GETTING THE DEAL THROUGH

Corporate Governance

Board structures and directors' duties in 34 jurisdictions worldwide

2012

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Portugal

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Sources of corporate governance rules and practices

1 Primary sources of law, regulation and practice

What are the primary sources of law, regulation and practice relating to corporate governance?

In Portugal the primary sources relating to corporate governance are the Companies Code, the Securities Code, the EU directives and regulations, and the Comissão do Mercado de Valores Mobiliários (CMVM – the Portuguese SEC) regulations.

On a lower level there are also CMVM recommendations on good corporate governance and a few ethics codes from some Portuguese associations.

Furthermore, the Portuguese Corporate Governance Institute (IPCG) has recently put into public discussion its new Corporate Governance Code.

2 Responsible entities

What are the primary government agencies or other entities responsible for making such rules and enforcing them? Are there any well-known shareholder activist groups or proxy advisory firms whose views are often considered?

The primary entity responsible for preparing most of these rules and enforcing them is the CMVM. Most of the legislative intervention has been prepared by the regulator and subsequently approved by Parliament or the government.

The Portuguese securities market is not known for shareholder activism. Although in the past few years some shareholders' groups defending minority interests have formed, they act on a very limited basis and to defend interests in a specific company, which is not very relevant in the context of the Portuguese securities market.

The rights and equitable treatment of shareholders

3 Shareholder powers

What powers do shareholders have to appoint or remove directors or require the board to pursue a particular course of action?

The appointment of directors is a competence of the shareholders' meeting. Any shareholder can propose and submit to the shareholders' meeting a list of board member candidates and the shareholders will choose between lists of candidates submitted.

This means that the list of board members that obtains a higher number of votes will elect all of its members to the board. This system maximises the consensus between the shareholders and often a common list of candidates is formed by the biggest shareholders. In listed companies, the appointment of a director by minority shareholders is also foreseen by law.

In the event of the definitive absence of an elected director (due to resignation, dismissal, death, etc) the board of directors can appoint a new director to complete the current mandate. In any event, this appointment must be ratified by the shareholders in the immediately subsequent shareholders' meeting.

Concerning the removal of directors, the shareholders' meeting is competent to analyse and resolve upon a director's dismissal at any time. If a dismissal is due to just cause (breach of his or her legal or contractual duties), then no indemnification is due for termination of the mandate. If the dismissal is not based and justified on a just cause, the director will be entitled to receive an indemnification for termination, such amount being limited to the amount the director would receive until the end of his or her mandate.

There is one exception to this rule. If the board of directors structure comprises in itself the audit board members (comprising non-executive directors who are simultaneously board members and audit board members), due to the nature of their mission and competences, these members cannot be dismissed except for just cause.

Regarding the course of action of the company, Portuguese law clearly identifies that all management acts or decisions are reserved to the board of directors. Any management resolution taken by the shareholders' meeting will be deemed null and void. Exception is made to the situations in which the board of directors requires the shareholders' meeting to analyse and resolve upon specific matters.

4 Shareholder decisions

What decisions must be reserved to the shareholders? What matters are required to be subject to a non-binding shareholder vote?

The decisions reserved to the shareholders are the following:

- appointment and dismissal of the directors and audit board members;
- approval of the annual management report and accounts;
- distribution of dividends;
- amendments to the articles of association (herein comprising the share capital increases or reductions, change of head office, corporate object and denomination);
- merger, demerger, conversion to a different type of company and winding up of the company; and
- issue of bonds and other securities.

Furthermore, the shareholders' meeting can resolve upon any matter submitted to it by the board of directors.

There are no matters required to be subjected to a non-binding shareholder vote.

5 Disproportionate voting rights

To what extent are disproportionate voting rights or limits on the exercise of voting rights allowed?

The Companies Code provides that the articles of association may establish that:

- the ownership of a minimum number of shares is required to grant a voting right, as long as at least one vote is granted to each €1,000 of share capital; and
- votes are capped to a certain number if issued by (any) one shareholder (by itself or in representation of others).

Shareholders not holding a sufficient number of shares to participate can designate a common representative to fulfil the minimum number of shares criteria (if existent).

6 Shareholders' meetings and voting

Are there any special requirements for shareholders to participate in general meetings of shareholders or to vote?

