



# Corporate Governance Report

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## Shareholding Structure at 31 December 2009

### Shareholdings of Members of the Corporate Boards (n°5 art°447 CSC)<sup>1</sup>

Shareholders	#	%
	Shares	Capital and voting rights
José Afonso Oom Ferreira de Sousa	2.514.947	8,01%
Pedro Miguel Quinteiro Marques de Carvalho	2.170.679	6,91%
Luís Paulo Cardoso Salvado	1.903.040	6,06%
Rogério dos Santos Carapuça	1.884.787	6,00%
João Nuno da Silva Bento	1.799.793	5,73%
Álvaro José da Silva Ferreira	920.000	2,93%
Nuno Carlos Dias dos Santos Fórneas	61.706	0,20%
Manuel Alves Monteiro	9.000	0,03%
Luís Fernando de Mira Amaral	6.305	0,02%
João Luís Correia Duque	500	0,00%
<b>Total</b>	<b>11.270.757</b>	<b>35,89%</b>

### Shareholdings and Qualified Shareholdings (n° 4 art°448 CSC and art° 16° of the Securities Code)<sup>1</sup>

Shareholders	#	#	%
	Shares partial	Shares	Capital and voting rights
Partbleu, Sociedade Gestora de Participações		3.180.444	10,13%
ES TECH VENTURES, SGPS, SA	1.792.144		
Fundo de Pensões do BES	1.157.395		
Elementos dos Órgãos Sociais	100		
Grupo Banco Espírito Santo, SA (nos termos do n°1 do art°20 do CVM)		2.949.639	9,39%
José Afonso Oom Ferreira de Sousa		2.514.947*	8,01%
Pedro Miguel Quinteiro Marques de Carvalho		2.170.679*	6,91%
Luís Paulo Cardoso Salvado		1.903.040*	6,06%
Rogério dos Santos Carapuça		1.884.787*	6,00%
João Nuno da Silva Bento		1.799.793*	5,73%

Fernando Fonseca Santos		1.575.020	5,02%
Fundo Santander PPA	191.663		
Other	144.128		
Fundo Santander Acções Portugal	1.234.775		
Santander Asset Management - Soc.Gestora de Fundos de Investimento Mobiliário, SA (under nº1 artº20 of SCode)		1.570.566	5,00%
Fundo Millennium Acções Portugal	583.604		
Fundo Millennium PPA	397.892		
Millenniumbcp-Gestão de Fundos, SA (nos termos do nº1 do artº20 do CVM)		981.496	3,13%**
Álvaro José da Silva Ferreira		920.000*	2,93%
<b>Total</b>		<b>21.450.411</b>	<b>68,31%</b>

<sup>1</sup> The shareholding of each of these Shareholders corresponds to the last position disclosed to the company referring to date prior to 31 December 2009

\* Includes shares under the the parasocial agreement described on item III.5 of this report, the remaining shares under this parasocial agreement being attributable to the shareholder in reference and the total voting rights of shareholders under the parasocial agreement corresponding to 11.848.266 shares representing 37,73% of the share capital and voting rights of Novabase – SGPS, S.A.

\*\*On 24 March 2010, it was disclosed that Millenniumbcp-Gestão de Fundos, SA has reduced its shareholding to less than 2% of voting rights.

## Introduction

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Novabase has chosen to attach a separate annex to the 2009 Annual Report and Accounts, devoted entirely to the management of the listed company, as required by Article 245 A of the Securities Code, immediately adopting the new CMVM Regulation No. 01/2010 on the Management of Listed Companies.

In fact, considering that the CMVM, in its circular letter issued on 26 January 2010, expressed its preference for the use of the model in the annex to CMVM Regulation No. 1/2010 for preparing annual reports on the governance of listed companies, Novabase has used this model in this report for 2009.

This annex contains information complying with the requirements of Article 7 of the Securities Code, refers to some annexes and is an integral part of the company's annual report.

Moreover, in this report, Novabase gauges its degree of compliance with recommendations in the Corporate Governance Code published by the CMVM in September 2007, applicable to the year 2009 ("2007 Corporate Governance Code").

Notwithstanding the above, Novabase became aware of the publication of new CMVM recommendations in January 2010 ("2010 Corporate Governance Code"); plans are in place to adjust the governance model implemented by Novabase, to the extent deemed necessary, in 2010, in order to adopt these new recommendations.

In any case, with regard to the recommendations in the 2010 Corporate Governance Code that are materially different to those of the 2007 Corporate Governance Code, Novabase outlines in this report the extent to which these practices have been implemented at the company, or, in those cases where they have not been followed in their entirety, the prospects (although merely guidelines at this time) with regard to their future implementation.

Novabase has been a publicly-traded company since July 2000. It operates according to a constantly-evolving corporate governance model, aimed at optimizing its performance and benefiting all of its stakeholders – those interested in its corporate activities, namely shareholders, investors, customers, partners and employees.

In light of trends in best corporate governance practices in accordance with rules and recommendations issued by the CMVM, and taking into account Novabase's experiences since its admission to trading on the Euronext Lisbon regulated market, shareholders at the General Meeting of Shareholders of 12 April 2007 approved an Anglo-Saxon corporate governance model that includes a Board of Directors with an Auditing Committee and a statutory auditor. Moreover, following the General Meeting of Shareholders of 28 April 2009, two specialized committees were established within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Model Assessment Committee. In order to improve its governance practices, Novabase constantly analyses the implementation of this model.

## Chapter 0: Declaration of Compliance

The 2007 Corporate Governance Code and CMVM Regulation No. 01/2010 on the governance of listed companies are available on the company's website ([www.novabase.pt](http://www.novabase.pt)) in the section "IR/ Corporate Governance", and on the CMVM website at [www.cmvm.pt](http://www.cmvm.pt).

In view of the plans to adapt Novabase's corporate governance model to the extent deemed necessary, in 2010, to adopt new recommendations from the 2010 Corporate Governance Code, this document is also available on the company's website ([www.novabase.pt](http://www.novabase.pt)) in the section "IR/ Corporate Governance", and on the CMVM website at [www.cmvm.pt](http://www.cmvm.pt).

Itemized below are the CMVM 2007 Corporate Governance Code recommendations, adopted and not adopted (defining "not adopted" as those recommendations which were not followed in their entirety).

	Recommendation	Fulfillment	Remarks
	I.1 General Meeting of Shareholders		
	I.1 GENERAL MEETING BOARD		
1	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.	Yes	The Chairman of the General Meeting of Shareholders has access to a work room and secretary services at Novabase when needed (see point I.1.) .
2	I.1.2 The remuneration of the Chair of the General Meeting Board shall be disclosed in the annual report on corporate governance.	Yes	The Chairman of the General Meeting of Shareholders is remunerated according to attendance in the amount of €1,000. (see point I.3.)
	I.2 PARTICIPATION AT THE MEETING		
3	I.2.1 The obligation to deposit or block shares before the General Meeting, contained in the articles of association, shall not exceed 5 working days.	Yes	Shareholders wishing to participate in the General Meeting of Shareholders should, by the fifth calendar day before the meeting, ensure that their shares have been registered in their name in a securities account. They must prove this registration with the company by the third calendar day before the meeting, but not after the working day immediately preceding the meeting's date (see point I.4.)
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.	Yes	The deadlines described in Recommendation I.2.1 shall apply with regard to the date of resumption of work (see point I.5.)
	I.3 VOTING AND EXERCISING VOTING RIGHTS		
5	I.3.1 Companies may not impose any statutory restriction on postal voting.	Yes	Clause 9, no. 9 of Novabase's articles of association governs postal voting, and stipulates no

			restrictions in this regard. (see points I.9., I.10. and I.11.)
6	I.3.2 The statutory deadline for receiving early voting ballots by mail shall not exceed 3 working days.	Yes	Novabase's articles of association state that voting ballots must be received by the third working day preceding the date of the General Meeting of Shareholders. (see point I.11.)
7	I.3.3 The company's articles of association shall provide for the one share-one vote principal.	Yes	Under clause 9 no. 5 of Novabase's articles of association, one share corresponds to one vote. (see point I.6.)
I.4 QUORUM AND RESOLUTIONS			
8	I.4.1 Companies shall not set a constitutive or deliberating quorum that outnumbers that which is prescribed by Law.	Yes	The constitutive or deliberating quorum of Novabase's General Meeting of Shareholders, as established by its articles of association, is the same as that prescribed by law. (see point I.8.)
I.5 ATTENDEES LIST, MINUTES AND INFORMATION ON RESOLUTIONS PASSED			
9	I.5.1 The minutes of the General Meetings shall be made available to shareholders on the company's website within a 5 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 3 year period.	Yes	Novabase maintains a collection of past minutes, including the number of people present, number of shareholders represented and the number of institutional investors present, as well as the meetings' agendas and the decisions taken at meetings held over the past three years, on its website. A summary of the meeting's decisions is published on the Novabase website and in the CMVM information disclosure system on the date of the General Meeting of Shareholders. Novabase has also established the necessary mechanisms to ensure disclosure of the minutes within the recommended time period. (see points I.13. and I.14.)
I.6 MEASURES ON CORPORATE CONTROL			
10	I.6.1 Measures aimed at preventing successful takeover bids shall respect both the company's and the shareholders' interests.	No	There is a shareholders' agreement among a group of shareholders, which is described in point III.5. The CMVM believes that these agreements may prove detrimental to the free transferability of shares and the free assessment by shareholders of the performance of members of the board. Novabase believes that the existence of a shareholders' agreement does not constitute a defensive measure contrary to shareholder interests in itself, since it ensures stability in the management of the company, therefore safeguarding Novabase's corporate and shareholder interests. Furthermore, Novabase believes that because the new shareholders' agreement involves only 33.40% of Novabase's total

			shares, it should not be considered a defensive measure against any public offerings for acquisition, given that in addition to the fact that it was not established for this purpose, such a shareholders' agreement cannot prevent the transfer of control of the company and therefore the success of any general public offerings for acquisition. (see point III.5.)
11	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, (5 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.	n/a	Novabase's articles of association do not restrict the number of votes that may be held or exercised by a sole shareholder, whether individually or in concert with other shareholders. Therefore, this recommendation does not apply to Novabase.
12	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.	Yes	Defensive measures that automatically cause serious erosion in the company's assets in the event of the transfer of control or changes to the composition of the Board of Directors have not been adopted.
II. MANAGEMENT AND SUPERVISORY BOARDS			
II.1. GENERAL POINTS			
II.1.1. STRUCTURE AND DUTIES			
13	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.	Yes	In this report, Novabase's Board of Directors assesses the governance model adopted, proposing action measures (see "Corporate Governance Model Assessment")
14	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.	Yes	Novabase has an internal auditing team whose job is to conduct audits of the financial departments of Novabase's affiliates.  Where project risk management is concerned, Novabase has a project qualification methodology which analyzes various specific parameters.  The Offer Management Unit analyses the industry in order to detect current trends and promote the development of skills within Novabase to address these trends. It controls typical risks in the IT sector, such as technology obsolescence, the risk that solutions may not be suitable, and the timing of the development and proposal of new solutions not being right for the market. (see point II.5.)
15	II.1.1.3 The Management and Supervisory Boards shall establish internal regulations and	Yes	The regulations of the Board of Directors, Executive Committee,



	shall have these disclosed on its website.		Auditing Committee, Board of Directors Performance Assessment Committee and Corporate Governance Assessment Committee are published on Novabase's website under the section "IR". (see point II.7.).
II.1.2 GOVERNANCE INCOMPATIBILITY AND INDEPENDENCE			
16	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.	Yes	The composition of the Board of Directors includes an adequate number of non-executive directors (exceeding one-third of the total); three of them are independent, and are part of the Auditing Committee. These independent directors monitor and assess the management of the Company on a continuous basis. They are empowered to propose the appointment of external auditors, supervise the implementation of Novabase's strategic and budgetary plan each year, and monitor the activities of the Executive Committee in performing its duties involving the day-to-day running of Novabase. (see point II.14.)
17	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.	Yes	Novabase's Board of Directors currently includes three independent non-executive directors (25% of the total number of managing board members). (see point II.14.)
II.1.3 ELIGIBILITY CRITERIA FOR APPOINTMENT			
18	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.	Yes	The three members of the Auditing Committee are independent, and are adequately capable of performing these duties. (see point II.21.)
II.1.4 POLICY ON THE REPORTING OF IRREGULARITIES			
19	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: <i>i) the means through which such irregularities may be reported internally, including the persons that are entitled to receive the reports; ii) how the report is to be handled, including confidential treatment, should it be required by the reporter.</i>	Yes	Employees and other Novabase stakeholders have access to a direct and confidential channel for reporting any practice that appears to be improper and/or irregular in any way, whatever it may be, having occurred at Novabase, with the guarantee of confidentiality. (see point II.35.)
20	II.1.4.2 The general guidelines on this policy should be disclosed in the corporate governance report.	Yes	The general guidelines on this policy are disclosed in the corporate governance report. (see point II.35.)
II.1.5 REMUNERATION			
21	II.1.5.1 The remuneration of the members of the Board of Directors shall be aligned with the interests of the shareholders. Thus: <i>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; ii) the variable component shall be consistent with the maximization of the long term performance of the company, and shall be</i>	No	Only independent non-executive directors and certain non-independent non-executive directors receive solely fixed cash remuneration.  In any case, since differences in the remuneration structure are intended to adjust remuneration according to the duties actually

