interest of the company to do so (article 28). In 2008, it met 12 times.

The Executive Board held 20 meetings in 2008.

The Supervisory Board meets whenever a meeting is convened by the Chair or by two other board members and at least every quarter, in accordance with the terms of article 10 of its internal regulations. In 2008, it met four times.

#### **2.9. Identification of the members of the Board of Directors and other Committees created within the company and their distinction between executive and non-executive members and from among the latter, which members comply with the incompatibility rules provided for in article 414/A/1, except for item b/ and the independence criterion mentioned in article 414/5, both from the Commercial Company Code.**

##### **Board of Directors:**

###### **Executive Members:**

**Chairman:** António Rios de Amorim

**Vice-Chairman:** Jorge Viriato de Freitas Barros Diniz Santos

**Member:** Nuno Filipe Vilela Barroca de Oliveira

###### **Non-Executive Members:**

**Member:** Joaquim Ferreira de Amorim

**Member:** Luísa Alexandra Ramos Amorim

**Member:** José da Silva Carvalho Neto

**Member:** André de Castro Amorim

##### **Executive Board:**

**Chairman:** António Rios de Amorim

**Member:** Jorge Viriato de Freitas Barros Diniz Santos

None of the members of the Board of Directors or the Executive Board fulfils all the independence criteria set out in CMVM Regulation 1/2007.



**2.10. Professional qualifications of the members of the Board of Directors, the professional activities carried out by them at least during the last five years, the number of company shares they hold and the date of the commencement and end of the first mandate.**

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

He has been Chairman of CORTICEIRA AMORIM's Board of Directors and Executive Board since March 2001. He was managing director of Amorim & Irmãos (1996-2001), manager of Sociedade Figueira-Praia (1993-2006), head of operations at Amorim – Empreendimentos Imobiliários, which promoted the Torres de Lisboa and Arrábida Shopping Centre projects (1993-1995), executive director of Amorim Hotéis, S.A., where he was responsible for developing the Ibis and Novotel hotel chains in Portugal. He graduated with a Bachelor of Commerce degree from the Faculty of Commerce and Social Sciences of the University of Birmingham (1989), and attended the Executive Program in Business Administration: Managing the Enterprise at Columbia University Graduate School of Business (1992) and Managerial Skills for International Business –INSEAD (2001). He was a member of the European Round Table of Industrialists, being the only Portuguese entrepreneur to have belonged to this prestigious association (1991-1995). He has been president of the Portuguese Cork Association since 2002 and of the Confédération Européenne du Liège since 2003. In February 2006, the president of Portugal awarded him the title of *Comenda de Grande-Oficial de Ordem de Mérito Agrícola, Comercial e Industrial*, an award for outstanding merit in the field of agriculture, commerce and industry.

**First appointment to the Board of Directors:** March 29, 1990.

**First appointment as Chairman of the Board of Directors:** March 31, 2001.

**End of mandate:** December 31, 2010.

As of December 31, 2008, he didn't held, directly, CORTICEIRA AMORIM shares.

**Jorge Viriato de Freitas Barros Diniz Santos (Vice-Chairman):**

He graduated in Mechanical Engineering from the University of Luanda (Angola) and began his professional career in 1975 as Director of Equipment and Workshop Services at J.A.E.A. At the end of 1990, he accepted the challenge of restructuring INACOR S.A., a producer of cork insulation and coverings acquired by the Amorim group, where he was responsible for devising a three-year strategic action plan aimed at generating sustained added value from the company's production operations and preparing it for the future. In mid-1994, he was invited to join the management team of Corticeira Amorim – Indústria, S.A., with the goal of introducing a management model for generating added value from the company's business chain. In the second half of 2001, he joined the Board of Directors of Amorim Revestimentos, S.A., with the mission of restructuring its business operations.

**First appointment to the Board of Directors:** March 28, 2008.

**End of mandate:** December 31, 2010.

As of December 31, 2008, he didn't held, CORTICEIRA AMORIM shares.



Nothing is lost, everything is transformed  
*All waste cork is transformed into granules,  
which are incorporated into high value-added  
products.*

**Joaquim Ferreira de Amorim (Member):**

An entrepreneur and company director, he belongs to the third generation of the Amorim family and has accumulated about 50 years of professional experience in the group's cork business. He was part of the management team that implemented the vertical integration of the cork business in the 1960s. In the 1980s and 1990s, he devoted his energies to the internationalisation of the business, gaining world leadership of the cork industry for CORTICEIRA AMORIM.

**First appointment to the Board of Directors:** October 9, 1987.

**End of mandate:** December 31, 2010.

As of December 31, 2008, he didn't held, directly, CORTICEIRA AMORIM shares.

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

He graduated in company administration and management from the Catholic University of Portugal. He was a non-executive director of CORTICEIRA AMORIM from March 2003 to September 2005, when he moved to an executive post. He has been a non-executive director of several companies in the Amorim group (since 2000) and was an executive director of Barrancarnes (2000-2005). After a year in the commercial area of Møre Codfish (Norway), he participated in the Comett programme and worked as an intern at Merrill Lynch (London) before moving to Banco Comercial Português, where for three years he worked in the analysis and planning, international and investment funds department.

**First appointment to the Board of Directors:** March 28, 2003.

**End of mandate:** December 31, 2010.

As of December 31, 2008, he didn't held CORTICEIRA AMORIM shares.

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

She graduated with a degree (DESE) in marketing from ISAG. She has been a director of Amorim – Investimentos e Participações since 2002; an executive director of Natureza, S.G.P.S. since 2002 and was director of marketing at J. W. Burmester (2000-2002). She joined the Amorim group as an assistant hotel manager at Amorim Hotéis e Serviços and at Sociedade Figueira Praia (1996-1997), having worked in different business areas of the group in Portugal and overseas from 1998 to 2000.

**First appointment to the Board of Directors:** March 28, 2003.

**End of mandate:** December 31, 2010.

As of December 31, 2008, she didn't held CORTICEIRA AMORIM shares.

**José da Silva Carvalho Neto (Member):**

He graduated in chemical engineering from the University of Porto. He has managed several companies in the Amorim group since January 2004. He began his professional career at Mabor Portugal, which later became part of the Continental Group, where, during a period of more than 30 years, he was: head of personnel and human resource management at Mabor Portugal (one year); head of production at Mabor Portugal (four years); managing director of the Mabor plant in Luanda, Angola (18 months); commercial director of Continental and Mabor in Portugal (two years); director of the restructuring project, managing director and chairman of the Continental Group (tyres) in Portugal (eight years) and chairman of the Continental Group in Mexico.

**First appointment to the Board of Directors:** March 31, 2006.

**End of mandate:** December 31, 2010.

As of December 31, 2008, he didn't held CORTICEIRA AMORIM shares.

