

**GENERAL SHAREHOLDERS' MEETING OF MAY 23, 2022**

Chairman of the General Shareholders'  
Meeting of  
TEIXEIRA DUARTE, S.A.

**PROPOSAL PRESENTED WITHIN THE SCOPE OF THE FIFTH ITEM OF THE AGENDA**

WHEREAS:

- A. Under Article 399 of the Portuguese Companies Code and Article Eleven of the Company's Articles of Association, this Committee is tasked with submitting to the Shareholders' Meeting's approval a proposal regarding the policy for the compensation of the members of this Company's management and supervisory bodies, drawn-up under the terms and for the purposes set out in Articles 26-A to 26-F of the Securities Code;
- B. On May 24, 2021 the General Shareholders' Meeting approved a policy for the compensation of the members of the management and supervisory bodies of the Company, which is in force;
- C. After that approval, there occurred changes in the composition of both the Board of Directors and the Remunerations Committee of the Company;
- D. Also after the abovementioned General Meeting the legal framework governing the Policy on Compensation, specifically articles of the Securities Code, were amended,

Within the scope of the Fifth Item of the Agenda for the Shareholders' Meeting of "Teixeira Duarte, S.A.", the Remunerations Committee submits to the approval of the Shareholders' Meeting the Policy for the Compensation of the Members of the Managing and Supervisory Bodies of "TEIXEIRA DUARTE, S.A." which is attached hereto.

April 29, 2022

The Remunerations Committee

**POLICY FOR THE COMPENSATION OF THE MEMBERS OF THE  
MANAGING AND SUPERVISORY BODIES OF “TEIXEIRA DUARTE, S.A.”**

**I. POLICY SCOPE**

Considering the corporate model adopted by “Teixeira Duarte, S.A.” this Policy covers each member of the Board of Directors, the Supervisory Board and the Statutory Audit Firm.

**II. INTRODUCTION**

In drawing-up this “Policy for the Compensation of the Members of the Management and Supervisory Bodies”, the Remunerations Committee took into account, in addition to the applicable legal provisions, the historical identity and the context of the issue in the Teixeira Duarte Group over the years.

**III. BOARD OF DIRECTORS:**

**1. Contractual status**

The contractual situation of the Board members arises solely from the mandate for which they were elected by the Shareholders’ Meeting.

That notwithstanding, we hereby inform that two of the members of the Board of Directors – Manuel Maria Calainho de Azevedo Teixeira Duarte and Diogo Bebiano Branco de Sá Viana Rebelo – have employment contracts with other Teixeira Duarte Group companies, regardless of their suspension, in the applicable legal terms, at the time of their election to the corporate roles they perform in the Group.

It follows that there are no specific contractual determinations regarding advance notice periods, nor are there any clauses regulating termination or the payment of termination-related compensation, and therefore, the provisions established in the law are applicable.

Teixeira Duarte, S.A.'s Directors may only receive compensation, on whatever basis, from one of the following entities: "Teixeira Duarte, S.A.", "Teixeira Duarte – Engenharia e Construções, S.A." or "Teixeira Duarte – Gestão de Participações e Investimentos Imobiliários, S.A."

## **2. Goals of the Policy for the Compensation of the member of the Board of Directors**

In drawing-up this compensation policy regarding the members of the Board of Directors the goal was that the determination of the compensations under the terms set out herein contributes to the Company's corporate strategy, its long-term interests and sustainability.

### **a. Fixed remuneration**

The fixed remuneration shall be determined in accordance with the tasks performed for the Teixeira Duarte Group, as well as the compatibility with the employment and compensation terms and conditions for the Teixeira Duarte Group employees, in order to promote a sense of ownership and interconnection between the directors and employees and of them all with the Group's global strategy.

The fixed amount shall be awarded and payed in appropriate terms considering the employment conditions and compensation given to the employees of the Teixeira Duarte, Group

### **b. Variable remuneration**

This policy promotes a commitment of the members of the Board of Directors with the long-term business plan, not only because the fixed remuneration amounts and conditions are

integrated in the global context of the Teixeira Duarte Group's employees' compensation, but also because there is a variable and deferred component to the compensation, which is awarded and paid subject to the verification of conditions that reflect the Company's positive performance, assessed on the basis of concrete factors, measurable and considered to be references of the long-term sustainability and development of the Company, which are set out below.

The variable amount shall be set for each member of the Board of Directors as additional compensation and performance bonuses, and that component shall not depend on the trend in the prices of the Company's shares, but rather on the evolution of the Company's business development, on indicators such as operational results, return on assets and equity value, on the effort each of members puts into carrying-out the tasks and goals intrinsic to their role, as well as on the results of the financial year and the corresponding allocation policy.

None of the Directors is entitled to receive the variable component of their compensation until it has been specifically awarded by this Remuneration Committee. The payments will be made in installments of amounts and periods to be determined by this Committee and the payment of the deferred portions will be dependent on the continuation of the performance of the role by each of the members of the Board of Directors considered, whether in their own Company or in the provision of remunerated cooperation within the Group.

There will not be any capping mechanisms for the variable compensation in the event that the results show a relevant deterioration of the Company's performance in the latest ascertained financial year or that such relevant deterioration is expected in the current financial year.

However, the Committee may consider whether a significant portion of the variable component of the compensation shall be deferred for a period of no less than three years and

whether the corresponding payment shall be dependent on the continuation of the Company's positive performance during that period, as shown by the verification of at least one of the following factors, in accordance with the consolidated accounts:

- The average Operational Earnings (EBIT) in the following three financial years are over 110,000,000.00 Euro;
- The average ratio between Operational Earnings (EBIT) and the average assets in the following three financial years is over 7%;
- An equity increase attributable to the shareholder on December 31 of the third year following the year to which the deferred results correspond.