	<i>dependent on sustainability of the levels of the adopted performance; iii) when the remuneration of non-executive members of the Board of Directors is not legally imposed, a fixed amount should be set.</i>		performed by each director in the Group, the remuneration of the members of the Board of Directors is structured so as to align their interests with those of the company. (see points II.30. to II.34.)
22	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).	Yes	<p>As regards the intervention of the Novabase General Meeting of Shareholders concerning the remuneration of the board of directors, since it was introduced as a CMVM recommendation regarding the governance of listed companies in November 2005, this corporate board has assessed and decided on the documents prepared by the Remuneration Committee, whether as a separate item on the agenda or whether as an annex to the management report, and containing the guidelines to be followed by this committee in the following year or for the period deemed most appropriate.</p> <p>The updated list of Novabase managers only includes directors, by which, for reasons of consistency, no independent proposals on the remuneration policy for managers will be presented to the General Meeting of Shareholders. In fact, only a proposal from the Remuneration Committee on the remuneration policy for management and supervisory boards will be submitted for approval.</p> <p>The details of this policy are described in this report (point II.30.), including a statement from the Remuneration Committee on this policy in an annex to this report.</p>
23	II.1.5.3 At least one of the Remuneration Committee's representatives shall be present at the Annual Shareholders' General Meeting.	Yes	One member of the Remuneration Committee, Dr. Francisco Murteira Nabo, was present at the 2009 General Meeting of Shareholders (see point II.38.).
24	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.	Yes	<p>To date, Novabase has implemented 4 plans for options to allot, subscribe and/or purchase shares, which have always been approved at General Meetings of Shareholders. (see point III.10.)</p> <p>There are no retirement benefit plans for members of the management and supervisory boards or other directors of Novabase.</p>
25	II.1.5.5 The remuneration of the members of the Management and Supervisory Boards shall be individually and annually disclosed, and	Yes	Novabase has explicitly adopted the recommendation to publish individualized information on the

	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.		remuneration of members of managing and supervisory boards in an itemized manner. (see point III.31.)
	II.2. BOARD OF DIRECTORS		
26	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.	Yes	The Board of Directors has delegated the day-to-day running of the company to the Executive Committee. (see point II.3.)
27	II.2.2 The Board of Directors shall ensure that the company acts in accordance with its goals, and should not delegate its duties, namely in what concerns: <i>i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.</i>	Yes	Novabase's Board of Directors does not delegate any of these responsibilities. (see point II.3.)
28	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.	n/a	-
29	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.	Yes	A summary of the activity carried out by the non-executive directors, who encountered no restraints in this regard, is attached to this report. (see point II.17.)
30	II.2.5. The management body should promote member replacement for financial matters at least after a 2 year mandate.	Yes	Director Francisco Antunes performed the duties of Chief Financial Officer (CFO) in 2009, having replaced Luís Paulo Salgado in this position since 12 April 2007, following the start of the new term at the General Meeting of Shareholders of 28 April 2009. (see point II.11.)
	II.3 CHIEF EXECUTIVE OFFICER (CEO), EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF DIRECTORS		
31	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.	Yes	All the information requested by the various corporate boards was supplied by the Novabase executive directors in a timely and suitable fashion. (see point II.3.)
32	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.	Yes	The Chairman of the Novabase Executive Committee is responsible for submitting the meeting notices and the minutes of the Executive Committee meetings to the Chairman of the Board of Directors and Chairman of the Auditing Committee (see point II.13).
33	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	n/a	-

	General and Supervisory Board and to the Chair of the Financial Matters Committee.		
	II.4. GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND AUDIT BOARD		
34	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: <i>i) definition of the strategy and general policies of the company; ii) the corporate structure of the group; and iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.</i>	n/a	-
35	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.	Yes	The annual report on the activity carried out by the Auditing Committee is subject to publication on Novabase's website. (see point II.4.)
36	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.	Yes	See 2009 Auditing Committee Activity Report annex (referred to in point II.4.).
37	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.	Yes	The Auditing Committee, under its operating regulations, has the capacities, duties and responsibilities described in this recommendation (see point II.3.)
38	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.	Yes	Each year, in the annex of its Activity Report, the Auditing Committee assesses the external auditor (referred to in point II.4.).
	II.5. SPECIAL COMMITTEES		
39	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: <i>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; 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.</i>	Yes	Novabase has a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee (see point II.3.).
40	II.5.2 Members of the Remuneration Committee or alike, shall be independent from the Members of the Board of Directors.	Yes	Members of the Remuneration Committee are independent from the members of the Board of Directors. (see section V)

41	II.5.3 All the Committees shall draw up minutes of the meetings held.	Yes	All of Novabase's committees draw up minutes of the meetings held; the number of meetings held in 2009 by these committees is described in this report (see II.13.)
	III. INFORMATION AND AUDITING		
	III.1 GENERAL DISCLOSURE DUTIES		
42	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.	Yes	Novabase provides permanent support to the capital market. The Investor Relations Office represents Novabase in its dealings with the CMVM and investors, including contact with private and institutional, foreign and Portuguese investors. The office provides information through Novabase's website, with links of interest for investors containing relevant information by investor profile (financial information, financial calendar, reserved information, area reserved for General Meetings of Shareholders and the postal/electronic voting model – the latter available since 2006 – among others). (see point III.16.)
43	III.1.3 The following information that is made available on the company's Internet website, shall be disclosed in the English language: a) The company, public company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code; b) Articles of Association; c) Credentials of the members of the Board of Directors and the Market Liaison Officer; d) Investor Assistance Unit – its functions and access tools; e) Accounts Reporting documents; f) Half-Yearly Calendar on Company Events; g) Proposals sent through for discussion and voting during the General Meeting; h) Notices convening meetings.	Yes	This information is available in Portuguese and English on Novabase's website ( <a href="http://www.novabase.pt">www.novabase.pt</a> ). (see point III.16.)

The Board of Directors, Auditing Committee and Remuneration Committee have assessed the independence of their members in accordance with Article 414 and, to the extent applicable, Article 414-A of the Portuguese Companies Code, together with the Corporate Governance Code published by the CMVM in September 2007 (while also taking into account, as a guideline, the new Corporate Governance Code published by the CMVM in January 2010) and the statements regarding this assessment have been attached to this report.

## ASSESSMENT OF THE GOVERNANCE MODEL

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At the General Meeting of Shareholders held on 12 April 2007, Novabase shareholders approved adoption of the Anglo-Saxon governance model, which includes a Board of Directors, an Auditing Committee consisting of directors and elected by the General Meeting of Shareholders, and a Statutory Auditor. The corporate governance structure adopted by Novabase also includes a Remuneration Committee that establishes the remuneration of the members of all of the company's corporate boards, except for itself. Subsequent to the General Meeting of Shareholders' approval of the current corporate governance model, the Board of Directors created an Executive Committee to which it has delegated Novabase's day-to-day running. In addition, after increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, two specialized committees were also created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee.

The non-executive members of the Board of Directors have monitored the Executive Committee's activities, supported by the specialized committee mentioned above (the Board of Directors Performance Assessment Committee) since the last General Meeting of Shareholders. Similarly, members of the Board of Directors have reflected on the adopted corporate governance system, also supported by a specialized committee (the Corporate Governance Assessment Committee) since the last General Meeting of Shareholders. In these activities, the role of the Chairman of the Board of Directors has been essential in terms of the attention given to the operation of Novabase's corporate governance system, with a concern for ensuring that non-executive members of the Board of Directors receive information on the activities of the Executive Committee through the distribution of Executive Committee meeting minutes, answering all of the non-executive directors' questions and scheduling all issues requiring the Board of Directors' attention at its meetings.

Taking into account the various contributions received, particularly from the Corporate Governance Assessment Committee, together with the assessment that the members of the Board of Directors have made of the company's governance model, the Board believes that the Novabase governance model has adequately performed its corporate governance functions, having shown to be suited to the company's needs and size, no hindrances having been found in terms of its functioning.

Notwithstanding the above, it should be noted that Novabase took note of the publication of the new Recommendation No. II.5.1 of the 2010 Corporate Governance Code, under which committees should be created to identify, in a timely manner, potential candidates with the high profile needed for the position of director.

In 2009, Novabase did not implement any specialized committee to this end, in view of the specific nature of its corporate governance model, which adequately defines the profile of candidates for management positions and selection of members to be elected by shareholders, coupled with the fact that this practice is not found in the 2007 Corporate Governance Code, which is in effect until the end of 2009. Since the new 2010 Corporate Governance Code specifies the existence of such a committee, Novabase will deliberate in 2010 on its potential implementation within the company's existing corporate governance model, namely by changing the internal operating regulations of the Corporate Governance Assessment Committee so that these powers may be reassigned to the latter specialized committee.



## Chapter I: General Meeting of Shareholders

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The General Meeting of Shareholders is Novabase's highest decision-making body.

The General Meeting of Shareholders met once in 2009 (on 28 April) to examine, discuss and vote on the following matters:

1. Item One: Decide on the 2008 Annual Report and Accounts;
2. Item Two: Decide on the proposal for the allocation of profits;
3. Item Three: Conduct a general appraisal of the company's administration and auditing;
4. Item Four: Decide on the election of members of corporate boards and the Remuneration Committee for the three-year period of 2009-2011;
5. Item Five: Decide on the election of acting and substitute Statutory Auditor for the three-year period of 2009-2011;
6. Item Six: Decide on the amendment of Article 9 Items 2, 3 and 4 and Article 14 Item 1 of the articles of association, and the addition of a new Item 4 to Article 21 of the articles of association;
7. Item Seven: Assess the remuneration policy for management and supervisory boards, submitted by the Remuneration Committee;
8. Item Eight: Decide on the acquisition and sale of treasury shares;
9. Item Nine: Decide on the possible implementation of a medium or long-term plan for attributing variable remuneration to members of the Board of Directors of Novabase and possibly of the other Novabase Group companies, which may be based on the performance of Novabase shares, and approval of the respective regulations;
10. Item Ten: Assess the company's corporate governance model.

Shareholders owning more than 67% of the share capital attended the meeting and all the items on the agenda were approved by more than 2/3 of the votes.

### *I.1 Identification of the officers of the General Meeting of Shareholders*

The current officers of the Novabase General Meeting of Shareholders are Chairman António Manuel de Carvalho Ferreira Vitorino and Secretary Maria José Santana.

The Chairman of the General Meeting of Shareholders has the necessary and appropriate means to exercise his duties, having access to a work room and secretarial services at Novabase. In addition, the Chairman of the General Meeting of Shareholders

has 10 people (7 of whom are from the company's staff) at his disposal dedicated to work specifically on the organization and management of the General Meeting of Shareholders.

#### *I.2 Indication of the start date and duration of the terms*

The Chairman and Secretary of the General Meeting of Shareholders were elected at the General Meeting of Shareholders of 28 April 2009, both for the three-year term from 2009-2011. Both end their term of office on 31 December 2011.

#### *I.3 Remuneration of the Chairman of the General Meeting of Shareholders*

The Chairman of the General Meeting of Shareholders is remunerated according to attendance in the amount of €1,000.

#### *I.4 Advanced notice required for the blocking of shares and permission to participate in the General Meeting of Shareholders*

Shareholders wishing to participate in the General Meeting of Shareholders should, by the fifth calendar day before the meeting, ensure that their shares have been registered in their name in a securities account. They must prove this registration with the company by the third calendar day before the meeting, but not after the working day immediately preceding the meeting's date.

#### *I.5 Rules applicable to the blocking of shares in the event of suspension of the General Meeting of Shareholders*

In the General Meeting of Shareholders of 28 April 2009, an amendment to the articles of association was proposed and passed establishing that, in the event of suspension of the General Meeting of Shareholders, certificates issued and the respective share blocking may be cancelled, subject to the advance periods in I.4 above in relation to the date of resumption of work.

In other words, if the General Meeting of Shareholders is suspended, shareholders should, by the fifth calendar day before the date of resumption of work, ensure that their shares have been registered in their name in a securities account. They must prove this registration with the company by the third calendar day before this date, but not after the working day immediately preceding it.

In the past, Novabase's articles of association did not have any provisions regulating this matter, given that all Novabase General Meetings of Shareholders took place without any unforeseen incidents, and it had therefore not been necessary to suspend any General Meeting of Shareholders. However, the Chairman of the General Meeting of Shareholders was in favour of removing the blocking of shares in the event of suspension of the General Meeting of Shareholders, and of applying the same advance period stipulated for the first session as regards the date of resumption of the work.

#### *I.6 Number of shares corresponding to one vote*

Pursuant to Article 9 of the company's articles of association, only shareholders with voting rights may attend the General Meeting of Shareholders.



To ensure greater shareholder involvement in the company, particularly through attendance at Novabase's General Meeting of Shareholders, the Board of Directors proposed an amendment to the articles of association, which was approved at the General Meeting of Shareholders of 12 April 2007, by which each share would correspond to one vote. As such, under the terms of the current wording of no. 5 of clause 9 of the Novabase articles of association, one share corresponds to one vote.

This ensures a proportional balance between voting rights and shareholder involvement, using the preferential method referred to in Recommendation No. I.3.3 of the 2010 Corporate Governance Code, and specifically stated in Recommendation No. I.3.3. of the 2007 Corporate Governance Code, i.e. through the statutory provision by which one share corresponds to one vote.

*I.7 Indication of the articles of association rules which envisage the existence of shares that do not confer voting rights or which enable voting rights over a certain number not to be counted, when issued by a single shareholder or shareholders related thereto*

There are no articles of association rules which envisage the existence of shares that do not confer voting rights or which enable voting rights over a certain number not to be counted, when issued by a single shareholder or shareholders related thereto.

*I.8 Existence of articles of association rules regarding exercising the right to vote, including constitutive and decision-making quorum or systems related to asset content rights*

Novabase has encouraged shareholders to participate and exercise their voting rights at General Meetings of Shareholders, and representation of shareholders at the meetings has been duly provided for and regulated in the company's articles of association. Shareholders can be represented at General Meetings of Shareholders by their spouses, parents or offspring, by another shareholder or by a member of the Board of Directors. Shareholders requiring representation may send a letter addressed to the chairperson of the General Meeting of Shareholders at least three days before the date set for the meeting.

Proxy forms will be provided to shareholders in a timely fashion on the Novabase website ([www.novabase.pt](http://www.novabase.pt)).