Pursuant to the Securities Code, whose 2010 amendment Decree-Law has transposed Directive No. 2007/36/CE, in listed companies shareholders who are registered at least five days before the shareholders' meeting are entitled to vote. The exercise of the voting right will be allowed even if the shareholder, between this date and the shareholders' meeting, sells his shares (being in this case obliged to communicate such sale immediately to the chairman of the shareholders' meeting). This regime has replaced the former blocking of shares system.

To be allowed to participate, the shareholder wishing to participate must notify the chairman of the shareholders' meeting and the financial intermediary in which his shares are registered at least six days before the shareholders' meeting.

Regarding non-listed companies, the articles of association can (and often do) establish that the participation of a shareholder in the meeting will depend on proof of the shareholder's quality made with a few days' prior notice (usually five days). Such proof can be made by certificate issued by a financial intermediary or by certificate issued by the company itself (in case of shares previously deposited with the company for this purpose solely). In this case, the shares will be deemed blocked until the shareholders' meeting date and any sale of shares will determine the impossibility of such shareholder to participate in the meeting.

7 Shareholders and the board

Are shareholders able to require meetings of shareholders to be convened, resolutions to be put to shareholders against the wishes of the board or the board to circulate statements by dissident shareholders?

Any shareholder holding at least 5 per cent of the share capital can request the call of a shareholders' meeting or the addition of items to the agenda to be discussed in a convened meeting.

The request to add items to the agenda must be addressed to the chairman of the shareholders' meeting in writing and submitted within five days of the last-published meeting notification date.

In the case of listed companies, the shareholding minimum threshold falls to 2 per cent and the request addressed to the chairman of the shareholders' meeting must be supported by a resolution proposal.

8 Controlling shareholders' duties

Do controlling shareholders owe duties to the company or to non-controlling shareholders? If so, can an enforcement action against controlling shareholders for breach of these duties be brought?

In the case of a company with its capital materialised in bearer shares, any shareholder who has acquired 10, 33.3 or 50 per cent of the share capital must inform the company of such fact. Falling below those thresholds must also be reported.

Furthermore, if a company holds shares (regardless of being bearer or nominative shares) of another company representative of more than 90 per cent of its share capital, it must inform the subsidiary of such fact.

There are no specific penalties for the breach of these information duties and no enforcement action can be brought against the controlling shareholders.

9 Shareholder responsibility

Can shareholders ever be held responsible for the acts or omissions of the company?

The Companies Code determines that if a company owns the entirety of the share capital of another company, it forms a group with the subsidiary. One of the consequences of being a group is that the fully controlling shareholder is deemed liable for the obligations of the subsidiary from the date of full ownership onwards while this situation persists. This liability is subsidiary, which means that payment cannot be demanded from the controlling shareholder until the subsidiary has entered into default.

It should be noted also that this rule is only applicable if both companies (the controlling shareholder and the subsidiary) are Portuguese companies.

Corporate control

10 Anti-takeover devices

Are anti-takeover devices permitted?

The general rule of the Portuguese Securities Code is that from the moment the company has knowledge that a public offer has been launched over its securities and until the term of such offer, the board of directors will be prohibited from performing any acts that may alter in relevant terms the asset or financial situation of the target company, so as not to frustrate the offer.

The following are deemed by the Code as acts with relevant impact: the issue of shares or new securities granting the right to issue shares, and the execution of agreements envisaging the sale of important stakes of the company assets.

In any event, the shareholders' meeting may resolve to adopt whatever measures it so wishes.

On a recommendatory basis, the CMVM emphasises that any measures adopted to frustrate a public offer must respect the interests of the company and of its shareholders. Accordingly, it recommends that if the articles of association foresee a limitation in the number of votes that may be cast or held by a sole shareholder, it must also foresee that, at least every five years, such rule will be subject to review by the shareholders' meeting (resolution in which the votes should be cast and counted without any limitation being applicable).

The CMVM further recommends that no defensive measures should be taken if their result is to automatically depreciate the company's assets in case of control takeover or in case of change in the composition of the board of directors.

11 Issuance of new shares

May the board be permitted to issue new shares without shareholder approval? Do shareholders have pre-emptive rights to acquire newly issued shares?

The articles of association can allow the board of directors to resolve upon one or more share capital increases up to a certain amount (solely by new cash entries), thus not being subject to shareholders' scrutiny. The articles must establish the maximum amount permitted, the deadline for the exercise of such competence (not exceeding five years from granting) and the type and rights of shares to be issued. The projected resolution of the board of directors must be subject to the analysis of the audit board.