**André de Castro Amorim (Member):**

He is a businessman and company director, a member of the fourth generation of the Amorim family. After completing his studies at the European Business School of London in the United Kingdom in 2005 (from where he graduated with a BA (Hons) degree in International Business and Management Studies and a Master of Arts degree in Entrepreneurial Management), he has occupied management posts in a number of companies.

**First appointment to the Board of Directors:** March 28, 2008.

**End of mandate:** December 31, 2010.

As of December 31, 2008, he didn't held, directly, CORTICEIRA AMORIM shares.

2.11. Duties that the members of the Board of Directors carry out in other companies as well as those carried out in companies of the same holding.

António Rios de Amorim (Chairman):

| Company  | Position                                       |
|--|--|
| <b>CORTICEIRA AMORIM Group</b>                                   |  |
| Amorim Natural Cork, S.A.  | Chairman of the Board of Directors             |
| Amorim Florestal España, S.L.                                    | Chairman of the Board of Directors             |
| Amorim & Irmãos IV, S.A.   | Chairman of the Board of Directors             |
| Amorim & Irmãos, S.A.  | Chairman of the Board of Directors             |
| Amorim & Irmãos, S.G.P.S., S.A.                                  | Chairman of the Board of Directors             |
| Amorim & Irmãos VI, S.A.   | Chairman of the Board of Directors             |
| Amorim Florestal – Espanha, S.A.                                 | Member of the Board of Directors               |
| Amorim Industrial Solutions – Ind. de Cortiça e Borracha I, S.A. | Chairman of the Board of Directors             |
| Amorim Isolamentos, S.A.   | Chairman of the Board of Directors             |
| Amorim Revestimentos, S.A.                                       | Vice-Chairman of the Board of Directors        |
| Amorim Cork Composites, S.A.                                     | Chairman of the Board of Directors             |
| Amorim Cork Research, Lda.                                       | Manager  |
| Francisco Oller, S.A.  | Member of the Board of Directors               |
| Korke Schiesser GmbH   | Manager  |
| Oller et Cie   | Member of the Board of Directors               |
| Société Nouvelle des Bouchons Trescasses, S.A.                   | Member of the Board of Directors               |
| <b>Other Companies</b>   |  |
| Afaprom – Sociedade Agro-Florestal, S.A.                         | Member of the Board of Directors               |
| Agolal, S.A.   | Member of the Board of Directors               |
| Amorim, S.G.P.S., S.A.   | Member of the Board of Directors               |
| Amorim Capital, S.G.P.S., S.A.                                   | Member of the Board of Directors               |
| Amorim Desenvolvimento, S.G.P.S., S.A.                           | Member of the Board of Directors               |
| Amorim – Investimentos e Participações, S.G.P.S., S.A.           | Second Vice-Chairman of the Board of Directors |
| Amorim – Serviços e Gestão, S.A.                                 | Chairman of the Remuneration Committee         |
| Bomsobro, S.A.   | Member of the Board of Directors               |
| Caneicor, S.A.   | Member of the Board of Directors               |
| Chapius, S.L.  | Chairman of the Board of Directors             |
| Cimorim – Sociedade Agro-Florestal, S.A.                         | Member of the Board of Directors               |
| Corpóreo – Compra e Venda de Imóveis, S.A.                       | Chairman of the Board of Directors             |
| Fruticor, S.A.   | Member of the Board of Directors               |
| Interfamília II, S.G.P.S., S.A.                                  | Member of the Board of Directors               |
| Luxor, S.G.P.S., S.A.  | Member of the Board of Directors               |
| Mirantes e Freires, S.A.   | Member of the Board of Directors               |
| Olimpíadas Barcelona 92, S.L.                                    | Chairman of the Board of Directors             |
| Resiféria – Construções Urbanas, S.A.                            | Member of the Board of Directors               |
| S21 – Sociedade de Investimento Imobiliário, S.A.                | Member of the Board of Directors               |
| <b>Other Institutions</b>  |  |
| Associação Portuguesa da Cortiça                                 | Chairman                                       |
| Confédération Européenne du Liège                                | Chairman of the Board of Directors             |
| EGP – University of Porto Business School                        | Member of the General Board                    |

Jorge Viriato de Freitas Barros Diniz Santos (Vice-Chairman):

| Company   | Position                                |
|---|---|
| <b>CORTICEIRA AMORIM Group</b>  |   |
| Amorim Cork GmbH  | Manager                                 |
| Amorim Benelux, B.V.  | Manager                                 |
| Amorim Cork Distribution Netherlands, B.V.                            | Manager                                 |
| Amorim Flooring Austria GmbH  | Director                                |
| Amorim Revestimentos, S.A.  | Chairman of the Board of Directors      |
| Amorim Japan Cooperation  | Director                                |
| Amorim Flooring Nordic A/S  | Director                                |
| Amorim Flooring (Switzerland) AG                                      | Chairman of the Board of Directors      |
| Amorim Deutschland, GmbH & Co. KG                                     | Manager                                 |
| CORCEMA Verwaltungs GmbH  | Manager                                 |
| Amorim Revestimentos, S.A.  | Chairman of the Board of Directors      |
| Amorim Industrial Solutions – Indústria de Cortiça e Borracha I, S.A. | Member of the Board of Directors        |
| Amorim Wood Suplies, GmbH   | Manager                                 |
| Corticeira Amorim, S.G.P.S., S.A.                                     | Vice-Chairman of the Board of Directors |
| Amorim Cork Composites, S.A.  | Member of the Board of Directors        |
| Amorim & Irmãos, S.G.P.S., S.A.                                       | Member of the Board of Directors        |
| Amorim & Irmãos, S.A.   | Member of the Board of Directors        |
| Amorim Natural Cork, S.A.   | Member of the Board of Directors        |
| Amorim Cork Research, Lda.  | Manager                                 |
| Dom KorKowy, Sp. Zo. O.   | Member of the Board of Directors        |
| Amorim Flooring North America Inc.                                    | Chairman of the Board of Directors      |
| Amorim Flooring Investment Inc.                                       | Chairman of the Board of Directors      |
| US Floors Inc.  | Observer to the Board of Directors      |