As stated in I.6. of this report, under the terms of Article 9 of the Novabase articles of association, one share corresponds to one vote. Shareholders wishing to participate in the General Meeting of Shareholders should, by the fifth calendar day before the meeting, ensure that their shares have been registered in their name in a securities account. They must prove this registration with the company by the third calendar day before the meeting, but not after the working day immediately preceding the meeting's date. If the shares are jointly owned, only a common representative, or his/her representative, may participate in the General Meeting of Shareholders. The applicable rules for the time period for blocking shares were passed at the General Meeting of Shareholders of 28 April 2009. However, for logistic reasons related to the issue and receipt of the respective supporting document as proof, it has been current practice at previous Novabase General Meetings of Shareholders to provide proof of the blocking until the third working day before the date of the respective meeting.

Novabase shareholders may also exercise their right to vote by post and by electronic means, as further explained below.

Under Article 10 of the articles of association, the General Meeting of Shareholders deliberates subsequent to a first notice or a second one, making decisions by a majority of the votes issued, notwithstanding the requirement of qualified majority in the cases provided for by law and under the current articles of association.

As such, the constitutive and decision-making quorum for the General Meeting of Shareholders stipulated in the Novabase articles of association is no different from that stipulated in the Commercial Companies Code.

Moreover, it should be noted that no systems related to asset content rights have been implemented.

#### *I.9 Existence of various articles of association rules regarding the right to postal voting*

Clause 9, no. 9 of the Novabase articles of association governs postal voting.

Shareholders with voting rights may, according to Article 22 of the Securities Code, exercise them by post. The invitations to the General Meeting of Shareholders contain the rules for postal votes, i.e. the requirement that they must be handed in personally at the company's registered office or sent by registered post and received by the third working day prior to the General Meeting of Shareholders. The voting form must be signed by the shareholder and should clearly indicate his or her vote on each item on the meeting's agenda. A legible photocopy of the shareholder's identity card must accompany the voting form. If the shareholder is a legal person, the voting form must be signed by one of its representatives and his or her signature should be notarized in that capacity.

Votes exercised by post or by electronic means shall be considered as negative votes with regard to any resolution proposals that are presented after the exercise of such votes.

The attendance of the shareholder at the General Meeting of Shareholders will result in the revocation of the postal vote.

#### *I.10 Existence of a form for exercising the right to postal voting*

Novabase provides the postal voting form for the General Meeting of Shareholders on the company's website, [www.novabase.pt](http://www.novabase.pt). These have been available for General Meetings of Shareholders since 2003.

#### *I.11 Requirement of a time period spanning between reception of the postal vote and the date of the General Meeting of Shareholders*

As mentioned above, in accordance with sub-paragraph c), number 9 of article 9 of the Novabase articles of association, voting forms must be placed in a sealed envelope addressed to the Chairman of the General Meeting of Shareholders, delivered by hand to the Company's registered office, or delivered to this office by registered mail by the third working day preceding the date of the General Meeting of Shareholders.

#### *I.12 Electronic voting*

Shareholders with voting rights may vote electronically. The rules to be followed for this method of voting can be found in the notices convening the General Meetings of Shareholders.

Electronic voting can be done via the company's website ([www.novabase.pt](http://www.novabase.pt)). Shareholders with voting rights must register on this site and send a letter to Novabase, before the day of the respective General Meeting of Shareholders, drawn up according to the model given on the site. It must be addressed to the Chairman of the General Meeting of Shareholders, and the signature must be duly notarized (or, in the case of individuals, the signature must be accompanied by a photocopy of the respective identity card), together with the certificate issued pursuant to number 2 of Article 78 of the Securities Code, by the financial agents responsible for registering the shares. After the aforementioned letter has been sent, Novabase will send the authorization and electronic voting instructions to the e-mail address provided by the shareholder at the time of registration. Electronic voting may take place in the period stipulated in the notice convening the General Meeting of Shareholders.

Votes exercised by electronic means will be considered as negative votes with regard to any resolution proposals that are presented after the exercise of such votes.

The attendance of the shareholder at the General Meeting of Shareholders will result in the revocation of the electronic vote.

In view of the above, Novabase imposes no restrictions on electronic voting, thereby complying with the provisions of Recommendation No. I.3.1 of the 2010 Corporate Governance Code.

*I.13 Possibility of shareholders gaining access to excerpts from the minutes of the General Meetings of Shareholders in the company's website within five days after the General Meeting of Shareholders was held*

On the date of the General Meeting of Shareholders, a summary of the meeting's decisions is published on the Novabase website and in the CMVM information disclosure system. In addition, the complete meeting minutes have been published on the Novabase website within the following five days since the 2009 General Meeting of Shareholders.

Novabase therefore complies with the provisions of Recommendation No. I.5.1. of the 2007 Corporate Governance Code, and, *a fortiori*, with Recommendation No. I.5 of the 2010 Corporate Governance Code, with regard to the publication of excerpts from the minutes or comparable document.

*I.14 Existence of a historical record on the company's website with the resolutions passed at the company's General Meetings of Shareholders, share capital and voting results referring to the previous three years*

On its website, Novabase maintains a collection of past minutes, including the number of people present, number of shareholders represented and the number of institutional investors present, as well as the meetings' agendas and the decisions taken at meetings held over the past three years, in accordance with the provisions of Recommendation No. I.5. of the 2007 Corporate Governance Code and the CMVM circular letter issued on this matter on 13 February 2009.

As from this financial year (2010), Novabase will also publish voting results from the General Meeting of Shareholders, thereby fulfilling the provisions of Recommendation No. I.5 of the 2010 Corporate Governance Code in its entirety.

*I.15 Indication of the representative(s) from the Remuneration Committee present at General Meetings of Shareholders*

Francisco Luís Murteira Nabo, as Chairman of the Remuneration Committee, was present at the 2009 General Meeting of Shareholders.

*I.16 Information regarding intervention of the General Meeting of Shareholders as regards the company's remuneration policy and assessment of the performance of the members of the board of directors and other managers*

As regards the intervention of the Novabase General Meeting of Shareholders concerning the remuneration of the board of directors, since it was introduced as a CMVM recommendation regarding the governance of listed companies in November 2005, this corporate board has assessed and decided on the documents prepared by the Remuneration Committee, either as a separate item on the agenda or as an annex to the management report, and containing the guidelines to be followed by this committee in the following year or for the period deemed most appropriate.

With regard to assessing the performance of the members of the Board of Directors, after increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, a Board of Directors Performance Assessment Committee was established with the following powers: (i) Assist the Board of Directors in the assessment of its overall performance; (ii) Assess the performance of the Executive Committee with respect to how it has been conducting Novabase's annual plan and budget passed by the Board of Directors at the start of each year, together with the degree of success in achieving their corresponding goals; (iii) Assess the performance of the Novabase Board of Directors' other specialized committees, namely the Auditing Committee, Corporate Governance Assessment Committee and its own performance. To carry out its duties, the Assessment Committee asks other committees for a self-evaluation of their own performance, and submits an annual written evaluation report on the performance of the Board of Directors and of these committees before the date of the Board of Directors' approval of the annual report and accounts.

In addition to the assessment method described above, and prior to the establishment of this Board of Directors Performance Assessment Committee, the activity of executive directors was monitored continuously by non-executive directors, in collaboration with the Chairman of the Board of Directors, who is responsible for providing information regarding the company's business required to ensure monitoring of the activity of the executive directors. This monitoring of executive directors by non-executive directors continues to be a current practice at Novabase.

*I.17 Information of the intervention by the General Meeting of Shareholders on matters concerning the proposal on the share allocation plan, and/or stock option plans, or based on share price fluctuations, the members of the Board of Directors, Supervisory Board and other Directors, within the meaning of Article 248-B/3 of the Securities Code together with the details provided to the General Meeting of Shareholders for the purposes of correctly assessing said plans*

All four plans for options to allot, subscribe for and/or purchase shares implemented at Novabase since 2000 have been subject to the approval of the General Meeting of Shareholders.

On 28 April 2009, the General Meeting of Shareholders approved a plan for the option to allot shares to members of Novabase's Board of Directors, for the years 2009 to 2011, under the terms described in greater detail in point III.10 of this corporate governance report. The complete version of the proposed regulations for this plan was provided to the General Meeting of Shareholders so that shareholders could properly evaluate it.

*I.18 Information of the intervention by the General Meeting of Shareholders on matters concerning the approval of the main features of the retirement benefit system as enjoyed by the members of the Board of Directors, Supervisory Board and other Directors, within the meaning of Article 248-B/3 of the Securities Code*

As stated in point II.31 of this report, the company has adopted no retirement benefit system for members of these corporate boards or other directors.

*I.19 Existence of statutory provision that envisages for a duty to be subject, at least every five years, to a resolution by the General Meeting of Shareholders, for the maintenance or withdrawal of the statutory provision providing for the limitation of the number of votes capable of being held or exercised by a single shareholder individually or together with other shareholders*

Novabase's articles of association have no statutory provision that envisages a limitation of the number of votes capable of being held or exercised by a single shareholder individually or together with other shareholders. As such, the maintenance or withdrawal of such measures is not subject, at least every five years, to a resolution by the General Meeting of Shareholders.

*I.20 Defensive measures that automatically cause serious erosion in the company's assets in the event of the transfer of control or changes to the composition of the board*

Measures of this sort, and measures aimed at preventing successful takeover bids without respect for company and shareholder interests, do not exist.

*I.21 Significant agreements that the company is a party to and will come into force in the future which can be altered or terminated in the event of a change in the control of the company, along with the respective effects, unless, by their very nature, their disclosure is seriously harmful to the company, except if the company is specifically obliged to disclose such information as a result of legal requirements*

These do not exist.

*I.22 Agreements between the company and members of the board of directors and administrators under no. 3 of article 248-B of the Securities Code that provide for compensation in the event of resignation, termination without just cause or termination of the employment relationship following a change in the company's control*

These do not exist.

## Chapter II: Managing and Auditing Bodies

### *Section I – General Points*

#### *II.1 Identification and composition of the company's corporate boards*

The managing and auditing bodies of Novabase SGPS, S.A. are the Board of Directors, the Auditing Committee and the Statutory Auditor.

The figure illustrates the composition of the Board of Directors elected for the 2009-2011 three-year term.

Rogério Santos Carapuça
Luís Paulo Cardoso Salvado
João Nuno da Silva Bento
Álvaro José da Silva Ferreira
Nuno Carlos Dias dos Santos Fórneas
Francisco Paulo Figueiredo Morais Antunes
Luís Fernando de Mira Amaral
Manuel Alves Monteiro
João Luís Correia Duque
José Afonso Oom Ferreira de Sousa
Joaquim Sérvulo Rodrigues
Pedro Miguel Quinteiro Marques Carvalho

The Auditing Committee is currently comprised of Luís Fernando de Mira Amaral (Chairman), Manuel Alves Monteiro and João Luís Correia Duque, who are non-executive, independent members from the Board of Directors.

The Novabase statutory auditing body has as its active member the official auditing firm Price Waterhouse Coopers & Associados, - SROC, represented by Abdul Nasser Abdul Sattar and César Abel Rodrigues Gonçalves as substitute statutory auditor.

#### *II.2 Identification and composition of other committees equipped with skills related to administering or auditing the company*

Within the scope of the committees equipped with corporate administrative qualifications, the Board of Directors has created the Executive Committee following the General Meeting of Shareholders' approval of the current corporate governance model, being the body to which the day-to-day management has been delegated. On 31 December 2009, the Executive Committee was comprised of the following members: Luís Paulo Cardoso Salvado (Chairman), João Nuno da Silva Bento, Álvaro José da Silva Ferreira, Nuno Carlos Dias dos Santos Fórneas and Francisco Paulo Figueiredo Morais Antunes.

During the 2009 financial year, information was provided to the members of the Board of Directors concerning all matters handled and decisions made by the Executive Committee, within the scope of its duties.



In fact, to date, the activity of the Executive Committee has been monitored continuously by non-executive directors, in collaboration with the Chairman of the Board of Directors and the Chairman of the Executive Committee, who is responsible for providing the minutes of the EC meetings and all additional information regarding the company's business required to ensure monitoring of the activity of the executive directors.

After increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, two specialized committees were also created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee, whose composition, powers and operating rules are shown below.<sup>1</sup>

The Board of Directors Performance Assessment Committee is comprised of the following members: Rogério Santos Carapuça, Luis Paulo Cardoso Salvado, Luís Fernando de Mira Amaral, José Afonso Oom Ferreira de Sousa, Joaquim Sérvulo Rodrigues and Pedro Miguel Quinteiro Marques Carvalho.

The Corporate Governance Assessment Committee is comprised of the following members: Rogério Santos Carapuça, Luis Paulo Cardoso Salvado, Manuel Alves Monteiro, João Luís Correia Duque, José Afonso Oom Ferreira de Sousa and Joaquim Sérvulo Rodrigues.

<sup>1</sup>As previously stated, it should be noted that Novabase took note of the publication of the new Recommendation No. II.5.1 of the 2010 Corporate Governance Code, under which committees should be created to identify, in a timely manner, potential candidates with the high profile needed for the position of director.

In 2009, Novabase did not implement any specialized committee to this end, in view of the specific nature of its corporate governance model, which adequately defines the profile of candidates for management positions and selection of members to be elected by shareholders, coupled with the fact that this practice is not found in the 2007 Corporate Governance Code, which is in effect until the end of 2009. Since the new 2010 Corporate Governance Code specifies the existence of such a committee, Novabase will deliberate in 2010 on its potential implementation within the company's existing corporate governance model, namely by changing the internal operating regulations of the Corporate Governance Assessment Committee so that these powers may be reassigned to the latter specialized committee.