In any cash share capital increase the company shareholders have a pre-emption right proportional to their shareholding. Higher subscription requests can be satisfied pro rata (if possible and applicable).

12 Restrictions on the transfer of fully paid shares

Are restrictions on the transfer of fully paid shares permitted, and if so what restrictions are commonly adopted?

On listed companies no restrictions are permitted. On non-listed companies it is possible that, solely for nominative shares, the transfer of shares is subject to the company consent, to other shareholders' pre-emption right, or even to the observation of previous requirements in accordance with the social interest. Any of these restrictive conditions must be included in the share certificates or registered in the securities registry account where the shares are registered in order to be known and applicable to any third parties (acting in good faith).

These restrictions are not commonly adopted in the articles of association. They are more common in shareholders' agreements.

13 Compulsory repurchase rules

Are compulsory share repurchase rules allowed? Can they be made mandatory in certain circumstances?

Portuguese corporate law allows for the issue of preferential redeemable shares, in which case the company can be made to buy back these shares.

14 Dissenters' rights

Do shareholders have appraisal rights?

If the articles of association so establish, the shareholders who have voted against the merger project may demand, within one month from the resolution date, that the company acquires or provides for the acquisition of his shares. The price per share will be determined by an independent chartered accountant.

Further, in the event of the acquisition of 90 per cent or more of the share capital of a company by another company, the minority shareholders may request, at any time, that the dominant shareholder acquire his shares within 30 days. In case of a lack of proposal, the minority shareholders can request that a court of law deem their minority shareholdings acquired by the controlling shareholder and the price per share determined by an independent chartered accountant.

The responsibilities of the board (supervisory)

15 Board structure

Is the predominant board structure for listed companies best categorised as one-tier or two-tier?

Almost all of the listed companies in Portugal adopt a one-tier board structure. Only one of the 20 major listed companies in Portugal has adopted a two-tier board structure (comprising an executive board of directors and a supervisory board).

In Portugal one-tier structures comprise two different models: the Latin model, comprising a board of directors (holding executive and non-executive members) and a separate audit board; and the Anglo-Saxon model, comprising a board of directors (holding executive and non-executive members) where some non-executive members also perform audit functions (functioning as an audit committee).

16 Board's legal responsibilities

What are the board's primary legal responsibilities?

The primary legal responsibility of the board of directors is to set out the company's strategic objectives (in accordance with its corporate objective), thus ensuring they are achieved (always complying with the applicable law and the company articles of association).

17 Board obligees

Whom does the board represent and to whom does it owe legal duties?

All members of the board of directors have a primary duty towards the company.

Directors have to comply with duties of care, showing availability, competence and knowledge of the company activity adequate to the function and acting diligently, and duties of loyalty, acting in the interest of the company and considering long-term interests of the shareholders and acknowledging the interests of other stakeholders, such as the employees, clients and creditors.

Corporate law rules are, therefore, very clear in prioritising that the first and strongest interest that the directors must attend to is the company's interest. The shareholders' interest is considered as a second level of importance and the other stakeholders' interest as a third level of importance.

18 Enforcement action against directors

Can an enforcement action against directors be brought by, or on behalf of, those to whom duties are owed?

Directors are liable towards the company, shareholders, creditors and other stakeholders for the damages their actions or omissions cause them. Accordingly, each and every one of these entities may file a lawsuit against a director to claim for damages suffered. Creditors have a specification, however: directors' liability exists if by breach of their legal or contractual duties the corporate assets basis have become insufficient to pay for the company's debts.

Furthermore, shareholders of the company (holding more than 5 per cent in the case of non-listed companies and 2 per cent in case of listed companies) may file a lawsuit against the directors on behalf of the company aiming for the repair of the damages the company has suffered. Accordingly, any indemnification determined to be paid by the court of law is to be received by the company and not by the claimant shareholders.

Board members' liability is deemed excluded if the directors effectively prove that they have acted in informed terms, free from any personal interest and in accordance with business criteria. This rule reflects the introduction in the Portuguese corporate law of the long-applied in the US 'business judgement rule', but with one main and important difference: the burden of proof relies upon the director. This is because Portugal traditionally has a very low litigation history against directors and also because the dissemination of information is more limited than in the US, which means that in Portugal the directors have better tools to defend themselves than the claimants would have to prove the directors' guilt and faulty action.