### Joaquim Ferreira de Amorim (Member):

| Company   | Position                                      |
|---|---|
| <b>CORTICEIRA AMORIM Group</b>                                |   |
| Amorim & Irmãos, S.G.P.S., S.A.                               | Vice-Chairman of the Board of Directors       |
| Amorim & Irmãos, S.A.   | Vice-Chairman of the Board of Directors       |
| S.A.M. Clignet & Cie  | Chairman of the Supervisory Board             |
| <b>Other Companies</b>  |   |
| Amorim – Investimentos e Participações, S.G.P.S., S.A.        | First Vice-Chairman of the Board of Directors |
| Amorim Capital, S.G.P.S., S.A.                                | Member of the Board of Directors              |
| Amorim Desenvolvimento, S.G.P.S., S.A.                        | Member of the Board of Directors              |
| Amorim – Entertainment e Gaming Internacional, S.G.P.S., S.A. | Member of the Board of Directors              |
| Amorim Turismo, S.G.P.S., S.A.                                | Vice-Chairman of the Board of Directors       |
| Amorim Turismo – Imobiliária, S.G.P.S., S.A.                  | Vice-Chairman of the Board of Directors       |
| Ancarin Investimentos Imobiliários e Financeiros, S.A.        | Chairman of the Board of Directors            |
| Casa de Mozelos Gestão de Imóveis, S.A.                       | Chairman of the Board of Directors            |
| CHT – Casino Hotel de Tróia, S.A.                             | Member of the Board of Directors              |
| Evalesco, S.G.P.S., S.A.                                      | Chairman of the Board of Directors            |
| Florinvest – Sociedade Agrícola, S.A.                         | Chairman of the Board of Directors            |
| FozPatrimónio – Sociedade Imobiliária e Turística, S.A.       | Member of the Board of Directors              |
| Goldtur – Hotéis e Turismo, S.A.                              | Member of the Board of Directors              |
| Grano Salis – Investimentos Turísticos, Jogo e Lazer, S.A.    | Member of the Board of Directors              |
| Interfamília II, S.G.P.S., S.A.                               | Chairman of the Board of Directors            |
| Investife – Investimentos Imobiliários, S.A.                  | Chairman of the Board of Directors            |
| Investife, S.G.P.S., S.A.                                     | Chairman of the Board of Directors            |
| Muchbeta, S.A.  | Chairman of the Board of Directors            |
| Norbrasin, Investimentos Imobiliários, S.A.                   | Chairman of the Board of Directors            |
| Prifalésia – Construção e Gestão de Hotéis, S.A.              | Member of the Board of Directors              |
| Resinfe – Investimentos e Promoção Imobiliária, S.A.          | Vice-Chairman of the Board of Directors       |
| Return – Investimentos Hoteleiros e Jogo, S.A.                | Member of the Board of Directors              |
| Sociedade Agrícola Triflor, S.A.                              | Chairman of the Board of Directors            |
| Sociedade Figueira Praia, S.A.                                | Member of the Board of Directors              |
| Tróia Península Investimentos, S.G.P.S., S.A.                 | Member of the Board of Directors              |
| Turyleader, S.G.P.S., S.A.                                    | Member of the Board of Directors              |

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

| Company  | Position                             |
|--|--------------------------------------|
| <b>Other Companies</b>                                 |                                      |
| Amorim Desenvolvimento, S.G.P.S., S.A.                 | Member of the Board of Directors     |
| Amorim – Investimentos e Participações, S.G.P.S., S.A. | Member of the Remuneration Committee |
| Amorim – Serviços e Gestão, S.A.                       | Member of the Remuneration Committee |
| Natureza – Investimentos e Participações, Lda.         | Manager                              |



Luísa Alexandra Ramos Amorim (Member):

| Company  | Position                         |
|--|----------------------------------|
| <b>Other Companies</b>   |                                  |
| Amorim Desenvolvimento, S.G.P.S., S.A.   | Member of the Board of Directors |
| Amorim – Investimentos e Participações, S.G.P.S., S.A.                               | Member of the Board of Directors |
| Bucozal – Investimentos Imobiliários e Turísticos, Lda.                              | Manager                          |
| Interfamília II, S.G.P.S., S.A.  | Member of the Board of Directors |
| Quinta Nova de Nossa Senhora Carmo – Sociedade Agrícola, Comercial e Turística, Lda. | Manager                          |

José da Silva Carvalho Neto (Member):

| Company   | Position                           |
|---|------------------------------------|
| <b>Other Companies</b>  |                                    |
| Alqueva Verde, S.A.   | Chairman of the Board of Directors |
| Amorim Broking – Investimentos e Participações Financeiras, S.A.                        | Chairman of the Board of Directors |
| Amorim Desenvolvimento, S.G.P.S., S.A.  | Member of the Board of Directors   |
| Amorim Energia, B.V.  | Director                           |
| Amorim Negócios Internacionais, S.A.  | Member of the Board of Directors   |
| Amorimgest, Lda.  | Manager                            |
| Bucozal – Investimentos Imobiliários e Turísticos, Lda.                                 | Manager                            |
| Caribbean Seafood – Trading e Marketing, S.A.   | Chairman of the Board of Directors |
| Investimentos Ibéricos, S.G.P.S., S.A.  | Chairman of the Board of Directors |
| Imoluanda, S.A.   | Chairman of the Board of Directors |
| Paisagem do Alqueva, S.A.   | Chairman of the Board of Directors |
| Natureza – Investimentos e Participações, Lda.  | Manager                            |
| Power, Oil & Gas Investments, BV  | Director                           |
| Quinta Nova de Nossa Senhora do Carmo – Sociedade Agrícola, Comercial e Turística, Lda. | Manager                            |
| Recato da Madeira – Investimentos Financeiros e Gestão, S.A.                            | Chairman of the Board of Directors |
| Viscolatex – Indústria e Comércio de Fios Têxteis, Lda.                                 | Manager                            |
| World Fun Telecom – Redes de Telefonía, Lda.  | Manager                            |

André de Castro Amorim (Member):

| Company   | Position                                    |
|---|---|
| <b>Other Companies</b>                                  |   |
| Evaesco, S.G.P.S., S.A.                                 | Vice-Chairman of the Board of Directors/CEO |
| Investife, S.G.P.S., S.A.                               | Vice-Chairman of the Board of Directors     |
| Investife – Investimentos Imobiliários, S.A.            | Vice-Chairman of the Board of Directors     |
| Florinvest, Sociedade Agrícola, S.A.                    | Vice-Chairman of the Board of Directors     |
| Norbrasin, Investimentos Imobiliários, S.A.             | Vice-Chairman of the Board of Directors     |
| Ancarin, Investimentos Imobiliários e Financeiros, S.A. | Vice-Chairman of the Board of Directors     |
| Casa de Mozelos, Gestão de Imóveis, S.A.                | Member of the Board of Directors            |
| Sociedade Agrícola Triflor, S.A.                        | Member of the Board of Directors            |
| Inacom, S.A.  | Member of the Board of Directors            |
| Muchbeta, S.A.  | Member of the Board of Directors            |

2.12. The identification of the members of the Supervisory Board by listing those members that comply with the incompatibility rules provided for in article 414/A/1 and the idependency criterion provided for in article 414/5, both from the Commercial Company Code.

**Composition of the Supervisory Board:**

**Chairman:** Durval Ferreira Marques

**Member:** Joaquim Alberto Hierro Lopes

**Member:** Gustavo José de Noronha da Costa Fernandes

**Substitute Member:** Alberto Manuel Duarte de Oliveira Pinto

All the permanent and substitute members of the Supervisory Board comply fully with the rules on incompatibility set out in no. 1 of article 414 of the Portuguese Companies Act and the criteria for independence set out in no. 5 of the same article.

2.13. The professional qualifications of the members of the Supervisory Board, the professional activities carried out by them, at least during the last five years, the number of company shares they hold and the commencement and end date of the first mandate.

