

**ANNUAL GENERAL MEETING OF SHAREHOLDERS  
5 May 2011**

**NOVABASE - Sociedade Gestora de Participações Sociais, S.A.**

**Public Company**

Registered Office: Av. D. João II, lote 1.03.2.3, Parque das Nações, Lisboa

Share Capital: 15,700,697 Euros

Lisbon Commercial Registry inscription and corporation number 502280182

**PROPOSAL OF THE REMUNERATIONS COMMITTEE**

ITEM 6 ON THE AGENDA:

**To resolve on the Remuneration Committee report on the remuneration policy for the 2010 financial year, and to approve the remuneration policy for members of the management and supervisory bodies of the Company pursuant to Law no. 28/2009 of 19 June 2009 and other applicable rules.**

**Whereas:**

- (A) The Remunerations Committee, as appointed by the shareholders, shall determine the remuneration of the members of the management and supervisory bodies in accordance with articles 399 and 422 of the Portuguese Companies Code;
- (B) Law no. 28/2009 of 19 June 2009 establishes that remunerations committees of issuers of securities admitted to trading on a regulated market must submit, each year, to the approval of the general meeting of shareholders a declaration on the remuneration policy for members of their management and supervisory bodies;

We propose that the General Meeting of Shareholders resolve on the Remunerations Committee report on the remuneration policy for the 2010 financial year and approve the declaration of the same Remunerations Committee on the remuneration policy for members of the management and supervisory bodies pursuant to Law no. 28/2009 of 19 June 2009 and other applicable rules, as detailed in the document attached hereto.

Lisbon, 31 March 2011

THE REMUNERATIONS COMMITTEE

## **Report from the Remunerations Committee for the year 2010 and Recommendations for the Remuneration Policy for the year 2011.**

The Remunerations Committee (RC) of Novabase SGPS held one meeting in 2010, on 12 May 2010, at the company's head offices.

This Committee is composed by Dr. Francisco Luis Murteira Nabo (Chairman) and members Dr. Pedro Rebelo de Sousa and Eng<sup>o</sup> João Quadros Saldanha. All members were present at the referred meeting held in 2010.

The work of the RC was guided in 2010 by the stipulated in the remuneration policies approved by the Annual Shareholders Meeting of 20 April 2006. These policies were reinforced for the triennium 2009-2011 of the corporate bodies, in the report presented by this Remunerations Committee to the Shareholders on the Annual Shareholders Meeting of 28 April 2009.

This report summarizes the decisions of the Remunerations Committee during 2010 and includes the annual declaration of the Remunerations Committee on the remuneration policy of the corporate bodies of the company.

### **PART I Remunerations Committee Report for the Year**

During 2010, at the meeting held on 12 May, the Remunerations Committee deliberated on:

A) The remuneration of the members of the Board of Novabase SGPS's Annual Shareholders Meeting for 2010

The committee unanimously approved to maintain the remuneration of the Chairman of the Annual Shareholders Meeting Dr. António Manuel de Carvalho Ferreira Vitorino of an attendance fee in the amount of 1000 (one thousand) euros per meeting. It also deliberated to maintain the attendance fee per each meeting of the Annual Shareholders Meeting attributed to the Secretary of the Shareholders Meeting Dra. Maria José Santana in the amount of 750 (seven hundred and fifty) euros. These amounts were equal to the amounts established for the prior period.

B) The fixed remuneration of the Executive Board of Directors of Novabase SGPS for the year 2010

The Committee unanimously deliberated that:

The President of the Executive Committee (CEO), Eng.<sup>o</sup> Luis Paulo Cardoso Salvado, will be attributed a remuneration of 265.300 (two hundred and sixty five thousand and three hundred) euros, payable in 14 equal amounts from 1 January 2010.

The senior members of the Executive Committee, Engs. João Nuno da Silva Bento and Álvaro José da Silva Ferreira will be attributed the amount of 260.610 (two hundred and sixty thousand six hundred and ten euros) payable in 14 equal amounts from 1 January 2010.