The possibility of the Company requesting the restitution of already paid variable compensation is not provided for.

**c. Other forms of compensation or benefits**

There is no plan for the allotment of shares and/or rights to acquire stock options and/or any other share incentive scheme.

In the overall remuneration of members of the Board of Directors, no amount is paid in the form of profit-sharing.

Directors may not benefit from insurance nor from the possibility of subscribing to flexible benefit plans and expense allowances, in terms similar to the remaining Group employees, as well as other complements.

There shall not be any other significant non-cash benefits besides those fixed by this Committee.

No amounts have been paid regarding Directors' dismissal or resignation, nor is the entitlement to any such payments provided for.

**d. Retirement and complementary retirement plans**

Regarding any retired former Directors, the Remunerations Committee is tasked with setting the amounts payed in that event, whatever their basis, and with reviewing those amounts annually.

As for complementary retirement plans, the Articles of Association set out in Article 22 transcribed below, the terms and criteria the Committee shall use to set those amounts:

*“ARTICLE TWENTY TWO*

*ONE - When the persons who have carried out the job of directors cease their functions, the Company may grant them a lifelong retirement pension, whenever they comply with one of the following requirements:*

- a) Have worked more than ten years assuming that function in this company, counting for this purpose, the years working in the same position in "TEIXEIRA DUARTE - Engenharia e Construções, S.A.";*
- b) Having, although with less time assuming that job, a total of more than twenty-five years of services rendered to the Company, counting for this purpose, the years working in "TEIXEIRA DUARTE - Engenharia e Construções, S.A.";*

*TWO - The amount of that pension, which will be determined taking into account the time or relevance of the services rendered and the situation of the beneficiary, shall be annually reviewed, but can never be higher than the highest remuneration earned at that time by the permanent directors.*

*THREE - By delegation of the General Meeting, as from now established, it will be the Remunerations Committee's duty referred in Article Eleventh, to appreciate the cases submitted and to fix the values and further procedures for the attribution of the pensions."*

The transcribed provision of the Articles of Association does not bar the Remunerations Committee from submitting such matters to the General Meeting, which has not been done because it was never shown to be necessary or appropriate considering the statutory provision.

For all due purposes, the Committee informs that, between the Company's incorporation in 2009 and the present date, the General Meeting has not approved any retirement benefit plans for the members of the corporate bodies, considering that that authority is expressly assigned to the Remunerations Committee, in the terms of the transcribed statutory provisions.

#### **IV. SUPERVISORY BOARD**

The Supervisory Board's contractual situation arises solely from the mandate for which they were elected by the Shareholders' Meeting.

Additionally, there are no complementary pension or early retirement plans in place for any of the members of the Supervisory Board.

Each of the members of the Supervisory Board shall, under the current regime set out in the Portuguese Companies Code, receive a fixed compensation for the performance of the duties intrinsic to their role set by this Remuneration Committee, and none of them shall receive any

other remuneration from “Teixeira Duarte, S.A.” or from any other company with which it has a control or group relationship, especially for any other services provided to these companies.

Similarly, and as mentioned above for the Board of Directors, there is no plan for the allotment of shares and/or rights to acquire stock options and/or any other share incentive scheme and no amount is paid in the form of profit-sharing or any other significant non-cash bonuses or benefits.

#### **V. STATUTORY AUDITOR**

The Company shall, following the resolution of the Shareholders’ Meeting to elect the Statutory Audit Firm, enter into an agreement with that entity for the provision of accounts auditing services.

The compensation of the Statutory Audit Firm shall be determined considering the services provided within its tasks established under the Law and the Articles of Association.

It should be noted, in this regard, that the same Statutory Audit Firm may also provide services, exclusively of the same kind of statutory auditing, to other companies within Teixeira Duarte Group, and receive the corresponding compensation, the total amount of which shall be disclosed pursuant to the applicable legal provisions.

Considering that the Supervisory Board has an active role in monitoring the work of the Statutory Audit Firm, the former shall be consulted to issue a statement regarding the amount of the compensation of the latter.

There are no complementary pension or early retirement plans in place for the Statutory Auditor, nor for any of the representatives of the Statutory Audit Firm elected for the role.

#### **VI. THE DECISION MAKING PROCESS**

The decision making process for the determination, revision and execution of this policy comprises meetings of the Remunerations Committee to discuss the issue without the interference of any other committee, entity, or corporate body. The amounts and criteria are determined under the terms set out above.

It is therefore on the basis of this compensation policy that this Committee shall determine the concrete and exact amounts of the compensation of the members of the referred-to management and supervisory bodies of the Company, in accordance with the personal judgement of its members, which shall be expressed in a resolution recorded in minutes, the content of which will then be transmitted to the Board of Directors for the purposes of being implemented in the strict terms determined by this Committee.

#### **VII. PUBLICATION OF THE COMPENSATION POLICY AND DISCLOSURE REGARDING COMPENSATIONS**

In fulfillment of Article 26-E of the Securities Code, this Compensation Policy is published on the Company's website, mentioning the voting results and the date when it was approved by the Shareholders' Meeting, and it remains available to the public for free, for at least as long as it is in effect.

The disclosure of the information relating to the remuneration of the members of the management and supervisory bodies shall be carried-out pursuant to the applicable legal provisions.

**VIII. DURATION OF THE COMPENSATION POLICY**

In compliance with the current law in force, this Compensation Policy must be revised, at least, in four years-time.

That notwithstanding, it bears mentioning that many of the aspects set out above aim at fulfilling applicable legal provisions, and are susceptible to the amendments to such provisions.

April 29, 2022

The Remunerations Committee