**Durval Ferreira Marques (Chairman):**

He graduated in Economics from the Economy Faculty of the University of Porto. He has been a university lecturer in the field of technical education and an assistant technical professor at the Directorate General of Banco de Angola. For 25 years, he held management posts in South Africa in the financial, insurance, media and industrial sectors. He also represented the Portuguese Business Association in South Africa and Mozambique.

For the past five years, he has held management posts in a number of Portuguese companies.

**First appointment to the Supervisory Board:** May 28, 2007.

**End of mandate:** December 31, 2010.

As of December 31, 2008, he didn't held CORTICEIRA AMORIM shares.

**Joaquim Alberto Hierro Lopes (Member):**

He graduated in Accounting and Business Administration from the Higher Institute of Accounting and Business Administration of Porto. He also graduated in Mathematics from the Faculty of Sciences of the University of Porto, holds a Masters Degree in Business Administration from the University of Porto and attended courses in auditing and tax law.

He has lectured at the University of Porto. He was also Chairman of the board and a member of the Scientific Committee of Portugal's Higher Institute of Administration and Management (ISAG – Instituto Superior de Administração e Gestão). He has held senior management positions and has been a member of the board at a number of

Portuguese and international companies. In recent years, he has held senior executive positions in a number of companies belonging to the GED Group and has been Executive Manager of GED Partners since March 2008. He is also a member of the governing bodies of several companies.

**First appointment to the Supervisory Board:** May 28, 2007.

**End of mandate:** December 31, 2010.

As of December 31, 2008, he didn't held CORTICEIRA AMORIM shares.

**Gustavo José de Noronha da Costa Fernandes (Member):**

He is a lawyer based in Santa Maria da Feira, Portugal. He has held several senior positions in Portugal's Ordem dos Advogados (Law Society): member of the Porto District Commission (1992-1995), the Higher Commission (2002-2004) and the Porto Deontological Commission (2005-2007). He is a practicing lawyer and a director of the law firm Gustavo Fernandes, Domingos Leite e Associados.

**First appointment to the Supervisory Board:** May 28, 2007.

**End of mandate:** December 31, 2010.

As of December 31, 2008, he didn't held CORTICEIRA AMORIM shares.

**Alberto Manuel Duarte de Oliveira Pinto (Substitute Member):**

He graduated in Law from the Universidade Católica Portuguesa and was awarded a Master's Degree in the History of Africa by the Faculty of Letters of the University of Lisbon. In recent years, he has lectured at several higher education institutions: the Faculty of Letters of the University of Lisbon, the Faculty of Sciences and Technology of the University of Coimbra, Independent University and Autonomous University of Lisbon. He is the author of a number of essays, academic studies and works of fiction.

**First appointment to the Supervisory Board:** May 28, 2007.

**End of mandate:** December 31, 2010.

As of December 31, 2008, he didn't held CORTICEIRA AMORIM shares.

2.14. The duties that the members of the Supervisory Board carry out in other companies as well as those carried out in companies of the same holding.

**Durval Ferreira Marques (Chairman):**

| Company                                   | Position                                     |
|---|--|
| Other Companies<br>CIFIAL, S.G.P.S., S.A. | Chairman of the Board of the General Meeting |

Joaquim Alberto Hierro Lopes (Member):

| Company                                  | Position                         |
|--|----------------------------------|
| <b>Other Companies</b>                   |                                  |
| Aleastur – Asturiana de Aleaciones, S.A. | Member of the Board of Directors |
| GED Iberian Private Equity, S.A.         | Member of the Board of Directors |
| GED Partners II, SL                      | Member of the Board of Directors |
| GED Sur Capital, S.A.                    | Member of the Board of Directors |
| Neckicesa Packaging, S.A.                | Member of the Board of Directors |
| Serlima Services, S.A.                   | Member of the Board of Directors |
| Soprattuto Cafés, S.A.                   | Member of the Board of Directors |

Gustavo José de Noronha da Costa Fernandes (Member):

| Company  | Position |
|--|----------|
| <b>Other Companies</b>                         |          |
| Gustavo Fernandes, Domingos Leite e Associados | Manager  |
| Clínica Alcaide, Lda.                          | Manager  |

Alberto Oliveira Pinto (Substitute Member):

| Company                      | Position                        |
|------------------------------|---------------------------------|
| <b>Other Companies</b>       |                                 |
| Cimpomóvel Imobiliária, S.A. | Member of the Supervisory Board |

2.15 to 2.17 – Not applicable to the governance model adopted by CORTICEIRA AMORIM.

2.18. A description of the remuneration policy and the alignment of the directors' interests with those of the company and the performance assessment, distinguishing executive from non-executive directors, a summary and reasoning behind the company's policy on compensations negotiated on contracts or via transactions for cases of impeachment or severance pay.

Remuneration policy is structured to promote an alignment between the interests of board members and the interests of the company. The main component is fixed. A smaller, variable component is dependent on the results of the company's operating activities and its economic and financial situation.

The variable component of the remuneration of executive members of the Board of Directors corresponds to a bonus geared to how well the group performed in relation to targets, goals, strategic developments and priority initiatives set by the board over a time horizon of three years including respective annual abatements. This performance is

monitored using the Balanced Scorecard system (for additional information see point 2.3 – Business management structure). The method assesses performance on the basis of financial and non-financial indicators, with performance bonuses being awarded in line with the degree to which targets and objectives, which are defined for periods of three years, are met, allowing for annual abatements.

**2.19. Indication of the composition of the Remuneration Committee or similar body, whenever applicable, identifying the relevant members that are likewise members of the Board of Directors, as well as their spouses, next of kin up to and including third-degree lineage.**

CORTICEIRA AMORIM's Remuneration Board comprises a Chair and two board members, positions that have been occupied since December 31, 2008 by:

**Chairman:** José Manuel Ferreira Rios;

**Member:** Álvaro José da Silva;

**Member:** Américo Gustavo de Oliveira Ferreira.

All the members of this board are considered to be independent.

No member of this board, nor any of their respective spouses, direct family members or relatives to the third generation occupy positions in the governing bodies of CORTICEIRA AMORIM or in its subsidiaries.

**2.20. Indication of the individual and collective remuneration that amply includes performance pay bonuses earned by the members of the Board of Directors. The following information shall also be made available:**

- a) Exposition of the relative importance of the fixed and variable components of directors' remuneration and an indication of any possible deferment of payment of the variable component; the difference in the amounts attributed to executive and non-executive directors.

In 2008, the members of the Board of Directors collectively earned a total remuneration of €776,354:

- the executive members earned a total of €731,564 (€657,794 in fixed remuneration and €73,770 in variable remuneration) for their work as board members of CORTICEIRA AMORIM and as board members of associate or subsidiary companies that form part of the consolidated group;
- the non-executive members of the Board of Directors earned only a fixed remuneration, which collectively totalled €44,790, for their work as board members of CORTICEIRA AMORIM and as board members of associate or subsidiary companies that form part of the consolidated group.