The new members of the Executive Committee (EC), elected for the Board of Directors on the last Shareholders Meeting, being the newest members of the EC and considering their duties, will be attributed the amount of respectively 170.800 (one hundred and seventy thousand and eight hundred) euros for Eng<sup>o</sup> Nuno Carlos Dias dos Santos Fórneas and 131.040 (one hundred and thirty one thousand and forty) euros for Dr. Francisco Paulo Figueiredo Morais Antunes. Both will be payable in 14 equal amounts from 1 January 2010.

To all executive members of the board an additional meal allowance will be paid in the amount established for all company employees.

C) On the fixed remuneration of Novabase SGPS's non executive members of the board for 2010.

The Committee has unanimously deliberated that:

The Chairman of the Board of Directors Prof. Rogério dos Santos Carapuça will be attributed the sum of 238.700 (two hundred and thirty eight thousand seven hundred) euros payable in 14 equal amounts from 1 January 2010. This corresponds to a significant commitment of the Chairman in the daily running of the company which we wish to maintain in the present term.

The non executive members of the Board of Directors Eng<sup>o</sup> José Afonso Oom Ferreira de Sousa and Dr. Pedro Miguel Quinteiro Marques de Carvalho (former executive directors) in light of the foreseeable maintenance of activity in the daily running of the company, will be attributed, each, the amount of 106.120 (one hundred and six thousand one hundred and twenty) euros payable in 14 equal amounts from 1 January 2010.

The non executive member Eng<sup>o</sup> Joaquim Manuel Jordão Sérvulo Rodrigues, considering that he does not participate in the Audit Committee, will be attributed the gross remuneration of 15.862 (fifteen thousand eight hundred and sixty two) euros payable in 14 equal amounts from 1 January 2010.

The non executive members of the Audit Committee Eng<sup>o</sup> Luis Fernando Luis Mira Amaral, Dr. Manuel Alves Monteiro and Prof. João Correia Duque will be attributed each the amount of 39.424 (thirty nine thousand four hundred and twenty four) euros payable in 14 equal amounts from 1 January 2010.

Prof. João Luis Correia Duque is hereby authorized, considering his relationship with the Institute, to be paid through the service contract celebrated with ISEG, Instituto Superior de Economia e Gestão in the beginning of the current term and after clearance by this Remunerations Committee.

Considering the increase referred above, the sum of the Board Members remuneration for the year 2010 increased 2,37% in relation to 2009.

D) On the attribution of the cash component of the variable remuneration of the Members of the Board of Novabase SGPS for 2010.

In this matter and considering the previous decision by this committee on 23 August 2004, according to which the variable remuneration of the Members of the Board of Novabase SGPS is composed by two components: one in cash to be defined by the RC after approval of the Accounts each year according to the company's and each board member performance that year, and one in stock options of Novabase SGPS shares, and considering that this matter had already been decided upon by the RC during 2009, this Committee only decided on the attribution of the cash component for the year 2009.

Therefore, and given the strong increase of net profit for the year 2009 compared to 2008, the RC decided to increase in proportion the amount of the cash component to be attributed to the members of the board in place in the previous year. Therefore the RC unanimously approved the payment of the total gross amount of 1.932.000 (one million nine hundred and thirty two thousand) euros for all the board members in place in 2009 which compares to the amount 241.120 (two hundred and forty one thousand one hundred and twenty) euros paid to all the board members in 2009 and in line with the increase of net profit of the company of 12.9 million euros compared to 1.6 million euros in 2008.

Also given the contribution of the board members in 2009, the RC unanimously attributed the amount of 368.000 (three hundred and sixty eight thousand) euros payable to each of the executive directors Luis Paulo Cardoso Salvado (CEO), João Nuno da Silva Bento and Álvaro José da Silva Ferreira, 239.200 (two hundred and thirty nine thousand two hundred euros) to the executive director Nuno Carlos Filipe dos Santos Fórneas, 147.200 (one hundred and forty seven thousand two hundred) euros to the executive director Francisco Morais Antunes, 294.400 (two hundred and ninety four thousand four hundred) euros to the Chairman of the Board of Directors Rogério dos Santos Carapuça (which for 4 months of 2009 also performed the duties of president of the Executive Committee and during the remainder of the term supported the Executive Committee), and for the members of the board José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro Marques de Carvalho (to whom were attributed duties beyond the responsibilities as non executive directors) the amount of 73.600 (seventy three thousand six hundred euros).