### *II.3 Organizational structure and functional chart relating to the division of powers among the various boards, committees and/or departments within the company, including information on the scope of the delegation of powers, particularly with regard to the delegation of day-to-day management of the company, or distribution of functions among the members of the Board of Directors or Supervisory Board, and a list of non-delegable matters and powers actually delegated*

Novabase was organized into three business areas in 2007:

- Novabase Consulting
- Novabase IMS
- Novabase Digital TV

Novabase has a business model which includes partners responsible for primary markets, and practices and structures responsible for product/service development and delivery.

These markets are as follows:

- Financial Services
- Government & Healthcare
- Telecommunications & Media
- Energy & Utilities
- Transportation & Logistics

Novabase Consulting operated with the following practices:

- Advanced Custom Development
- Business Intelligence
- Telecommunications & Media Solutions
- Enterprise Applications
- Core Financial Solutions
- IT Contracting

Novabase IMS operated with the following practices in 2009:

- Intelligent Infrastructures
- IT Management
- Managed Services
- Ticketing

In 2009, Novabase Digital TV had a single practice.

### **Novabase Capital**

Novabase Capital is not a business area, but rather a support structure that serves the needs of Novabase business. It combines Novabase's Corporate Venture function with the area of Mergers and Acquisitions, and is able to respond to the needs of the other areas in this dominion. It also manages the venture capital fund called FCR-Novabase Capital, established with the support of the PRIME program and co-funding from the European Union via the ERDF – European Regional Development Fund, in partnership with the IAPMEI -Instituto de Apoio às Pequenas e Médias Empresas e à Inovação (Institute for the Support of Small and Medium-Sized Enterprises and Innovation) of the Ministry of the Economy and Innovation.

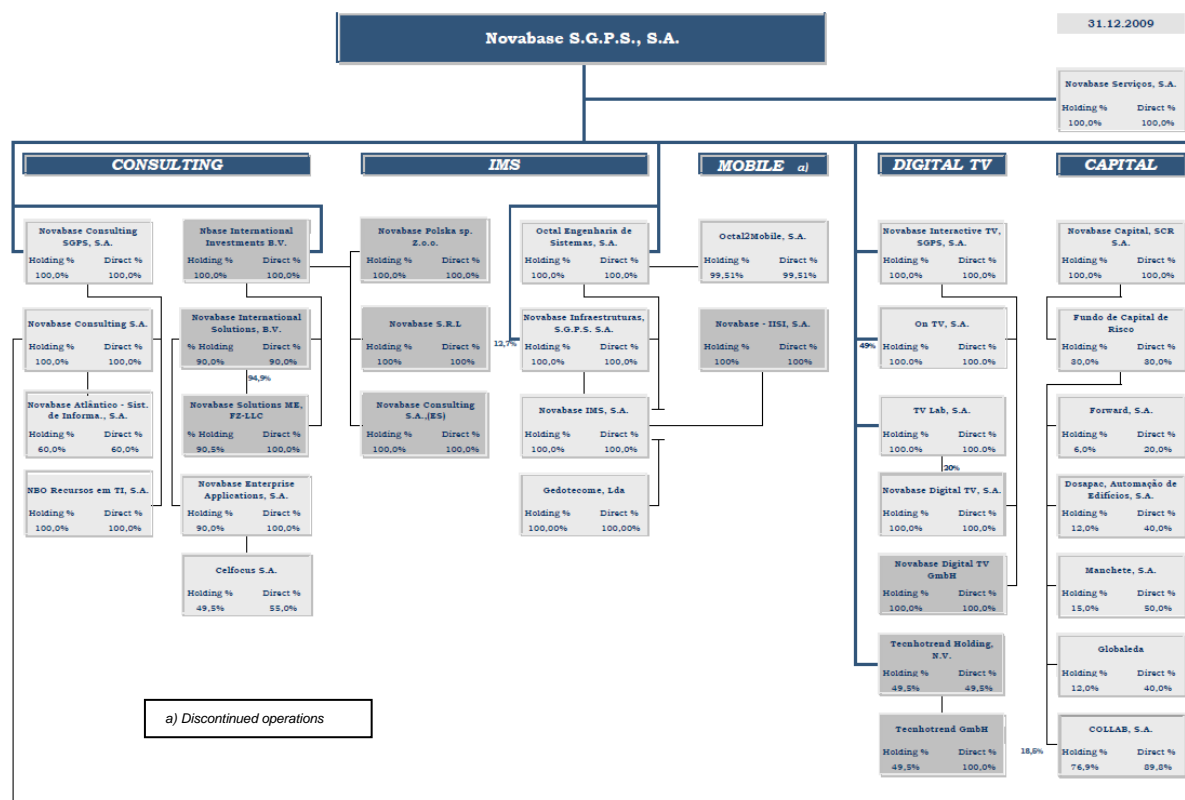
### **Novabase SGPS / Novabase Services**

Novabase SGPS and Novabase Services control the central functional areas: Human Resources, Finance & Administration, IT, Marketing & Communication and Legal. Novabase SGPS directly controls the investor relations function.

### **Organizational Chart**

Each of the aforementioned organizational units corresponds to a company or a group of companies. The attached organization chart includes all the companies within the consolidation perimeter of Novabase SGPS, SA.





The adoption of an Anglo-Saxon corporate governance model was approved at the General Meeting of Shareholders of 12 April 2007. In light of amendments to the Commercial Companies Code under Decree-Law no. 76-A/2006 of 29 March, the Board of Directors submitted a proposal at this General Meeting of Shareholders (which was approved) to change the articles of association so that Novabase could adopt the Anglo-Saxon corporate governance model by institutionalizing the Auditing Committee as a board according to the articles of association for supervising company activities, consequently eliminating the Board of Auditors. In this way, the company's new corporate governance model was comprised of a Board of Directors, an Auditing Committee and a statutory auditor.

In addition, after increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, two specialized committees were also created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee.

The powers, operation and composition of the General Meeting of Shareholders, Board of Directors, Executive Committee, Auditing Committee and Statutory Auditor, together with those of the Board of Directors Performance Assessment Committee and the Corporate Governance Assessment Committee, are described below. Finally, the composition and operation of the Remuneration Committee are detailed.

Corporate Boards and other committees -- powers

The General Meeting of Shareholders: Novabase's highest decision-making board. This corporate board meets at least once every year to decide on the Annual Report and Accounts, as well as on the proposal for allocation of profits, generally assessing the company's management and auditing and electing the persons it is responsible for electing.

The 2009 General Meeting of Shareholders was held on 28 April 2009.

Board of Directors: Responsible for ensuring the general interests of the company, exercising all powers under the law and the articles of association, and performing all actions necessary or appropriate toward the pursuit of its corporate purpose. It worked entirely within its remit and in compliance with the guidelines laid down and approved for this financial year, which are reflected in this report.

The Board of Directors has general powers to act in pursuit of the company's corporate and business interests, within the confines of the law, the memorandum and articles of association and the decisions of the General Meeting of Shareholders and, in particular, to:

- a) Acquire, encumber and sell any rights or movable property as well as to acquire, encumber and sell immovable property, whenever it is deemed appropriate for the company;
- b) Take out loans and carry out any other financing operations in the interest of the company, under such terms and conditions that it deems fit;
- c) Appoint representatives of the company;
- d) Delegate powers to its members, pursuant to Article 14, Item 4 of the articles of association;
- e) Hire employees, set their conditions of employment and exercise disciplinary power;
- f) Represent the company in and out of court, as plaintiff or defendant, file lawsuits, and make admissions, compromise in them and withdraw from them, and engage in arbitration;
- g) Open, operate and close any of the company's bank accounts, deposit and withdraw money, issue, accept, draw and endorse cheques, bills and promissory notes, invoice statements and any other securities;
- h) Decide on investments in the capital of other companies or on participating in other businesses;
- i) Run the company's businesses and carry out any acts and transactions relating to the corporate objects that do not fall within the jurisdiction of other company bodies;
- j) Co-opt directors;
- k) Ask the Chairman of the General Meeting of Shareholders to convene General Meetings of Shareholders;
- l) Decide on the annual reports and accounts;
- m) Decide that Novabase may provide collateral, personal guarantees and security *in rem*;
- n) Open or close establishments or major parts thereof;
- o) Undertake important expansion or reduction in the business operations of Novabase;
- p) Implement important modifications in the organization of Novabase;
- q) Establish or end important long-term cooperation with other companies;
- r) Change the registered office and increase the share capital pursuant to the provisions in the memorandum and articles of association;
- s) Undertake projects to merge, divide and transform Novabase;
- t) Undertake any other matter on which a Director seeks a decision from the Board of Directors.

As part of its management powers, the Board of Directors is responsible for implementing and monitoring a suitable internal control and risk management process, working toward its efficacy. The Board of Directors is also responsible for ensuring disclosure of accurate financial information that truthfully reflects the Group's situation at any given moment, in compliance with the norms issued by the applicable regulatory entities at any given moment.

The following figure illustrates the composition of the Board of Directors elected for the three-year period of 2011-2008, together with the primary responsibilities of its members in 2009.

Rogério dos Santos Carapuça	Chairman
Luís Paulo Cardoso Salvado	CEO/CHRO/CLO/Consulting and Transportation and Logistics Market
João Nuno da Silva Bento	Telco of Consulting/Capital/Digital TV
Álvaro José da Silva Ferreira	IMS/Angola and Azores Regions
Nuno Carlos Dias dos Santos Fórneas	CIO/CMO/Financial Services Market
Francisco Paulo Figueiredo Morais Antunes	CFO/Infrastructures and Facilities
Luís Fernando de Mira Amaral	Non-executive and independent
Manuel Alves Monteiro	Non-executive and independent
João Luis Correia Duque	Non-executive and independent
José Afonso Oom Ferreira de Sousa	Non-executive
Joaquim Sérvulo Rodrigues	Non-executive
Pedro Miguel Quinteiro Marques de Carvalho	Non-executive

**Executive Committee:** Responsible for the day-to-day running of the company and may perform all actions required to this end, respecting the powers of the Board of Directors with regard to actions which must be submitted for its approval, namely the matters specified in Article 406, Items a) through d), f), l) and m) of the Commercial Companies Code. The Executive Committee defines the company's organizational structure, appoints employees to perform management duties in the corporate boards of this structure and manages all of the company's operating areas.

In accordance with the delegation of powers approved on 27 July 2009, the performance of all actions required for the day-to-day running of the company has been delegated to Novabase's Executive Committee for the three-year period of 2009-2011, including all powers needed or expedient for pursuing the company's corporate objects and conducting its business, within the confines of the law, namely:

- a) Carry out the annual business plans and corresponding budgets after their approval by Novabase's Board of Directors;
- b) Approve changes to the budget, except when their cumulative impact on the company's consolidated net profit is expected to exceed €1 (one) million in the financial year;
- c) Approve and carry out the company's short, medium and long-term organic development and investment plans, and identify and make investments in existing or new business areas of the company and its affiliates, by means of a budget approved by Novabase's Board of Directors and/or, in the absence of this, provided that (i) individually, they do not exceed €1 (one) million; and (ii) together, €5 (five) million in a given financial year; or (iii) in the case of R&D (research and development) investments or investments with co-funding, covered by applicable tax incentives or subsidies, up to a combined amount of €20 (twenty) million per financial year;

- d) Acquire, encumber and sell holdings in other companies, provided these transactions' general guidelines fall within the annual business plans and respective budgets, or, otherwise, with the prior approval of Novabase's Board of Directors;
- e) Manage holdings in other companies, including affiliates, namely by appointing their representatives on corporate boards and laying out guidelines for these representatives' activities, together with approving and reorganizing these holdings according to the annual business plans, or by prior decision approved by Novabase's Board of Directors;
- f) Notwithstanding legal provisions and formalities, buy and sell treasury shares within the framework and limits of the decision of the General Meeting of Shareholders;
- g) Open, transact and close bank accounts;
- h) Approve short and medium-term financing agreements (12-36 months), including those which increase overall indebtedness, provided that their value is €5 (five) million or less per transaction, or cumulatively €20 (twenty) million per financial year, or of any amount with the prior approval of Novabase's Board of Directors. The Executive Committee must furnish the Board of Directors with an updated debt schedule each month;
- i) Grant medium and short-term loans (and/or shareholder loans) to affiliates for cash-on-hand and other purposes allowed by law, up to the amount of €20 (twenty) million per financial year, or in any amount with the prior approval of Novabase's Board of Directors.;
- j) Acquire, sell and/or encumber company assets, individually up to €1 (one) million, or cumulatively up to €5 (five) million per financial year;
- k) Take or give in lease, and manage the use of, immovable property allocated to the business of the company and/or its affiliates, partially or in whole, in accordance with the budget approved by Novabase's Board of Directors or, apart from a budget, up to a combined annual amount of €1 (one) million;
- l) Manage and coordinate all of the company's operating and business support areas, including but not limited to Human Resources, Finance and Administration, Marketing and Communication, Information Systems, Legal, Organizational Development and Investor Relations, excluding internal auditing boards if/when they exist;
- m) Recruit and dismiss employees, define human resources and occupational health and safety policies, define and implement plans for training, levels, categories, remuneration terms/conditions and other bonuses or salary supplements;
- n) Perform standard activities involving powers as an employer, including but not limited to disciplinary authority and the application of legally admissible employee penalties;
- o) Order/determine the presentation, negotiation and contracting of any supplies of goods and/or services by the company and/or its affiliates within the scope of their corporate objects, individually up to €20 (twenty) million and/or (i) without a binding obligation of any kind exceeding 15 years; (ii) without terms/conditions deemed of considerable financial, legal and/or commercial risk, attributable to Novabase's Executive Committee, by those in the organization responsible for monitoring or otherwise assisting in the control of this risk;
- p) Contract goods and services of any kind and by any means, as needed to pursue the corporate objects, up to the amount of €1 (one) million per transaction, or in any amount with the prior approval of Novabase's Board of Directors or associated with the transactions referred to in o);
- q) Take part in incorporated joint ventures and European Economic Interest Groupings, enter into consortium and equity partnership agreements, and establish or take part in any other forms of temporary or permanent association between companies and/or private or public entities, except when their purpose is to participate in projects whose anticipated turnover for the company exceeds €20 (twenty) million;
- r) Represent the company in and out of court, as plaintiff or defendant, including the instituting, contesting and lodging of appeals in any legal or arbitration

proceedings, as well as confessing, withdrawing from or coming to terms in any proceedings and engagement in arbitration. The Executive Committee must furnish information on any proceedings involving the company whose amount is equal to or exceeds €1 (one) million;

- s) Appoint representatives to perform specific acts or categories of acts, defining the scope of their respective powers.