Cork floor and wall coverings  
*Colour and design harmony combined with stylish, modern, high quality materials for interior decoration.*

On December 31, 2008, no deferment of any variable component of remuneration was envisaged.

**b) Adequate information on the connection between remuneration and performance. Identification of the main parameters and justifications for any system of annual bonuses and any non-monetary benefits:**

As described in point 2.18.

The variable component of the remuneration of executive members of the Board of Directors corresponds to a bonus geared to how well the group performed in relation to targets, goals, strategic developments and priority initiatives set by the board (over a time horizon of three years) including respective annual abatements. In 2008, an analysis of the level of attainment in regard to these targets led to the award of an annual bonus to the executive members of the Board of Directors that totalled €73,770.

**c) Adequate information on the criteria for awarding rights to shares, stock options or variable components of remuneration. The award of shares and/or rights to acquire options on shares and/or any other system of share incentives:**

No shares and/or rights to acquire options on shares were awarded. The company has no incentive system that envisages the award of shares.

**d) Remuneration paid in the form of profit sharing and/or the payment of bonuses and the reasons why such bonuses or profit shares were awarded:**

No remuneration was paid in the form of profit sharing. Remuneration paid in the form of bonuses was paid in the form of performance bonuses as described in paragraph b) above.

**e) Compensation paid or owed to former Executive Board members as a result of their ceasing their activities in 2008:**

No compensation was paid or is owed to former board members as a result of their ceasing their activities in 2008.

**f) Any amounts paid for any reason by other companies that control or have a group relationship with the company:**

The amounts stated in paragraph a) already include such amounts.

**g) A description of the main characteristics of complementary pension or early retirement schemes for board members:**

There are no complementary pension or early retirement schemes for board members.



**h) An estimate of significant non-monetary benefits considered to be remuneration but not covered by any of the circumstances previously described:**

There are no non-monetary benefits considered to be remuneration that are not included in the total amount of remuneration stated in paragraph a).

In 2008, the members of the Supervisory Board of CORTICEIRA AMORIM earned a total collective fixed remuneration of €42,900 that was determined and paid by the company. They were not awarded or paid any other amounts, for any reason, by the other companies that make up the CORTICEIRA AMORIM group.

**2.21. Individual information on the amounts payable, regardless of its nature, should the duties cease during the respective mandate, whenever they surpass the monthly salary by twofold.**

Should a board member cease exercising his or her role before their mandate has ended, the company does not envisage making any payment of any nature that is more than double the fixed monthly remuneration for any member of CORTICEIRA AMORIM's governing bodies.

**2.22. Information on the irregularities disclosure policy adopted by the company.**

In accordance with the regulations of CORTICEIRA AMORIM's Supervisory Board, shareholders, employees or other individuals or bodies should report irregularities to the Supervisory Board, which will deal with them appropriately.

Such communications should be addressed to:

**Supervisory Board of CORTICEIRA AMORIM, S.G.P.S., S.A.**

Address: Head office social of the company:

Rua de Meladas, no. 380 – P.O. Box 20

4536-902 MOZELOS

Telephone: + 351 227 475 400

The company ensures that the contents of such communications are initially seen only by the Supervisory Board (no member of staff is authorised to open correspondence addressed specifically to this body or to any of its individual members).

It is the duty of the Supervisory Board to analyse any reports of irregularities it receives and to solicit any clarifications it requires from the company's other governing bodies and structures. In dealing with concrete situations, it has the power to:



A CorkRubber gasket  
*compressible, flexible and durable – an excellent  
sealing product for the automobile industry.*

- suggest preventative measures to avert irregularities;
- report confirmed irregularities to the Board of Directors and to other bodies, both internal and external, in accordance with each specific situation.

Throughout the process, the company guarantees not to disclose the identity of those who report irregularities, unless they expressly declare they do not require anonymity.

CORTICEIRA AMORIM believes that: by (i) attributing these powers to the Supervisory Board – a body composed entirely of independent members, thus guaranteeing the impartial analysis and treatment of irregularities that may be reported to the company; (ii) not imposing any particular means of communication, but allowing those reporting irregularities to opt for the form of communication they find most suitable; (iii) by ensuring the protection of personal data and staff (scrupulously respecting the instructions of those reporting irregularities in regard to confidentiality) are measures that, while ensuring the reporting process remains simple, safeguard the rights of both those reporting irregularities and staff members, as well as ensuring the impartial investigation and clarification of the situations reported.

## Chapter III – Information

### 3.1. The equity structure including those shares that are not admitted to trading, the different category of shares, rights and duties of these shares and the equity percentage that each category represents.

CORTICEIRA AMORIM's share capital totals €133 million, comprising 133 million ordinary shares with a nominal value of €1 each and the right to dividends.

All shares issued by the company are admissible for trading by Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

3.2. Qualifying holdings in the issuer's equity calculated as per article 20 of the Securities Code.

Qualified shareholdings, as of December 31, 2008:

| Shareholder   | Shares Owned (quantity) | Holding (%) |
|---|-------------------------|-------------|
| Amorim Capital, S.G.P.S., S.A.                                | 90,162,161              | 67.791%     |
| Luxor – Sociedade Gestora de Participações Sociais, S.A.      | 3,069,230               | 2.308%      |
| Portus Securities – Sociedade Corretora, Lda.                 | 7,400,000               | 5.564%      |
| <i>Directly</i>   | 6,400,000               | 4.812%      |
| <i>Trough Sareholder/Director</i>                             | 1,000,000               | 0.752%      |
| Bestinver Gestión, SGIC, S.A. through the following holdings: | 6,752,309               | 5.077%      |
| <i>BESTINVER BOLSA, F.I.</i>                                  | 4,541,582               | 3.415%      |
| <i>BESTINFOND F.I.</i>  | 1,267,969               | 0.953%      |
| <i>BESTINVER MIXTO, F.I.</i>                                  | 545,929                 | 0.410%      |
| <i>SOIXA SICAV, S.A.</i>                                      | 163,296                 | 0.123%      |
| <i>TEXRENTA INVERSIONES SICAV, S.A.</i>                       | 31,111                  | 0.023%      |
| <i>CORFIN INVERSIONES SICAV, S.A.</i>                         | 25,103                  | 0.019%      |
| <i>RODAON INVERSIONES, SICAV, S.A.</i>                        | 21,602                  | 0.016%      |
| <i>TIBEST CINCO, SICAV, S.A.</i>                              | 18,965                  | 0.014%      |
| <i>INVERS. EN BOLSA SIGLO XXI, SICAV, S.A.</i>                | 17,209                  | 0.013%      |
| <i>ATON INVERSIONES SICAV, S.A.</i>                           | 13,384                  | 0.010%      |
| <i>TIGRIS INVERSIONES, SICAV, S.A.</i>                        | 11,805                  | 0.009%      |
| <i>MERCADAL DE VALORES SICAV, S.A.</i>                        | 11,691                  | 0.009%      |
| <i>H202 Inversiones SICAV, S.A.</i>                           | 10,875                  | 0.008%      |
| <i>DIVALSA DE INVERSIONES SICAV, S.A.</i>                     | 10,491                  | 0.008%      |
| <i>PASGOM INVERSIONES, SICAV, S.A.</i>                        | 9,645                   | 0.007%      |
| <i>ENTRECAR INVERSIONES, SICAV, S.A.</i>                      | 8,971                   | 0.007%      |
| <i>ACCS., CUPS. Y OBS. SEGOVIANAS, SICAV, S.A.</i>            | 7,224                   | 0.005%      |
| <i>Cartera Millennium SICAV, S.A.</i>                         | 6,592                   | 0.005%      |
| <i>CAMPO DE ORO, SICAV, S.A.</i>                              | 5,576                   | 0.004%      |
| <i>LINKER INVERSIONES, SICAV, S.A.</i>                        | 5,359                   | 0.004%      |
| <i>HELDALIN INVERSIONES SICAV, S.A.</i>                       | 4,133                   | 0.003%      |
| <i>ZAMARRON SICAV, S.A.</i>                                   | 4,068                   | 0.003%      |
| <i>Opec Inversiones, SICAV, S.A.</i>                          | 3,720                   | 0.003%      |
| <i>TAWARZAR 2-S2 SICAV, S.A.</i>                              | 3,440                   | 0.003%      |
| <i>IBERFARMA SICAV, S.A.</i>                                  | 2,569                   | 0.002%      |
| Total of the Qualified Shareholdings                          | 107,383,700             | 80.740%     |