19 Care and prudence

Do the board's duties include a care or prudence element?

As referred to in question 17, the directors have to comply with a duty of care.

20 Board member duties

To what extent do the duties of individual members of the board differ?

Corporate law establishes that executive directors are in charge of the daily management and non-executives' primary function is to analyse and evaluate the performance of executive directors or the members of the executive committee.

Furthermore, non-executive board members in the Anglo-Saxon model, along with the definition of the strategy to be followed by the company, are also responsible for auditing the executive directors or executive committee activity.

Notwithstanding, all the board members are jointly liable for the resolutions taken by the board, unless they have voted against such resolution and explained in writing their reasons for doing so.

21 Delegation of board responsibilities

To what extent can the board delegate responsibilities to management, a board committee or board members, or other persons?

Delegation of powers in specific directors or in an executive committee is permitted by law. Most commonly listed companies tend to delegate the daily management in an executive committee and this is the behaviour recommended by the CMVM.

The delegation of powers to an executive committee does not prevent the board from resolving upon the matters that have been delegated.

In any event, the following matters cannot be delegated:

- appointment of the board chairman;
- appointment of directors in case of definitive absence of one member of the board;
- request to the chairman of the shareholders' meeting for the call of a meeting;
- approval of the management report and annual accounts;
- provision of guarantees;
- change of head office and approval of share capital increases; and
- merger projects, demerger projects or conversion of company's projects.

In addition, on a recommendatory level, the CMVM recommends that there should not be delegation in matters related to the definition of the company strategy and general policies, definition of the structure of the group, or decisions deemed strategic due to the amount involved, the risk to be undertaken or to any other specific characteristics. The CMVM further recommends that the annual governance report identifies the delegated powers.

22 Non-executive and independent directors

Is there a minimum number of 'non-executive' or 'independent' directors required by law, regulation or listing requirement? If so, what is the definition of 'non-executive' and 'independent' directors and how do their responsibilities differ from executive directors?

On a corporate law level there is no requirement for a company to have non-executive or independent directors.

On a recommendatory level, the CMVM corporate governance recommendations establish that the board of directors should have a number of non-executives to guarantee effective supervision and evaluation of the activity of the executive members.

It further recommends that among the non-executives members there should be an adequate number of independents, at least in a number not inferior to a quarter of the total number of directors.

The Portuguese Companies Code establishes that a member is independent if he is not associated with any group of interests in the company and is not in a position that affects his independence of analysis or decision, namely by virtue of:

- being holder or act on behalf of an holder of more than 2 per cent of the share capital of the company; or
- have been re-elected for more than two mandates.

23 Board composition

Are there criteria that individual directors or the board as a whole must fulfil? Are there any disclosure requirements relating to board composition?

There are no specific criteria that individual directors must fulfil. In any event, general duties require the directors to have the availability, competence and knowledge of the company activity adequate to the function.

Concerning disclosure requirements, upon discussion of election of the board of directors, the shareholders proposing the list of members must provide information on the proposed members and a curriculum vitae is commonly disclosed.

Furthermore, for listed companies, the corporate governance annual report includes a curriculum vitae of each director.

24 Board leadership

Do law, regulation, listing rules or practice require separation of the functions of board chairman and CEO? If flexibility on board leadership is allowed, what is generally recognised as best practice and what is the common practice?

No corporate law or regulation requires the separation of the functions of CEO and chairman of the board.

On a recommendatory level, the CMVM merely recommends that if the chairman of the board has executive functions, the board must find efficient mechanisms for the coordination of the works of the non-executive members and such mechanisms should be made explicit in the annual governance report.

25 Board committees

What board committees are mandatory? What board committees are allowed? Are there mandatory requirements for committee composition?

On the one-tier Latin model there are no mandatory board committees. On the one-tier Anglo-Saxon model within the board of directors it is mandatory to have an audit committee. On the two-tier model there are no mandatory board committees on the executive board but on the supervisory board of listed companies there is a mandatory committee for financial matters.

Within the one-tier model corporate law specifically foresees the possibility of implementation of an executive committee. Other committees are not forbidden and can therefore be implemented.