In view of the above, no powers have been delegated involving matters where the Board of Directors must ensure that the company acts in accordance with its objects, namely: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; and iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.

The Executive Committee was created by the Board of Directors in 2006, and currently consists of the following members, who have been assigned the jurisdictions and responsibilities indicated below:

Luís Paulo Cardoso Salvado	CEO/CHRO/CLO/Consulting and Transportation and Logistics Market
João Nuno da Silva Bento	Telco of Consulting/Capital/Digital TV
Álvaro José da Silva Ferreira	IMS/Angola and Azores Regions
Nuno Carlos Dias dos Santos Fórneas	CIO/CMO/Financial Services Market
Francisco Paulo Figueiredo Morais Antunes	CFO/Infrastructures and Facilities

All the information requested by the various corporate boards was supplied by the Novabase executive directors in a timely and suitable fashion.

**Auditing Committee:** Comprised of independent non-executive members of the Board of Directors appointed by the General Meeting of Shareholders, the Auditing Committee is responsible for supervising company management and compliance with the law and articles of association, and for issuing an opinion on management's annual report and accounts. Its supervisory powers ensure the independence and quality of company audits in accordance with the best international standards. It also ensures the efficacy of the company's internal control system and monitors the company's fulfilment of principles and best practices involving corporate governance.

This Committee operates within the scope of the Board of Directors and has the following duties:

- a) Propose, at the General Meeting of Shareholders, the appointment of the Statutory Auditor;
- b) Monitor the Statutory Auditor's independence;
- c) Oversee the review of accounts and other company accounting documents, namely the accounting policies and valuation criteria adopted by Novabase, so that these documents lead to a correct appraisal of the assets and results;
- d) Prepare an annual report on its oversight activities, and issue an opinion on the Annual Report and Accounts and proposals submitted by management;
- e) Collaborate with the Board of Directors in selecting external auditors and determining the respective remuneration, as well as supervise these auditors' work, including verification of the existence of suitable conditions for providing external auditing services and receipt of the respective reports, assessing the external auditor on an annual basis;

- f) Ensure the existence of sufficient internal control mechanisms to understand and manage the inherent risks of Novabase's activities;
- g) Monitor the efficacy of the risk management system, internal control system and internal auditing system;
- h) Recommend the adoption of policies and procedures for achieving the goals established in point (g) above to the Board of Directors, and to suggest how these mechanisms may be improved;
- i) Alert the Board of Directors and other corporate boards, depending on the circumstances, to any situations in the company which may be regarded as anomalous, should they exist;
- j) Monitor the preparation and disclosure of financial information;
- k) Take whatever decisions it deems necessary, informing Novabase's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) accordingly, with respect to information about any irregular practices which it receives from shareholders, Novabase employees or others, to the department created specifically for this purpose;
- l) Prepare an annual report, to be submitted to the ordinary General Meeting of Shareholders, describing its activity in the previous financial year and its conclusions;
- m) Comply with other competencies and duties provided for by law and the memorandum of association;
- n) Prepare reports, define policies and guidelines, create recommendations, implement procedures and execute the necessary measures to fulfil the provisions of these Regulations, national legal and regulatory provisions, recommendations issued by the Portuguese Securities Market Commission (CMVM), and standards which may be imposed under legislation passed by competent authorities of the European Union concerning the powers and responsibilities of the Auditing Committee as part of the corporate governance principles adopted by Novabase.

It held the compulsory number of meetings in 2009 as required by the articles of association and made all examinations of the accounts that it saw fit as part of its duties. It conducted analyses and made suggestions as deemed necessary. It is currently comprised of Luís Fernando de Mira Amaral (Chairman), Manuel Alves Monteiro and João Luís Correia Duque, all of whom are non-executive voting members, independent from the Board of Directors.

The provisions of Recommendation No. II.1.3.1 of the 2007 Corporate Governance Code have been fulfilled, since the Chairman of the Auditing Committee is independent and adequately capable of carrying out his duties.

Statutory Auditor: The Statutory Auditor is responsible for examining the company's accounts, together with supervisory duties involving the ongoing pursuit of the company's corporate objects. Its active member is the official auditing firm Price Waterhouse Coopers & Associados, represented by Abdul Nasser Abdul Sattar (acting statutory auditor) and César Abel Rodrigues Gonçalves (substitute statutory auditor).

Board of Directors Performance Assessment Committee: Pursuant to its regulations, the Board of Directors Performance Assessment Committee has the following powers: (i) Assist the Board of Directors in the assessment of its overall performance; (ii) Assess the performance of the Executive Committee with respect to how it has been conducting Novabase's annual plan and budget passed by the Board of Directors at the start of each year, together with the degree of success in achieving their corresponding goals; (iii) Assess the performance of the Board of Directors' other specialized committees, namely the Auditing Committee, Corporate Governance Model Assessment Committee and its own performance. To carry out its duties, the Assessment Committee asks other committees for a self-evaluation of their own performance, and submits an annual

written evaluation report on the performance of the Board of Directors and of these committees before the date of the Board of Directors' approval of the annual report and accounts.

On 31 December 2009, the Board of Directors Performance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Luís Mira Amaral, José Afonso Oom Ferreira de Sousa, Joaquim Sérvulo Rodrigues and Pedro Miguel Quinteiro Marques de Carvalho.

In addition to the assessment method described above, and prior to the establishment of this Board of Directors Performance Assessment Committee, the activity of executive directors was monitored continuously by non-executive directors, in collaboration with the Chairman of the Board of Directors, who is responsible for providing information regarding the company's business required to ensure monitoring of the activity of the executive directors. This monitoring of executive directors by non-executive directors continues to be a current practice at Novabase.

Corporate Governance Assessment Committee: In turn, pursuant to its regulations, the Corporate Governance Assessment Committee has the following powers: (i) Constantly assess the corporate governance model, internal rules and procedures regarding Novabase's structure and governance, and the adequacy of the Novabase Group's principles and practices of conduct vis-à-vis legal, regulatory and statutory provisions and recommendations, standards and international and national best practices involving corporate governance; (ii) Propose to the Board of Directors – which in turn may convey this proposal to the General Meeting of Shareholders, if applicable – changes to Novabase's corporate governance model deemed relevant for the ongoing refinement of the company's corporate governance practices; (iii) Provide each year to the Board of Directors a proposed text for the Corporate Governance Report to disseminate throughout the company as an integral part of each year's Annual Report and Accounts. This report – drawn up according to CMVM recommendations on format and content – offers conclusions on Novabase's degree of compliance with legal, regulatory and statutory provisions, together with rules, recommendations, standards and international and national best practices involving corporate governance.

On 31 December 2009, the Corporate Governance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Manuel Alves Monteiro, João Luís Correia Duque, José Afonso Oom Ferreira de Sousa and Joaquim Sérvulo Rodrigues.

Once again, it should be noted that in 2009, Novabase did not implement any specialized committee with the powers referred to in the new Recommendation No. II.5.1 of the 2010 Corporate Governance Code, under which committees should be created to identify, in a timely manner, potential candidates with the high profile needed for the position of director. This is due to the specific nature of its corporate governance model, which adequately defines the profile of candidates for management positions and selection of members to be elected by shareholders, coupled with the fact that this practice is not found in the 2007 Corporate Governance Code, which is in effect until the end of 2009.

In addition, as previously mentioned, since the new 2010 Corporate Governance Code specifies the existence of such a committee, Novabase will deliberate in 2010 on its potential implementation within the company's existing corporate governance model, namely by changing the internal operating regulations of the Corporate Governance Assessment Committee so that these powers may be reassigned to the latter specialized committee.

Novabase also has a Remuneration Committee, which is not a managing or supervisory board, and which is responsible for establishing the terms and conditions of remuneration for corporate board members. The Remuneration Committee's composition, powers and other information are detailed in Section V of this report.



*II.4 Reference to the annual reports on the activities undertaken by the General and Supervisory Board, the Financial Board, the Auditing Committee and the Supervisory Board including the description of the supervisory activity and indicating any restraints found, and being subject to disclosure on the website of the company, together with the financial statements*

The Auditing Committee Report is annexed in its entirety to this document, and is available on the Novabase website, together with the accounting documents and the Auditing Committee's annual report.

*II.5 Description of the company's internal control and risk management systems, particularly with regard to financial reporting and the functioning and effectiveness thereof*

Given the importance of a structured risk management model to the business, together with market regulatory requirements, the company's Board of Directors has been tasked with implementing and monitoring a suitable internal control and risk management process, working towards its efficacy.

The company therefore has a working model based on detecting and anticipating potential risks, so as to manage them in a timely manner, via the delegation of responsibilities and appropriate internal communication channels in line with the company's strategic goals for assuming risks as defined under this system.

Since Novabase does business in the area of Information Technology, this system has identified the following main risks (in addition to those listed in point II.9.) and corresponding risk factors: (i) the solutions developed may become obsolete relatively fast, due to the market trend of adopting their base technologies or changes in customers' business needs and investment priorities; (ii) a proposed solution may prove unsuitable in terms of the choices made or the timing of the development of new solutions, due to the incorrect forecasting of technology trends or trends in our customers' business sectors impacting their information systems needs. With these risks in mind, the teams tied to Novabase's primary markets analyze the industry in order to detect current trends and promote the development of internal skills to address these trends. In turn, the teams from Novabase's various practices control typical risks in the IT sector within their spheres of expertise, such as technology obsolescence, the risk that solutions may not be suitable, and the timing of the development and proposal of new solutions not being right for the market.

This system's efficiency is due to the instituted internal procedure, which reinforces the communication channels between the Group's various departments and decision-making bodies, thereby allowing potential internal control problems to be analyzed, and detecting potential risks in real time.

Novabase also has an Internal Auditing team responsible for conducting monitoring actions and improving internal control procedures essentially associated with the Group's central service areas, always in accordance with the strategic goals laid out in the integrated risk management model. Focused internal audits are thus performed, covering all of Novabase's affiliates.

The Auditing Committee, as an inspection body, monitors the activity of the external auditors, as well as that of the internal auditors, assessing annual internal auditing plans, obtaining information about the actions performed by this team and providing an opinion regarding their conclusions.



In this context, this committee also has powers involving the assessment of sufficient internal control mechanisms in order to understand and manage the inherent risks of Novabase's activities, suggesting policies and procedures to the Board of Directors to achieve these goals and refine these mechanisms.

The Board of Directors is also responsible for ensuring disclosure of accurate financial information that truthfully reflects the Group's situation at any given moment, in compliance with the norms issued by the applicable regulatory entities at any given moment.

As regards the quality of the financial information that is publicly disclosed by the Investor Relations Department, it should be pointed out that it is the result of a financial reporting process that is ensured by the central services areas of the Group, subject to the internal control system of the Group and monitored through the aforementioned methods. Nevertheless, this information is also subject to analysis and approval by the relevant bodies, namely the Executive Committee and the Board of Directors.

#### *II.6 Responsibility of the Board of Directors and the Supervisory Board in establishing and operating the company's internal control and risk management systems, and also in assessing said system's functioning and adaptation to the company's requirements*

The company's Board of Directors is responsible for implementing and monitoring a suitable internal control and risk management process, working towards its efficacy. Systematic and regular monitoring of this matter is directly conducted by the Executive Committee with the aim of optimizing management of risk that can negatively impact achievement of the strategic business goals. The process is based on anticipating and identifying risk, permitting its timely management through processes of delegating responsibilities and suitable internal communication channels.

Novabase also has an Internal Auditing team responsible for conducting monitoring actions and improving internal control procedures essentially associated with the Group's central service areas. Internal audits are thus conducted and essentially focused on processes that impact the financial area and covering all of Novabase's affiliates.

The Auditing Committee, as an inspection body, monitors the activity of the external auditors, as well as that of the internal auditors, assessing annual internal auditing plans, obtaining information about the actions performed by this team and providing an opinion regarding their conclusions.

The Auditing Committee will also have powers involving the assessment of sufficient internal control mechanisms to understand and manage the inherent risks of Novabase's activities, suggesting policies and procedures to the Board of Directors to achieve these goals and refine these mechanisms.

The Board of Directors is also responsible for ensuring disclosure of accurate financial information that truthfully reflects the Group's situation at any given moment, in compliance with the norms issued by the applicable regulatory entities at any given moment.

Due to the company's size, there are currently no structures in place to confirm the complete fulfilment of new Recommendation No. II.4.6 of the 2010 Corporate Governance Code, which states that internal auditing areas and those covering the fulfilment of rules applicable to the company (compliance areas) should report to the

Auditing Committee from an operational standpoint, regardless of their hierarchical relationship with the company's executive management. Nonetheless, the company is deliberating on introducing the necessary internal restructuring, namely new separate structures to confirm complete fulfilment of the recommendation.

*II.7 Indication of the existence of operating regulations for the company's corporate boards or other rules related to the internally defined incompatibilities, the maximum number of positions that can be accumulated and where they can be consulted.*

The Board of Directors, Executive Committee, Auditing Committee, Board of Directors Performance Assessment Committee and Corporate Governance Assessment Committee have their own operating regulations, which are available for consultation at Novabase's website.

Beyond those resulting from applicable legislation, there are no other regulations regarding incompatibilities or the maximum number of positions that can be accumulated applicable to Novabase corporate boards.