On December 31, 2007, Amorim – Investimentos e Participações, S.G.P.S., S.A. owned an indirect shareholding in CORTICEIRA AMORIM of 90,162,161 shares, corresponding to 67.791% of the company's share capital. This indirect holding is owned through Amorim Capital – Sociedade Gestora de Participações Sociais, S.A.

Amorim – Investimentos e Participações, S.G.P.S., S.A. is 100% owned by Interfamília II, S.G.P.S., S.A.

On December 31, 2008, CORTICEIRA AMORIM owned 2,589,334 of its own shares registered as treasury stock.

**Additional information:** according to a statement issued on January 30, 2009, Commerzbank AG has indirectly held 9,203,387 CORTICEIRA AMORIM shares (6.92 per cent) through Dresdner Bank AG since January 12, 2009.

### 3.3. Identification of the shareholders that detain special rights and a description of those rights.

There are no company shares or shareholders with special rights.

### 3.4. Possible restrictions on share-transfer, i.e. consent clauses for their disposal or restrictions on share-ownership.

The articles of association do not impose any restrictions on the transmission of shares.

### 3.5. Shareholder agreements which the company may be aware of and that may restrict the transfer of securities or voting rights.

To the best of the company's knowledge, there are no partnership agreements that might lead to restrictions of this kind.

### 3.6. Rules applicable to the amendment of the articles of association.

The rules applying to the alteration of the articles of association are in accordance with Portuguese law, with the addition of the following specific provisions envisaged in the aforementioned articles: the company is managed by a Board of Directors made up of a chairman, a vice-chairman and from one to nine other members. This statutory regulation can be changed only with the approval of a majority of shareholders representing at least two-thirds of the company's share capital.

### 3.7. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by them.

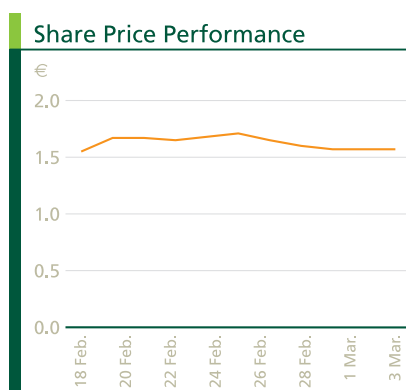
No control mechanisms are envisaged in this area.

3.8. Description concerning the evolution of the issuer's share price and taking the following into account:

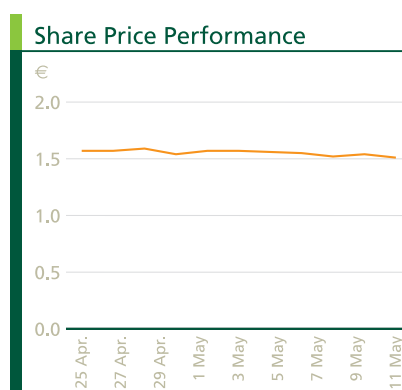
a) The issuance of shares or other securities that entitle the subscription or acquisition of shares

During 2008, the company didn't issue any shares or other securities that entitle the subscription or acquisition of shares.

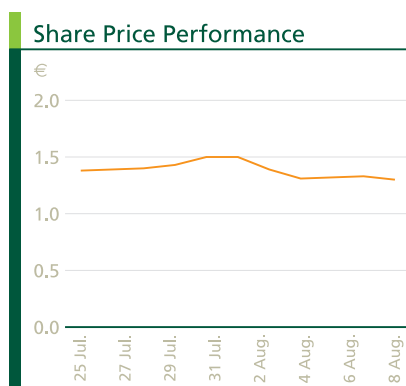
b) The outcome announcement



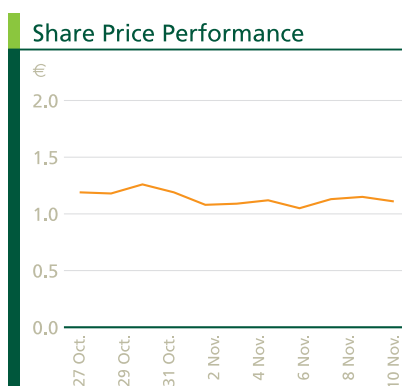
25-02-2008 – Information: activity and consolidated results for 2007 fiscal year.



05-05-2008 – Information: activity and consolidated results for 2008 first quarter.



01-08-2008 – Information: activity and consolidated results for 2008 first semester.



03-11-2008 – Information: activity and consolidated results for 2008 third quarter.