All independent members of the board and the non executive member Joaquim Sérvulo Rodrigues were not attributed any variable component in their remuneration.

E) On payments relative to the destitution or mutual agreement cessation of board members.

In 2010, no payments were made referring to the destitution or mutual agreement cessation of duties of members of the board.

## **PART II**

### **Declaration of the Remunerations Committee on the Remuneration Policy of Corporate Bodies**

Given the experience of the committee in the year ended, the committee believes that the general principles guiding the remuneration of the management bodies of Novabase, as approved by the shareholders on 20 April 2006 and further confirmed on 28 April 2009, establish a best practice and as such should be maintained.

The most relevant principles defended by the RC on its annual declaration presented to the General Meeting of Shareholders on 28 de April 2009 for the triennium 2009-2011 of the corporate bodies, are:

- a. Allocation to the non executive independent board members (which make up the Audit Committee) of an exclusively fixed remuneration. The attribution of this remuneration to the non executive independent board members is aligned with the company's interests as it assures the independence of such board members in carrying out their duties.
- b. Allocation to the remaining board members, in accordance with case determination from the Remunerations Committee, of just a fixed component or a fixed and a variable component.
- c. The attribution of a variable component should consider the alignment of these board members with the shareholders' interests both in the short and medium and long term, therefore making it advisable the attribution of a two fold component.
- d. The first part of the variable component should be payable annually in cash and should be directly related to the company's performance in the year ended, assessed for instance in terms of the net profit obtained and with the responsibility and performance of each board member in particular.
- e. The second part of the variable component should have as an objective to align the board members with the stock performance of the company in the triennium and may take the form of a stock option plan that should be approved by the shareholders at a General Meeting as well as the respective regulations. The Remunerations Committee applies the same regulations in the determination of the number of shares to be attributed to each board member. The General Meeting on 28 April 2009 effectively approved a stock options plan and the respective regulations. The criteria for the attribution of stock options are established in this regulation in the respective annex. There was no deliberation on this matter in 2010, the current determinations remaining in place until the end of the current term.
- f. The members of the General Meeting shall have an attendance fee remuneration only.
- g. The remuneration of the external auditor of the company will be in accordance with the market practices and the adequate performance of the duties to be defined by the board of the company under proposal by the Audit Committee.

We further inform that the stock option plan establishes that the options under such plan are to be attributed only once to each participant in the year they begin their management duties for the triennium 2009-2011. These options, however, are to be divided in three, each amounting to 1/3 of the total. Each of these can be exercised on the following dates: 25 May 2010, 25 May 2011 and 25 May 2012.

In this manner, although there is no possibility for the payment of this component to take place after the current term, at least 1/3 of the stock options can only be exercised after the end of this term and with disclosure of the accounts for the respective period.

On the other hand, it is to be noted that there are no limitation mechanisms in place for the variable remuneration in the event that the company results show a relevant deterioration to the company's performance in the prior year or when this is expectable for the current year. In the event of this deterioration this would reflect, however, on the determination of the variable components of the remuneration, in accordance to the principles described above.

It is also to be noted that the remuneration of the board members is determined exclusively in light of the goals described above, without consideration of any comparison with remuneration policies or practices of other companies or group of companies.

Considering that this practice has proved to be adequate and it is approved by the shareholders for the present term until the end of 2011, this committee recommends that no changes to the policy are made before the end of the term, that is, during 2011.

Lisbon, 21 March 2011

The Remunerations Committee

Francisco Luis Murteira Nabo (Chairman)

Pedro Rebelo de Sousa (Member)

João Quadros Saldanha (Member)