## *Section II – Board of Directors*

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*II.8 In the event of the Board of Directors' Chairman carrying out an executive role, an indication of the mechanisms coordinating the tasks of non-executive members in order to ensure independence and notification of decisions.*

Not applicable.

*II.9 Identification of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity.*

Below is a description of some of the risks analyzed by the company which deserve attention due to their relevance and business impact.

In the area of medium and long-term strategic planning, the Board of Directors is responsible for analyzing risk, and does so regularly in relation to the annual operations plan and whenever potential businesses and markets are being evaluated.

As regards credit risk, although it is focused on major customers and its credibility is above average, Novabase has internally developed a customer credit risk analysis system that includes categorization prior to the presentation of a work proposal, involving the reality of the potential risk and associating the hierarchical approval level suited to it subsequent to that categorization.

As regards legal risk, potential problems with customers and employees are the most probable. These risks are part of the internal control system in terms of project management, relationships with outside entities and internal departmental processes. Procedures have been defined to streamline the prior analysis of all contracts and other legal processes by the legal department, thereby minimizing potential future sources of risk. In addition, the status of current legal proceedings is regularly monitored, with an analysis of their potential financial impacts.

Some of the Group's business areas are exposed to exchange risk (primarily EUR/USD), which is analyzed and hedged through an exchange management policy based on "natural hedging", or using the exchange derivatives market or even exchange options. Novabase takes a conservative, prudent stance in managing its exchange risks, with the speculative use of derivatives forbidden.

Where project risk management is concerned, Novabase has a project qualification methodology which analyzes various specific parameters. Once the risk of the project has been ascertained, it is assigned to a project manager with the appropriate seniority. A number of qualifying training courses for project managers have been pursued in recent years. It should also be mentioned that there is a methodology in place that involves conducting internal project audits with the appropriate frequency. A system of ceilings is in place, by which authorization of proposals must be validated by a supervisor and the maximum ceiling requires authorization by the Board itself. There is a procedure for centrally validating, sending and filing proposals, which is revised by Novabase's legal department at the contract level. This department must issue its opinion before a proposal can be sent to a customer.

#### *II.10 Powers of the board of directors, namely with respect to decisions to increase capital.*

The authority and powers of the Board of Directors are described in point II.3 above of this report.

Regarding decisions to increase capital, the Board of Directors can, by a two-thirds majority of the votes of its members, increase the share capital one or more times by cash payments, up to a ceiling of twenty-eight million, two hundred thousand euros, setting the terms and conditions of each increase of capital and the form and time limits for subscribing.

This power of the board of directors was renewed for an additional period of five years at the Annual General Meeting of Shareholders of 12 April 2007.

#### *II.11 The information on the rotation policy of the Board of Directors' functions, namely as to the financial responsibility division and the rules applicable to the appointment and replacement of members of the board of directors and of the supervisory board.*

The members of the Board of Directors and Auditing Committee are appointed and replaced in the performance of their duties, pursuant to the law.

#### *Constitutive quorum for the General Meeting of Shareholders*

The General Meeting of Shareholders can, on first notice, decide on the appointment and replacement of members of the managing and supervising body, however many shareholders are represented there.

#### *Deliberative quorum for the General Meeting of Shareholders*

The General Meeting of Shareholders can, whether it meets on first or second notice, decide on the appointment and replacement of members of the managing and auditing body, by a majority of votes cast, no matter what percentage of the share capital is represented there, with abstentions not being counted.

Novabase currently has no formal rotation policy for functions in the Board of Directors. However, in view of new Recommendation No. II.2.5. of the 2010 Corporate Governance Code, Novabase will deliberate in 2010 on the possible adoption of a policy of this sort.

Meanwhile, it should be noted that, although no formal policy exists in this regard, Novabase has significantly and frequently rotated the holders of executive positions.

Director Francisco Antunes performed the duties of Chief Financial Officer (CFO) in 2009, having replaced Luís Paulo Salvado who had held this position since 12 April 2007, following the General Meeting of Shareholders of 28 April 2009. Novabase

therefore complies with the recommendation that the CFO be frequently rotated, as established in point II.2.5 of the 2007 Corporate Governance Code.

The company's remaining management (and supervisory) functions have also undergone considerable rotation, primarily because directors João Vasco Tavares da Mota Ranito and José Carlos de Almeida Pedro de Jesus left their positions at the company in 2008, and because directors Manuel Saldanha Fortes Tavares Festas and João Quadros Saldanha left their positions in 2009. In 2009, directors Rogério dos Santos Carapuça, José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro Marques de Carvalho also left their executive positions, with former CFO Luís Paulo Cardoso Salvado taking the position of Novabase CEO. Finally, a new member of the Auditing Committee, João Luís Correia Duque, was elected in 2009.

*II.12 The number of meetings held by the board of directors and the supervisory board as well as reference to the minutes of said meetings.*

See information in next point.

*II.13 The number of meetings held by the Executive Committee or by the Executive Board of Directors, as well as reference to the drawing up of the minutes of those meetings and whenever applicable, the submission of same with the convening notices to the Chair of the Board of Directors, the Chair of the Supervisory Board or of the Audit Committee, the Chair of the General and Supervisory Board and to the Chair of the Financial Matters Committee.*

The table below lists the number of meetings of the Novabase managing and auditing bodies during the 2009 financial year, indicating the date on which they were held:

Governin g Board	Board of Directors	Executive Committee	Auditing Committee
Number of meetings	13	30	13
Meeting dates	08/01/09	08/01/09	08/01/09
	12/02/09	09/01/09	11/02/09
	12/02/09	14/01/09	12/02/09
	12/03/09	15/01/09	12/03/09
	26/03/09	22/01/09	26/03/09
	30/04/09	04/02/09	30/04/09
	28/05/09	05/02/09	01/06/09
	25/06/09	10/02/09	25/06/09
	27/07/09	12/02/09	24/07/09
	24/09/09	11/03/09	27/07/09
	29/10/09	19/03/09	24/09/09
	26/11/09	26/03/09	09/10/09
	17/12/09	16/04/09	11/11/09
		27/04/09	
		13/05/09	
		03/06/09	
		17/06/09	

	24/06/09	
	15/07/09	
	27/07/09	
	02/09/09	
	10/09/09	
	23/09/09	
	07/10/09	
	21/10/09	
	28/10/09	
	11/11/09	
	25/11/09	
	16/12/09	
	23/12/09	

Note that the Chairman of the Novabase Executive Committee is responsible for submitting the minutes of the Executive Committee meetings to the Chairman of the Board of Directors and Chairman of the Auditing Committee. In addition, the Chairman of the Board of Directors may attend Executive Committee meetings, without voting rights, and also receives the respective meeting notices for this purpose. All non-executive directors also receive the same Executive Committee meeting minutes.

In turn, both the Board of Directors Performance Assessment Committee and the Corporate Governance Assessment Committee met once in 2009. The corporate boards and specialized committees draw up their own meeting minutes.

*II.14 Distinction between executive and non-executive members and among these, differentiating those members that would comply if the incompatibility rules were to be applied (Article 414-A/1 of the Commercial Companies Code, except for item /b and the independency criteria provided for in article 414/5, both of the Commercial Companies Code).*

The chart below details the composition of the Board of Directors at 31 December 2009, including a breakdown of executive versus non-executive and independent versus non-independent members and those that comply with incompatibility regulations:

Director	Member of Committee within Board of Directors	Category	Independence (Article 414-A/1 of the Commercial Companies Code)	Fulfils Article 414/5 of the Commercial Companies Code
Rogério dos Santos Carapuça	CAACA <sup>1</sup> CAGS <sup>2</sup>	Non-executive	No	No
Luís Paulo Cardoso Salvado	CE <sup>3</sup> CAACA CAGS	Executive	No	No
João Nuno da Silva Bento	Executive Committee	Executive	No	No
Álvaro José da Silva Ferreira	Executive Committee	Executive	No	No

Nuno Carlos Dias dos Santos Fórneas	Executive Committee	Executive	No	No
Francisco Paulo Figueiredo Morais Antunes	Executive Committee	Executive	No	No
Luís Fernando de Mira Amaral	CAUD <sup>4</sup> CAACA	Non-executive	Yes	Yes
Manuel Alves Monteiro	CAUD CAGS	Non-executive	Yes	Yes
João Luis Correia Duque	CAUD CAGS	Non-executive	Yes	Yes
José Afonso Oom Ferreira de Sousa	CAACA CAGS	Non-executive	No	No
Joaquim Sérvulo Rodrigues	CAACA CAGS	Non-executive	No	No
Pedro Miguel Quinteiro Marques de Carvalho	CAACA	Non-executive	No	No

<sup>1</sup> Board of Directors Performance Assessment Committee

<sup>2</sup> Corporate Governance Assessment Committee

<sup>3</sup> Executive Committee

<sup>4</sup> Auditing Committee

## *II.15 A description of the legal and regulatory rules and other criteria that have been used as a basis for assessing the independency of its members carried out by the board of directors.*

As regards the Board of Directors' composition and operation, the independence of its members is assessed under the terms of Article 414 of the Commercial Companies Code, while also considering applicable incompatibility rules pursuant to Article 414-A/1 of this same code.

The Board of Directors assesses the independence of its members, seeking to ensure the systematic and time-related consistency of the independence criteria applied throughout the company. Specifically, as a principle, any director which, in another corporate board, could not assume this same position due to applicable rules, should not be considered independent. In this way, Recommendation No. II.1.2.3 of the 2010 Corporate Governance Code has been fulfilled.

Along these same lines, three members of the Board of Directors are in compliance with the incompatibility rules laid out in Article 414-A/1 of the Commercial Companies Code, and fulfil the independence criteria laid out in Article 414/5 of the Commercial Companies Code, namely Luís Fernando de Mira Amaral, Manuel Alves Monteiro and João Luís Correia Duque.

## *II.16 A description of the selection rules for candidates for non-executive member positions and the way in which executive members refrain from interfering in the selection process.*

Candidates for non-executive director positions are selected through a process conducted exclusively by shareholders, in which they are nominated for election at the General Meeting of Shareholders via a proposal signed by the company's shareholders, with no interference, at any time during the selection process, to the decision-making process of the shareholders signing this proposal for the names to be submitted to the General Meeting of Shareholders. None of the current non-executive directors was co-opted during this term.

As stated earlier, the company is considering the assignment of powers under the selection process for candidates for director positions (including non-executive director positions) to the Corporate Governance Assessment Committee, which has 6 members, including 5 non-executive directors, and is presided over by the Chairman of the Board of Directors, who does not perform executive duties.

In this way, any interference of executive directors in the non-executive director selection process will be extremely limited if this model is ultimately adopted.

In view of the above, Recommendation No. II.1.3.2 of the 2010 Corporate Governance Code has been fulfilled.

*II.17 Reference to the fact that the company's annual management report includes a description on the activity carried out by non-executive members and possible obstacles that may be detected.*

A report on the activities carried out by non-executive directors in 2009 is attached to this report.

*II.18 Professional qualifications of the members of the board of directors, indication of the professional activities they have exercised within the past five years at least, the number of company shares they own, date of first appointment and date of the end of the term.*

Director (date of first appointment/end of term)	# shares <sup>1</sup>	Professional Qualifications	Work experience in last 5 years
Rogério dos Santos Carapuça (29-03-94/31-12-11)	1,884,787	<ul style="list-style-type: none"> <li>Ph.D in Electrotechnical and Computer Engineering from IST</li> <li>M.Sc. in Electrotechnical and Computer Engineering from IST</li> <li>Graduate in Electrotechnical Engineering from IST</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of Novabase Board of Directors</li> <li>Chairman of the Board of Directors Performance Assessment Committee</li> <li>Chairman of the Corporate Governance Model Assessment Committee</li> <li>Director of various Novabase Group companies</li> <li>Member of the Faculty Council of</li> </ul>

			<p>the UNL Faculty of Sciences and Technologies</p> <ul style="list-style-type: none"> <li>Member of the Scientific Board of Exact Sciences and Engineering of the Foundation for Science and Technology (Fundação para a Ciência e Tecnologia)</li> </ul> <p><u>Formerly:</u></p> <ul style="list-style-type: none"> <li>CEO and Executive Committee member responsible for Marketing &amp; Communication</li> </ul>
Luis Paulo Cardoso Salvado (18-3-98/31-12-11)	1,903,040	<ul style="list-style-type: none"> <li>MBA in Information Management from Universidade Católica Portuguesa</li> <li>Graduate in Electrotechnical Engineering from IST</li> </ul>	<ul style="list-style-type: none"> <li>CEO, CLO, CHRO and Executive Committee member responsible for the consulting business and the transportation and logistics market</li> <li>Member of the Board of Directors Performance Assessment Committee</li> <li>Member of the Corporate Governance Model Assessment Committee</li> <li>Director of various Novabase Group companies</li> </ul> <p><u>Formerly:</u></p> <ul style="list-style-type: none"> <li>Novabase Group</li> </ul>