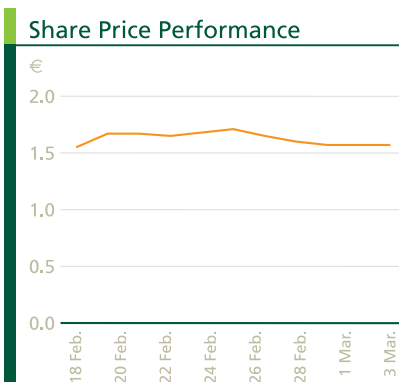


#### Cork applications:

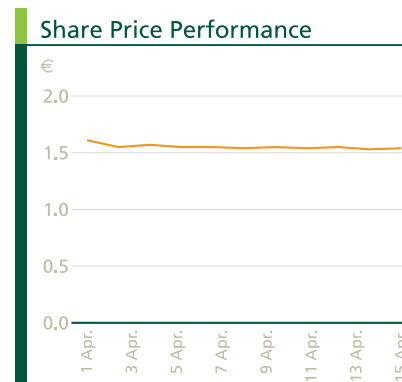
*An ancestral wisdom, a prodigious future.*

*Photo: F700 interior, the new concept car of Mercedes.*

#### c) The dividend payment for each share category including the net value per share

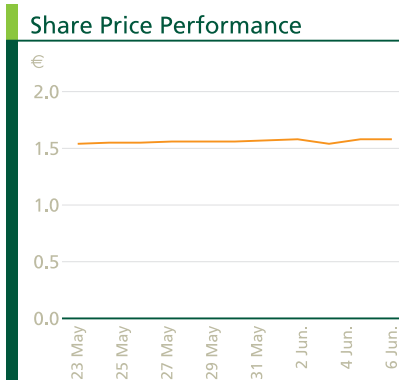


25-02-2008 – The Board of Directors proposes that the General Meeting of Shareholders approves a gross dividend of €0.06 per share.

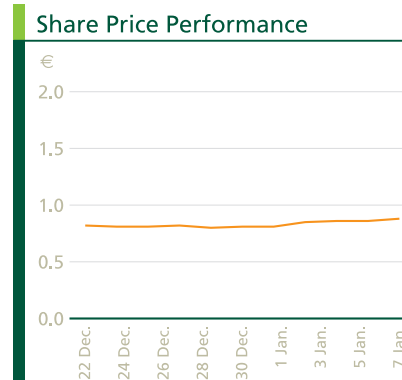


08-04-2008 – The announcement of a dividend payment (gross: €0.06/share; IRS/IRC: €0.012; net: €0.048). Own shares do not confer the right to dividends.

#### d) Other relevant information disclosure



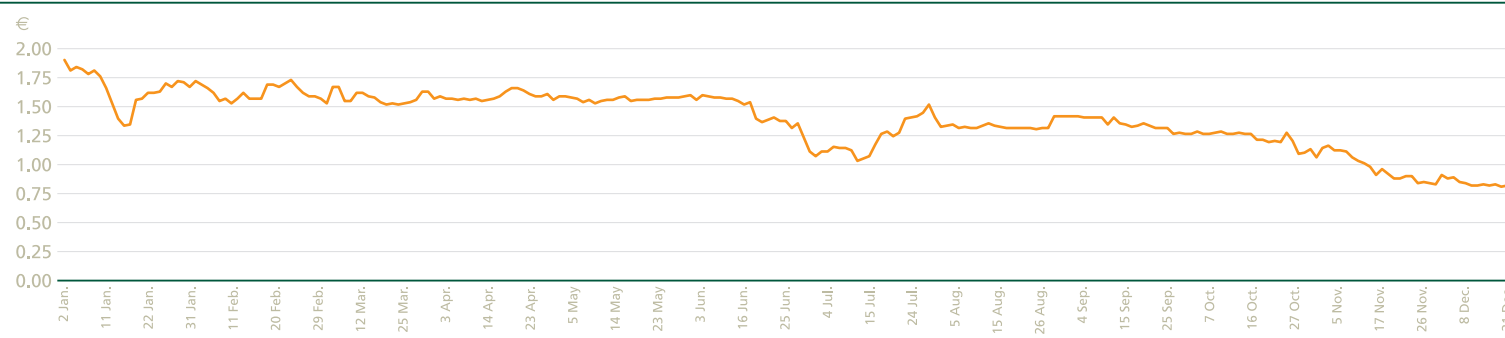
28-05-2008 – The acquisition, through the subsidiary Amorim Revestimentos, S.A., of 100% of the Cortex Group (Germany).



31-12-2008 – The acquisition, through the subsidiary Amorim Revestimentos, S.A., of 25% of US Floors Inc. (USA).



## Share Price Performance in 2008



Additional information about CORTICEIRA AMORIM's share price performance: Chapter 6 of the Consolidated Management Report.

### 3.9. Description of the dividend distribution policy adopted by the company, including the dividend value per share distributed during the last three periods.

Each year CORTICEIRA AMORIM gives due consideration, in the context of its operations – specifically net income, the level of indebtedness and future investment and financing requirements for ensuring adequate economic and financial balance – to the proposal for the appropriation of profits to be submitted to the general meeting.

#### CORTICEIRA AMORIM dividend performance – 2005 to 2007

|                                 | Unit   | 2005       | 2006       | 2007       |
|---------------------------------|--------|------------|------------|------------|
| Payed/available at              |        | 28-04-2006 | 30-04-2007 | 28-04-2008 |
| Total dividend                  | €1,000 | 6,650      | 7,315      | 7,980      |
| Payout ratio                    | %      | 42.2%      | 36.4%      | 34.3%      |
| Dividend per share              | €      | 0.050      | 0.055      | 0.060      |
| % of nominal value              | %      | 5.00%      | 5.50%      | 6.00%      |
| % of share price on December 31 | %      | 3.38%      | 2.81%      | 3.06%      |

3.10. A description of the main characteristics of the share and stock option plans adopted or valid for the financial year in question, the reason for adopting said scheme and details of the category and number of persons included in the scheme, share-assignment 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 to be distributed, the existence of incentives to purchase and/or exercise options, and the responsibilities of the Board of Directors for executing and/or changing the plan.

CORTICEIRA AMORIM has not adopted and does not currently operate any plan to award shares or options to acquire shares.

However, if such plans were to be proposed, they would be submitted for approval by the General Meeting of Shareholders.

3.11. A description of the main business data and transactions carried out between the company and the members of the Management and Supervisory Board, the owners of qualified holdings or parent companies, affiliates or group companies in an amount that is economically significant for any of the parties involved, except for those businesses or transactions that are cumulatively considered within the bounds of normal market conditions for similar transactions and are part of the company's current business.

There were no relevant transactions such as the described in this issue.

### 3.12. Reference to an Investor Assistance Unit or a similar service.

CORTICEIRA AMORIM remains, through its **Investor Relations Department**, in permanent contact with the market, respecting the principle of shareholder equality and preventing asymmetries in investor Access to information.

#### a) The role of said office

The Investor Relations Department is supervised by CORTICEIRA AMORIM'S Market Relations Representative and:

- regularly publishes analyses of the company's operations and financial results, co-ordinating and preparing a twice-yearly public presentation at the group's headquarters (in person or by audio-conference);
- publishes relevant facts;
- publishes information about the company's main stakeholders;
- handles inquiries from investors;
- participates in conferences and meetings with investors and analysts.

Investor relations initiatives in 2008 included:

- participation in Espírito Santo Investment's IBERIAN EVENT (Madrid, January);
- half-yearly presentations of the company's operations and financial results using an audio conferencing system, thereby facilitating interaction;
- one-to-one meetings at the invitation of investment banks and held at their installations;
- meetings at the company's installations with investors and analysts who toured the group's main industrial units.