On a recommendatory level, the CMVM recommends that the board of directors implement committees that provide for an evaluation of the performance of the executive directors and of the board itself, an analysis of the efficiency of the corporate governance model adopted and to propose measures to reinforce its efficiency, and the identification of candidates with the profile and potential to perform as directors of the company.

Regarding mandatory requirements for committee composition, corporate law requires that, for large companies, the audit committee in the Anglo-Saxon model and the committee for financial matters in the two-tier model must have at least one independent member and one member with specific knowledge of accounting and auditing. In the case of listed companies, the majority of the members of the audit committee in the Anglo-Saxon model and of the committee for financial matters in the two-tier model must be independent.

On a recommendatory level, the CMVM recommends that the chairman of the audit committee of listed companies should be independent and that all members of the remuneration committee should be independent and at least one of them should have experience in remuneration policies.

Furthermore, the CMVM also recommends that at least a quarter of the board of directors should be composed of independent members.

Pursuant to CMVM Regulation 1/2010, the existence of board committees and their composition must be disclosed in the annual governance report.

26 Board meetings

Is a minimum or set number of board meetings per year required by law, regulation or listing requirement?

The board of directors shall meet the minimum number of times defined in the articles of association. Where a number is not established, corporate law determines that the board should meet at least once a month. It shall also meet when convened by the chairman or any two of its members.

27 Board practices

Is disclosure of board practices required by law, regulation or listing requirement?

Pursuant to CMVM Regulation 1/2010, the company must indicate in the annual corporate report if the company has approved any internal regulations for corporate bodies and how the shareholders can consult them.

Furthermore, pursuant to the same regulation, the number of board meetings must be disclosed in the annual governance report.

28 Remuneration of directors

How is remuneration of directors determined? Is there any law, regulation, listing requirement or practice that affects the remuneration of directors, the length of directors' service contracts, loans to directors or other transactions between the company and any director?

Portuguese corporate law and soft law extensively deals with all the subjects referred to in this question.

Portugal is one of the countries in which 'say-on-pay' is effectively empowered to the shareholders. The determination of the remuneration of the directors (executive or non-executive) is a competence of the shareholders' meeting or of a remuneration committee appointed by the shareholders' meeting. This means it is the shareholders who, directly or indirectly, effectively determine the remuneration of the directors.

Furthermore, as it is common that in listed companies the directors' remuneration is set by a remuneration committee, it is mandatory that the shareholders' meeting approve annually a declaration on the remuneration policy for the directors and members of the audit committee. This declaration must contain information regarding:

- the mechanisms that allow for the alignment of interests of the directors with the company interests;
- the criteria for definition of the variable remuneration;
- the existence of stock option plans;
- the possibility of payment of the variable remuneration after closing of the accounts of all the mandate; and
- the mechanisms of limitation of the variable remuneration in case the results show a relevant deterioration of the company performance in the last exercise.

On this subject, the CMVM recommends further that the payments due for the termination of office by agreement must also be considered in this declaration.

The remuneration of the directors can be fixed or can partly consist of a percentage of the yearly profits of the company.

On the one-tier Anglo-Saxon model the remuneration of the non-executive directors who are members of the audit committee must be fixed. The same occurs with the members of the supervisory board on the two-tier model. This is because these members hold audit functions that are not compatible with a variable remuneration.

The CMVM recommends that the remuneration must allow for the alignment of the interests of the directors with the long-term interests of the company, be based on a performance evaluation and should not incentivise the excessive assumption of risk. To such effect, the following should be considered:

- the remuneration of the executive directors should include a variable portion depending on a performance evaluation, based on predetermined measurable criteria, which should consider the company's growth, the company's long-term sustainability and the risks assumed;
- the variable remuneration must be reasonable when compared with the fixed remuneration;
- a significant part of the variable remuneration should be paid over a period of not less than three years and its payment should be dependent on the positive performance of the company during such period;
- the board members should not execute any contracts with the company capable of reducing the risk of variation of the remuneration;
- up to the term of their mandate, the executive directors should keep the company shares received as remuneration, up to a limit of two times their annual remuneration;
- if the remuneration comprises the granting of stock options, then their maturity period should be of at least three years;
- it should be established that in case of inadequate performance of a director, no compensation should be paid; and
- the remuneration of the non-executive members of the board should not include any component whose amount is dependant from the performance or the value of the company.