			CFO
João Nuno da Silva Bento (09-11-99/31-12-11)	1,799,793	<ul style="list-style-type: none"> <li>• MBA in Information Management from Universidade Católica Portuguesa</li> <li>• Graduate in Electrotechnical Engineering from IST</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Committee member responsible for Telco areas of Consulting, Capital, Mobile and DigitalTV</li> <li>• Director of various Novabase Group companies</li> </ul> <p><u>Formerly:</u></p> <ul style="list-style-type: none"> <li>• CEO of Novabase Digital TV</li> </ul>
Álvaro José da Silva Ferreira (03-03-00/31-12-11)	920,000	<ul style="list-style-type: none"> <li>• MBA from Universidade Nova de Lisboa</li> <li>• Graduate in Informatics Engineering from Universidade Nova de Lisboa</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Committee member responsible for IMS business and Angola and Azores regions</li> <li>• Director of various Novabase Group companies</li> </ul> <p><u>Formerly:</u></p> <ul style="list-style-type: none"> <li>• Novabase Group CIO</li> <li>• Novabase IMS CEO</li> </ul>
Nuno Carlos Dias dos Santos Fórneas (28-04-09 / 31-12-2011)	61,706	<ul style="list-style-type: none"> <li>• MBA from ISEG</li> <li>• Graduate in Electrotechnical and Computer Engineering from IST</li> </ul>	<ul style="list-style-type: none"> <li>• CIO, CMO and Financial Services Market</li> </ul> <p><u>Formerly:</u></p> <ul style="list-style-type: none"> <li>• Novabase Consulting Division Partner</li> </ul>
Francisco Paulo Figueiredo Morais Antunes (28-04-09 / 31-12-2011)		<ul style="list-style-type: none"> <li>• Master's in Finance from ISCTE</li> <li>• Graduate in Management from ISCTE</li> </ul>	<ul style="list-style-type: none"> <li>• CFO and Executive Committee member responsible for Infrastructures and Facilities area</li> </ul> <p><u>Formerly:</u></p> <ul style="list-style-type: none"> <li>• Novabase Group Financial Director</li> </ul>

<p>Luis Fernando de Mira Amaral (20-04-06/31-12-11)</p>	<p>6,305</p>	<ul style="list-style-type: none"> <li>• Postgraduate Diploma in Management (Stanford Executive Program) from Stanford University</li> <li>• M.Sc. in Economics from Universidade Nova de Lisboa</li> <li>• Graduate in Electronic Engineering from IST</li> </ul>	<ul style="list-style-type: none"> <li>• Chairman of the Auditing Committee</li> <li>• Member of the Board of Directors Performance Assessment Committee</li> <li>• CEO and Vice President of Caixa Geral de Depósitos</li> <li>• Director of Sociedade Portuguesa de Inovação, SA</li> <li>• Director of BPI</li> <li>• CEO of Banco BIC Português</li> <li>• Member of the Royal Lankhorst Group Supervisory Board</li> </ul>
<p>Manuel Alves Monteiro (20-04-06/31-12-11)</p>	<p>9,000</p>	<ul style="list-style-type: none"> <li>• Graduate in Law, member of the Portuguese Bar Association (Ordem dos Advogados)</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Auditing Committee</li> <li>• Member of the Corporate Governance Model Assessment Committee</li> <li>• Non-executive director: AICEP, CIN-SGPS</li> <li>• Member of the General and Supervisory Board of EDP and Member of the Consulting Board of FGEUC</li> <li>• Chairman of the Remuneration Committees of the following companies: AICEP Capital, S.A.; AICEP Global Parques, S.A.; Douro Azul, S.A.; Sardinha</li> </ul>

			& Leite SGPS, S.A. <ul style="list-style-type: none"> <li>Member of the Coordinating Board of SEDES</li> </ul>
João Luis Correia Duque (28-04-09 / 31-12-11)	500	<ul style="list-style-type: none"> <li>Ph.D in Business Administration from Manchester Business School / Manchester University</li> <li>Graduate in Company Organization and Management from ISEG / UTL</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Auditing Committee</li> <li>Member of the Corporate Governance Model Assessment Committee</li> <li>Non-executive director of Sogevinus, SGPS</li> <li>President and Full Professor at ISEG</li> <li>Chairman of IDEFE / ISEG</li> <li>Chairman of the Board of Auditors of the Portuguese Gymnastics Foundation (FGP)</li> <li>Member of the management board of the Portuguese Financial Analysts Foundation (APAF)</li> </ul>
José Afonso Oom Ferreira de Sousa (24-01-91/31-12-11)	2,514,947	<ul style="list-style-type: none"> <li>MBA from Universidade Nova</li> <li>M.Sc. in Electrotechnical Engineering from IST</li> <li>Graduate in Electrotechnical Engineering from IST</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Board of Directors Performance Assessment Committee</li> <li>Member of the Corporate Governance Model Assessment Committee</li> <li>Novabase Capital Director</li> </ul> <p><u>Formerly:</u></p>

			<ul style="list-style-type: none"> <li>• Novabase Group CLO</li> <li>• Novabase Group CFO</li> <li>• Director of various Novabase Group companies</li> </ul>
Joaquim Sérvulo Rodrigues (29-04-03/31-12-11)		<ul style="list-style-type: none"> <li>• MBA from INSEAD</li> <li>• M.Sc. in Electrotechnical Engineering from IST</li> <li>• Graduate in Electrotechnical Engineering from IST</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Board of Directors Performance Assessment Committee</li> <li>• Member of the Corporate Governance Model Assessment Committee</li> <li>• Chairman of the executive committee of the board of directors of Es Tech Ventures, SGPS, SA</li> <li>• Chairman of the executive committee of the board of directors of ES Ventures, SCR, SA</li> <li>• Director of various companies from the portfolio of the prior companies</li> </ul>
Pedro Miguel Quinteiro Marques de Carvalho (24-01-91/31-12-11)	2,170,679	<ul style="list-style-type: none"> <li>• Graduate in Applied Mathematics from Universidade de Lisboa</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Board of Directors Performance Assessment Committee</li> </ul> <p><u>Formerly:</u></p> <ul style="list-style-type: none"> <li>• Director responsible for the administrative and logistics area</li> <li>• Novabase Group</li> </ul>

			CIO <ul style="list-style-type: none"> <li>Director of various Novabase Group companies</li> </ul>
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<sup>1</sup>The shareholdings referred to in the above table also comply with the report of the Shareholdings of Corporate Board Members (Article 447, Item 5 of the Commercial Companies Code).

## *II.19 Duties that the members of the board of directors perform in other companies, broken down according to those exercised in other companies of the same group.*

In addition to their management of Novabase, the members of the Board of Directors who also manage other companies are as follows:

Director	Companies in the Novabase Group	Other Companies
Rogério dos Santos Carapuça	<ul style="list-style-type: none"> <li>Novabase Serviços, S.A.</li> <li>Novabase Consulting, S.A.</li> </ul>	
Luís Paulo Cardoso Salvado	<ul style="list-style-type: none"> <li>Novabase Consulting SGPS, S.A.</li> <li>Novabase Serviços, S.A.</li> <li>Novabase Enterprise Applications, S.A.</li> <li>Novabase Consulting, S.A.</li> <li>Novabase ACD</li> <li>Novabase BI</li> <li>Novabase SAF</li> <li>Octal, S.A.</li> <li>Octal2Mobile, S.A.</li> <li>Gedotecome, Lda</li> <li>Novabase IMS, S.A.</li> <li>Novabase Consulting S.A. (Spain)</li> </ul>	
João Nuno da Silva Bento	<ul style="list-style-type: none"> <li>Novabase Interactive TV, SGPS S.A.</li> <li>Novabase Capital, S.A.</li> <li>Celfocus, S.A.</li> <li>Novabase Serviços</li> <li>Novabase Consulting, S.A.</li> <li>Collab, S.A.</li> </ul>	

	<ul style="list-style-type: none"> <li>• Novabase Digital TV, S.A.</li> <li>• TVLAB, S.A.</li> <li>• ONTV, S.A.</li> <li>• Octal2Mobile, S.A.</li> <li>• Gedotecome, Lda</li> <li>• Novabase Consulting, S.A. (Spain)</li> <li>• Novabase Middle East</li> <li>• Novabase Infraestructuras e Integración de Sistemas Informáticos, SA</li> </ul>	
Álvaro José da Silva Ferreira	<ul style="list-style-type: none"> <li>• Novabase Consulting, SGPS, S.A.</li> <li>• NBO, S.A.</li> <li>• NB Serviços</li> <li>• Novabase Enterprise Applications, S.A.</li> <li>• Novabase Consulting, S.A.</li> <li>• Novabase IMS, S.A.</li> <li>• Novabase Infraestruturas, S.A.</li> <li>• Novabase Atlântico, S.A.</li> <li>• Novabase Consulting, S.A. (Spain)</li> <li>• Novabase Polska</li> <li>• Novabase Infraestructuras e Integración de Sistemas Informáticos, SA</li> </ul>	<ul style="list-style-type: none"> <li>• Director of 1 company<sup>1</sup></li> </ul>
Nuno Carlos Dias dos Santos Fórneas	<ul style="list-style-type: none"> <li>• NB Serviços</li> <li>• NB Consulting</li> <li>• NB Infraestruturas SGPS</li> </ul>	
Francisco Paulo Figueiredo Morais Antunes	<ul style="list-style-type: none"> <li>• NB Interactive TV</li> <li>• NB Consulting SGPS</li> <li>• NBO</li> <li>• NB Serviços</li> <li>• NB Enterprise Applications</li> <li>• NB Consulting SA</li> <li>• Collab</li> </ul>	<ul style="list-style-type: none"> <li>• Managing partner of 1 company<sup>1</sup></li> </ul>

	<ul style="list-style-type: none"> <li>• Octal</li> <li>• NB Digital TV</li> <li>• TV LAB</li> <li>• ONTV</li> <li>• Octal2Mobile</li> <li>• Gedotecome</li> <li>• NB IMS</li> <li>• NB Infraestruturas SGPS</li> <li>• NB Digital TV GmbH</li> </ul>	
Luís Fernando de Mira Amaral		<ul style="list-style-type: none"> <li>• CEO of Banco BIC Português</li> <li>• SPI Director</li> </ul>
Manuel Alves Monteiro		<ul style="list-style-type: none"> <li>• Non-executive director of AICEP, EPE, SA</li> <li>• Non-executive director of CIN, SGPS</li> <li>• Member of the General and Supervisory Board of EDP</li> </ul>
João Luis Correia Duque		<ul style="list-style-type: none"> <li>• Non-executive director of Sogevinus, SGPS.</li> </ul>
José Afonso Oom Ferreira de Sousa	<ul style="list-style-type: none"> <li>• Novabase Capital SGCR, S.A.</li> </ul>	<ul style="list-style-type: none"> <li>• Director or manager of 5 companies<sup>1</sup></li> </ul>
Joaquim Sérvulo Rodrigues		<ul style="list-style-type: none"> <li>• Chairman of the executive committee of the board of directors of Es Tech Ventures, SGPS, SA</li> <li>• Chairman of the Executive Committee of ES Venture, SCR, S.A.</li> <li>• Executive director of Bica da Sapataria-Empreendimentos Agrícolas e Gestão, S.A.</li> <li>• Director of Watson Brown</li> <li>• Director of Maló</li> </ul>



		<p>Clinics</p> <ul style="list-style-type: none"> <li>• Director of PVCi-SCR.</li> <li>• Director of BEST, S.A.</li> <li>• Director of Military Commercial Technologies, Inc.</li> <li>• Director of PT-Prime Tradecom, S.A.</li> <li>• Director of ES Contact Center, S.A.</li> <li>• Director of YDreams, S.A.</li> <li>• Director of ES Capital – S.C.R., S.A.</li> <li>• Director of Atlantic Ventures Corporation, LLC</li> <li>• Director of Aquaspy, Ltd.</li> <li>• Director of Oceanlix, Pty</li> <li>• Director of Atraverda, Pty</li> <li>• Director of Outsystems, S.A.</li> </ul>
Pedro Miguel Quinteiro Marques de Carvalho		<ul style="list-style-type: none"> <li>• Director or manager of 3 companies<sup>1</sup></li> </ul>

<sup>1</sup>None are considered to be a competitor of Novabase.

### Section III – General and Supervisory Board, Financial Matters Committee and Supervisory Board

*As applicable,*

*II.21 Identification of the members of the supervisory board and statement indicating that same comply with the incompatibility rules provided for in article 414-A/1, and whether they comply with the independency criteria in article 414/5, both of the Commercial Companies Code. For said purpose, the audit board carries out the relevant self-assessment.*

Since it has adopted the Anglo-Saxon corporate governance model, Novabase does not have a supervisory board.

Nonetheless, as regards its composition and operation, the Auditing Committee independently assesses the independence of its respective members, pursuant to Article

414 of the Commercial Companies Code. Similarly, members of the Auditing Committee are subject to the incompatibility rules referred to in Article 414-A/1 of this same code.

The Auditing Committee assesses the independence of its members, seeking to ensure the systematic and time-related consistency of the independence criteria applied. Specifically, as a principle, any Auditing Committee member which, in another corporate board, could not assume this same position due to applicable rules, should not be considered independent.

Therefore, although Novabase does not have a supervisory board, the following should be noted:

Member of the Auditing Committee	Category	Independence (Article 414-A/1 of the Commercial Companies Code)	Fulfil Article 414/5 of the Commercial Companies Code
Luís Fernando de Mira Amaral	Non-executive director	Yes	Yes
Manuel Alves Monteiro	Non-executive director	Yes	Yes
João Luis Correia Duque	Non-executive director	Yes	Yes

Along these same lines, all members of the Auditing Committee are in compliance with the incompatibility rules laid out in Article 414-A/1 of the Commercial Companies Code, and fulfil the independence criteria laid out in Article 414/5 of the Commercial Companies Code, namely Luís Fernando de Mira Amaral, Manuel Alves Monteiro and João Luís Correia Duque.

In addition, the Chairman and other members of the Auditing Committee are adequately capable of carrying out their duties

*II.22 Professional qualifications of the members of the auditing committee, indication of the professional activities they have exercised within the past five years at least, the number of company shares they own, date of first appointment and date of the end of the term.*

Not applicable.

*II.23 Duties that the members of the auditing committee perform in other companies, broken down according to those exercised in other companies of the same group.*

Not applicable.

*II.24 Reference to the fact that the supervisory board assesses the external auditor on an annual basis and the possibility of proposing to the General Meeting of Shareholders that the auditor be discharged whenever justifiable grounds are present.*

As stated in point II.21 above, since it has adopted the Anglo-Saxon corporate governance model, Novabase does not have a supervisory board. The following information is in reference to the Auditing Committee.