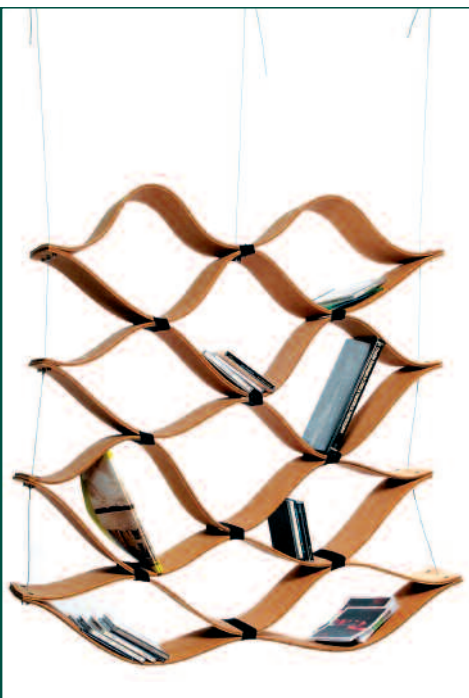
CORTICEIRA AMORIM uses the information technology at its disposal for the regular publication of economic and financial information, including analyses of the group's operations and financial results and its responses to specific questions raised by investors.

#### b) Type of information made available

- the company name, its public company status, head-office and remaining data provided for in article 171 of the Commercial Companies Code;
- Articles of Association;
- identification of the members of the Board of Directors and the Investor Relations Officer;
- the Investors Relations Department, its functions and access tools;
- financial reports for the previous five years, including annual report of the structure and practices of corporate governance;
- half-yearly calendar of corporate events disclosed at the beginning of each half-year;
- convening notices for general meetings, 30 days prior to the general meeting date;
- proposals submitted for discussion and vote at the general meeting during the 15 days prior to the general meeting date;
- form to exercise non-presencial vote;
- form for shareholders' proxy representation at the general meetings;
- disclosure of annual, half-yearly and quarterly financial information on the company's activities;
- market releases: results, relevant information, qualified holdings in the company's share capital;
- activity presentations for investors and market analysts.

In 2009, minutes and statistical information on shareholder attendance at General Meetings will also be made available (in accordance with the terms of CMVM Communication 156/EMIT/DMEI/2009/515) within five days of a Meeting taking place. Historical records covering more than three years will also be recovered and maintained.

CORTICEIRA AMORIM  
uses the information  
technology for the regular  
publication of economic  
and financial information.



**Design Cork for Future, Innovation and Sustainability**

*Designers, business managers and researchers devise strategies to raise the profile of cork and discover new markets.*

**c) Access means to the said Office**

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](mailto:corticeira.amorim@amorim.com).

**d) The company's website**

CORTICEIRA AMORIM makes available on the company's Internet website ([www.corticeiraamorim.com](http://www.corticeiraamorim.com)) a large collection of information about its corporate structure, its operations and its business performance, thus complying fully with the stipulations of article 4 of CMVM Regulation no. 1/2007.

**e) The market liaison officer's credentials**

Cristina Rios de Amorim Baptista is CORTICEIRA AMORIM's Market Relations Representative.

**3.13. Indication of the annual compensation paid to the auditor and to other individuals or groups that belong to the same network supported by the company and/or by any group that bears with it a control or group relationship and the percentage of the total amount paid for the following services:**

| Service                 | Value (thousand euros) | %     |
|-------------------------|------------------------|-------|
| Statutory auditing      | 396                    | 68.8  |
| Other auditing services | 61                     | 10.5  |
| Tax consulting          | 0                      | 0     |
| Other services          | 120                    | 20.7  |
| Total                   | 577                    | 100.0 |

“Other services” and “Tax consulting” essentially refer to support for the implementation of administrative mechanisms for complying with legal formalities.

The independence of these support services is not in question as the leadership of the projects they are engaged in is always assumed by the appropriate department of CORTICEIRA AMORIM.

**3.14. Information required under articles 447 and 448 of the Portuguese Companies Act:**

**a) CORTICEIRA AMORIM, S.G.P.S., S.A. shares owned or traded directly by members of the company's governing bodies:**

i) the director André de Castro Amorim, who at the time of his appointment to the Board of Directors, owned 245,038 CORTICEIRA AMORIM shares, acquired on the stock market on September 5, 2008, a further 14,000 shares in the company.

The amount paid was €18,900 (€1.35 per share). On December 31, 2008 he owned 259,038 shares in CORTICEIRA AMORIM;

ii) the other members of the governing bodies do not own and in 2008 did not trade any securities corresponding to the share capital of CORTICEIRA AMORIM.

**b) CORTICEIRA AMORIM shares owned and/or traded by companies in which members of the governing bodies hold management or supervisory positions:**

i) Luxor, S.G.P.S., S.A., of which the Chairman of the Board of Directors of CORTICEIRA AMORIM, António Rios de Amorim, is a board member, owned on December 31, 2008, 3,069,230 shares in CORTICEIRA AMORIM. Luxor did not trade any CORTICEIRA AMORIM's shares in 2008;

ii) Evalesco, S.G.P.S., S.A., of which Joaquim Ferreira de Amorim and André de Castro Amorim, CORTICEIRA AMORIM board members, owned 90,000 shares in CORTICEIRA AMORIM. Evalesco did not trade any CORTICEIRA AMORIM's shares in 2008;

iii) Sociedade Agrícola Triflor, S.A., of which Joaquim Ferreira de Amorim and André de Castro Amorim, CORTICEIRA AMORIM board members, owned 285,956 shares in CORTICEIRA AMORIM. Sociedade Agrícola Triflor did not trade any shares in CORTICEIRA AMORIM in 2008.

**c) Shareholders who own more than 10 percent of the company's share capital:**

In compliance with article 448 of The Portuguese Companies Act, it is hereby stated that Amorim Capital – Sociedade Gestora de Participações Sociais, S.A. owned on December 31, 2007, 90,162,161 shares in Corticeira Amorim, S.G.P.S., S.A., corresponding to 67.791% of its total share capital.

Mozelos, February 16, 2009

The Board of Directors of CORTICEIRA AMORIM, S.G.P.S., S.A.

**António Rios de Amorim**, *Chairman of the Board of Directors*

**Jorge Viriato de Freitas Barros Diniz Santos**, *Vice-Chairman of the Board of Directors*

**Joaquim Ferreira de Amorim**, *Member of the Board of Directors*

**Nuno Filipe Vilela Barroca de Oliveira**, *Member of the Board of Directors*

**Luísa Alexandra Ramos Amorim**, *Member of the Board of Directors*

**José da Silva Carvalho Neto**, *Member of the Board of Directors*

**André de Castro Amorim**, *Member of the Board of Directors*



“People thinking of themselves plant a eucalyptus; people thinking of their children plant a pine tree; people thinking of their grandchildren and future generations, plant a cork oak.”

*Portuguese proverb*