Furthermore, the remuneration of the directors of listed companies must be disclosed in the annual accounts or in the corporate governance report, in aggregate and on an individual basis. In addition, the CMVM recommends that the remuneration received in other companies of the group should also be disclosed.

29 Remuneration of senior management

How is the remuneration of the most senior management determined? Is there any law, regulation, listing requirement or practice that affects the remuneration of senior managers, loans to senior managers or other transactions between the company and senior managers?

There is no law or regulation affecting the determination of the remuneration of the senior management.

Notwithstanding, companies must reveal in their annual corporate governance report any agreements with directors or employees that foresee indemnifications for dismissal subsequent to a public offer (golden parachutes).

Furthermore, the CMVM recommends that the remuneration of senior management that is also composed of an important variable part is also subject to the shareholders' meeting declaration referred to in question 28.

30 D&O liability insurance

Is directors' and officers' liability insurance permitted or common practice? Can the company pay the premiums?

In Portugal, directors of companies must provide a guarantee supporting the liability inherent to their management activity.

In the case of listed companies this guarantee is a minimum amount of €250,000. Notwithstanding, provision of this guarantee can be replaced by the contracting of an insurance policy. This insurance policy is broader then the existing D&O policies, as it covers for all damages, including those caused wilfully by the director (which the D&O policies tend to exclude).

The premium for this €250,000 liability coverage cannot be paid by the company. In any event, if the director requests higher coverage, the amount exceeding the €250,000 coverage can be paid by the company.

31 Indemnification of directors and officers

Are there any constraints on the company indemnifying directors and officers in respect of liabilities incurred in their professional capacity? If not, are such indemnities common?

The liability of the director is personal and cannot be undertaken by the company. The maximum the company can provide for is the contracting of a D&O insurance policy in the terms identified in the answer to question 30.

Update and trends

The Portuguese Corporate Governance Institute has recently put into public discussion its new Corporate Governance Code.

This will be the first Corporate Governance Code emerging from a civil law association aiming to reach the companies (namely the listed companies) and become an alternative to the CMVM Governance Code.

According to CMVM regulations, listed companies can opt to comply (or explain) with any of the existing governance codes, thus creating a viable and credible alternative for the Portuguese listed companies to consider.

This new IPCG Governance Code is expected to be approved in 2012, with companies to be compliant by 2013.

32 Exculpation of directors and officers

To what extent may companies or shareholders preclude or limit the liability of directors and officers?

The liability of directors cannot be excluded or limited. Any clause within the articles of association or elsewhere which excludes or limits the directors' liability is deemed null and void.

If the directors' liability is against the company, the company may only renounce to its indemnification right if that is resolved by the shareholders' meeting with a majority of votes of more than 90 per cent of the share capital.

33 Employees

What role do employees play in corporate governance?

The role of employees in corporate governance is very limited.

Neither the one-tier nor the two-tier model employees are entitled to be represented at the board of directors or supervisory board level.

The employees' capacity to be heard in corporate matters is limited to the merger and demerger processes, but even then just to express a non-binding opinion.

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Disclosure and transparency

34 Corporate charter and by-laws

Are the corporate charter and by-laws of companies publicly available? If so, where?

The articles of association of a company is public information, are subject to mandatory registration and can be obtained by any person upon request to the commercial registry office.

35 Company information

What information must companies publicly disclose? How often must disclosure be made?

Non-listed companies must provide accounting information on an annual basis and the accounts will be permanently available to any third party to consult.

Listed companies must provide accounting and financial information each semester (some of them every quarter). Furthermore, any corporate facts (notice calls, shareholders meetings, mergers, demergers, share capital increases, amendment of articles of association, etc) and in general any facts that might have an impact on the value of the shares must be disclosed.

Hot topics

36 Say-on-pay

Do shareholders have an advisory or other vote regarding executive remuneration? How frequently may they vote?

In Portugal directors' remuneration is determined, directly or indirectly, by the shareholders' meeting (see question 28).

37 Proxy solicitation

Do shareholders have the ability to nominate directors without incurring the expense of proxy solicitation?

The Portuguese market has not yet seen proxy solicitation firms acting actively and proxy solicitation cannot be conducted by the board of directors.

Portuguese law allows for proxy representation in a shareholders' meeting, the shareholders being able to appoint any person to represent them, even directors of the company (but not members of the audit committee or of the supervisory board).

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