As described in point II.3. above, the Auditing Committee collaborates with the Board of Directors in selecting external auditors and determining the respective remuneration, as well as supervising these auditors' work, including verification of the existence of suitable conditions for providing external auditing services and receipt of the respective reports, assessing the external auditor on an annual basis. To date, there has been no need to justifiably dismiss any entity performing these duties.

It should also be noted that the annual financial information for 2008 published in 2009 was subject to a legal certification of accounts and auditing report submitted by an auditor registered with the CMVM by means of a unique document drawn up by this same entity.

However, contrary to the statutory provisions concerning statutory auditors, the law and Novabase's articles of association do not empower the General Meeting of Shareholders to appoint external auditors. For this reason, the possibility of proposing the auditor's justified dismissal to the General Meeting of Shareholders does not exist.

Or,

*II.25 Identification of the members of the general and supervisory board and other committees created within the company for the purposes of assessing the individual and overall performance of the executive members, consideration on the governance system that has been adopted by the company and the identification of potential candidates with the professional profile fitting the member position.*

Not applicable.

*II.26 Statement indicating that members comply with the incompatibility rules provided for in article 414-A/1 including item /f and the independency criteria provided for in article 414/5, both of the Commercial Companies Code. For said purpose, the general and supervisory board carries out the relevant self-assessment.*

Not applicable.

*II.27 Professional qualifications of the members of the general and supervisory board and other committees created under its auspices, indication of the professional activities they have exercised within the past five years at least, the number of company shares they own, date of first appointment and date of the end of the term.*

Not applicable.

*II.28 Duties that the members of the general and supervisory board and other committees created under its auspices perform in other companies, broken down according to those exercised in other companies of the same group.*

Not applicable.

*II.29 Description of the remuneration policy including that of the managers within the concept of article 248-B/3 of the Securities Code and of the other workers whose professional activity might have a relevant impact on the risk profile of the company and whose remuneration contains an important variable component.*

Only the members of Novabase's Board of Directors are considered managers, within the meaning of Article 248-B/3 of the Securities Code.

By unanimous decision of the Remuneration Committee on 19 September 2006, Novabase directors who are primarily dedicated to the management of companies in the Novabase Group shall have a variable remuneration consisting of (i) a sum to be paid in cash, to be defined annually by the Remuneration Committee, according to the performance and results of Novabase each year and the contribution of each director to these results; and (ii) a set of options attributed according to the current plan in effect.

The first part of the directors' variable remuneration is therefore aligned with the company's annual performance, while the second is aligned with the stock performance of the Novabase share. In 2009, the first parcel of the variable remuneration was €241,120.00, paid as detailed in the chart below in point II.30.

As regards this variable remuneration's second part, the options' strike price is based on the average share price in the ninety days preceding the participant's commencement of management duties. For this reason, the options will be more valuable as Novabase's share price rises while the management position is held, and until the options are exercised, thereby aligning the interests of the company's managers and shareholders.

Furthermore, insofar as the total variable remuneration earned by the directors complies with the creation of value reflected in the results and the company's finance and stock performances, Novabase remuneration policy values the company's long term performance and its sustainability.

Independent non-executive directors are only remunerated with a fixed salary or according to attendance, and are not entitled to any variable component in their salary. The Remuneration Committee is also responsible for deciding whether the non-executive directors elected in representation of key shareholders will earn any remuneration for the performance of their duties.

The current remuneration policy for the Board of Directors was implemented for the 2009 financial year in accordance with Chapter II.30 below.

In addition to the above, the remuneration of certain employees at Novabase may include a major variable component when their professional activities, according to their assigned duties within the Group, may significantly impact the company's risk profile. Although the company has no remuneration policy for these situations, the variable component of these employees' remuneration has not exceeded 55% of their annual remuneration, and is determined based on an annual performance evaluation by the managing board member(s) responsible for the employee's department.

Name	Position
Carlos Alves	Novabase Consulting Director/In Charge of BI Practice
Carmo Palma	EA ERP Director/Government & Healthcare Director
Célia Vieira	NBO Director
Jamie Bridel	CelFocus Director
João Rafael	Novabase Consulting Director/Octal (Ticketing Unit) Director/In Charge of Novabase Partner Relations
Luís Lobo	Novabase Consulting Director/Octal-Engenharia de Sistemas, S.A. Director /Novabase Enterprise Applications Director
Luís Quaresma	Novabase Capital Director/Octal-Engenharia de Sistemas, S.A. Director /EDP, Galp, REN Account Manager

Manuel Relvas	Octal - Engenharia de Sistemas, S.A. Director
Maria Gil	Novabase Capital Director/In Charge of IR Novabase SGPS
Miguel Vicente	Novabase IMS Director
Paulo Ferreira	Novabase IMS Director/In Charge of Practice II
Paulo Trigo	CelFocus Executive Director
Pedro Afonso	Novabase DigitalTV Director/Telecommunications
Pedro Borges	Novabase Consulting Senior Manager/Telecommunications Market Sales Manager
Pedro Faustino	Novabase Consulting Director/Government & Healthcare Market Executive
Pedro Gomes	Novabase Consulting Director/Novabase Financial Services Director
Pedro Chagas	Novabase Consulting Director
Ricardo Nunes	Novabase Consulting Director
Vasco Monteiro	Novabase IMS Director
Vitor Prisca	Novabase IMS Director/In Charge of IT Management Practice/In Charge of the Novabase Group's Quality and Best Practices in Project Management (Enterprise Program Management)

## Section IV - Remuneration

### *II.30 Description of the remuneration policy of the board of directors and the supervisory board, as provided for in article 2 of Law 28/2009 of 19 June.*

A statement on the remuneration policy, pursuant to Law no. 28/2009 of 19 June and Recommendation No. II.1.5.2 of the 2007 Corporate Governance Code, is attached to this report.

Given the new rules applicable to the remuneration of management and supervisory boards with the entry into force of the new 2010 Corporate Governance Code, Novabase will deliberate on the possible future implementation of appropriate practices to adopt new CMVM recommendations in the area of remuneration.

### *II.31 Indication on the amount concerning the annual remuneration paid individually to members of the board of directors and of the supervisory board of the company, including fixed and variable remuneration and as to the latter, mentioning the different components that gave rise to same, the parts that has been deferred and paid.*

Since 2003, Novabase has complied with the CMVM recommendation regarding disclosure of the remunerations of the members of the Board of Directors individually. In this report, Novabase discloses the remuneration received by each member of the Board of Directors and Auditing Committee in 2009, pursuant to the provisions of Law no. 28/2009 and CMVM Regulation no. 1/2010.

By unanimous decision of the Remuneration Committee, fixed remuneration components for members of the Novabase Board of Directors in 2009, along with annual variable remuneration, are shown in the chart below.

These remunerations are distributed among the members of the Board of Directors in accordance with the breakdown stipulated by the Remuneration Committee, whereby the (i) independent non-executive directors and one non-executive, non-independent

director (Joaquim Sérvulo Rodrigues) earn only a fixed cash remuneration and (ii) the executive directors (together with certain non-executive, non-independent directors taking on management responsibilities in the Group) earn a fixed portion in cash, a variable portion in cash and a variable portion based on stock options. This remuneration is shared among the directors as indicated in the chart below, in accordance with the responsibilities assumed by them at Novabase, and as indicated by the Remuneration Committee.

The remuneration of non-executive, non-independent directors who assume management responsibilities in the Group includes a variable portion, since the current term is a transition period to non-executive duties after many years of executive duties.

The variable portion in cash of directors' remuneration is determined with a view to aligning this portion with the organization's performance in the year in question, measured by the net profits generated. A proper balance is also ensured between the fixed and variable portions of these remunerations.

As regards the aforementioned stock option plan, at the start of the 2009-2011 term, the members of the Board of Directors were awarded a number of options as defined by the Remuneration Committee, under the variable remuneration stock options component for the years in question, in accordance with the table below.

Accordingly, in the Remuneration Committee meeting of 4 June 2009, it was thus resolved to offer 1,959,720 options under the 2009-2011 variable remuneration stock options component in force at the Novabase Group, to be distributed among the five executive directors, Chairman of the Board of Directors and members of the Board of Directors, according to the following chart:

Director	Fixed Annual Remuneration (€)	Variable Annual Remuneration 1 (€)	Partial Total (Fixed + Variable 1) (€)	Variable 1 / Partial Total (%)	Variable Remuneration 2 Options @ €4.04 2009-2011
Luís Paulo Cardoso Salvado	€258,714.30	€43,840.00	€302,554.30	14.49%	380,528 options
João Nuno da Silva Bento	€255,500.00	€43,840.00	€299,340.00	14.65%	380,528 options
Álvaro José da Silva Ferreira	€255,500.00	€43,840.00	€299,340.00	14.65%	380,528 options
Nuno Carlos Dias dos Santos Fórneas	€117,300.00	€0.00	€117,300.00	0.00%	247,343 options
Francisco Paulo Figueiredo Morais Antunes	€90,000.00	€0.00	€90,000.00	0.00%	152,211 options
Manuel Tavares Festas <sup>1</sup>	€24,854.29	€21,920.00	€46,774.29	46.86%	0 options
<b>Executives Total</b>	<b>€1,001,868.59</b>	<b>€153,440.00</b>	<b>€1,155,308.59</b>	<b>13,28%</b>	<b>1,541,138 options</b>
<b>(% total)</b>	<b>63,09%</b>	<b>63,64%</b>	<b>63,16%</b>		<b>78,64%</b>
Rogério dos Santos Carapuça	€245,142.90	€43,840.00	€288,982.90	15.17%	266,370 options
Luís Fernando de Mira Amaral	€38,216.10 <sup>2</sup>	€0.00	€38,216.10 <sup>2</sup>	0.00%	0 options

Manuel Alves Monteiro	€38,216.10 <sup>2</sup>	€0.00	€38,216.10 <sup>2</sup>	0.00%	0 options
João Luis Correia Duque	€25,766.64 <sup>3</sup>	€0.00	€25,766.64 <sup>3</sup>	0.00%	0 options
José Afonso Oom Ferreira de Sousa	€108,868.56	€21,920.00	€130,788.56	16.76%	76,106 options
Joaquim Sérvulo Rodrigues	€10,439.11	€0.00	€10,439.11	16.76%	0 options
Pedro Miguel Quinteiro de Marques Carvalho	€108,868.56	€21,920.00	€130,788.56	16.76%	76,106 options
João Quadros Saldanha <sup>1</sup>	€10,609.00	€0.00	€10,609.00	0.00%	0 options
<b>Non-executives Total</b>	<b>€586,126.98</b>	<b>€87,680.00</b>	<b>€673,806.98</b>	<b>13,01%</b>	<b>418,582 options</b>
<b>(% total)</b>	<b>36,91%</b>	<b>36,36%</b>	<b>36,84%</b>		<b>21,36%</b>
<b>TOTAL</b>	<b>€1,587,995.57</b>	<b>€241,120.00</b>	<b>€1,829,115.57</b>	<b>13.18%</b>	<b>1,959,720 options</b>

<sup>1</sup> Not directors since the General Meeting of Shareholders of 28 April 2009

<sup>2</sup> Of this total, €1,084.60 was not paid until 2010

<sup>3</sup> This amount was not paid in 2009

Variable remuneration 1 was paid in full, with a deferral in variable remuneration 2, as described in point III.10 of this report concerning the terms and conditions of the stock option plan in force.

No additional remuneration was paid in 2009 in the form of profit sharing and/or bonuses, except for the amounts shown in the chart below, as decided by the Remuneration Committee in view of the circumstances of the current term, in which the company's founders are transitioning to non-executive positions after performing executive duties for 20 years:

Director	Bonus (€)
José Afonso Oom Ferreira de Sousa	190,000.00
Pedro Miguel Quinteiro de Marques Carvalho	190,000.00
<b>Total</b>	<b>380,000.00</b>

No compensations were or have been paid, nor were any compensations owed, to former executive directors as a result of their duties no longer being performed in 2009, except in the case of former executive director Manuel Festas, as shown in the following chart:

Director	Exempt Compensation (€)	Applicable Compensation (€)	Holiday Pay <sup>1</sup> (€)
Manuel Tavares Festas	95,149.00	38,851.00	2,224.27

<sup>1</sup> Amount for unused vacation

There are no supplementary pension or early retirement schemes for Novabase directors.



In 2009, an additional amount of €12,115.85 was paid to the members of the Board of Directors in meal allowances.

There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

Novabase directors are paid exclusively by this entity, and do not receive additional remuneration of any kind from other companies that are controlled by or part of the Novabase Group. However, in 2009, in view of the positions of executive directors Nuno Fórneas and Francisco Antunes in the Group prior to their appointment as directors of Novabase SGPS in the General Meeting of Shareholders of 28 April 2009, the following amounts were paid by Novabase Group companies:

Director	Fixed Annual Remuneration (€)	Variable Annual Remuneration 1 (€)	Meal Allowances (€)
Nuno Carlos Dias dos Santos Fórneas	28,400.00	92,100.92	525.86
Francisco Paulo Figueiredo Morais Antunes	28,000.00	42,658.75	595.59
<b>Total</b>	<b>56,400.00</b>	<b>134,759.67</b>	<b>1,121.45</b>

*II.32 Information on the way the remuneration is structured so as to allow aligning the interests of the members of the board of directors with the long-term interests of the company as well as how it is based on the performance assessment and how it discourages excessive risk assumption.*

The variable portion in cash of directors' remuneration is determined by the Remuneration Committee with a view to aligning this portion with the organization's performance in the year in question, measured by the net profits generated. A proper balance is also ensured between the fixed and variable portions of these remunerations.

As regards the stock option plan – and as a means of aligning the directors' interests with those of the company – at the start of the 2009-2011 term, the members of the Board of Directors were awarded a number of options as defined by the Remuneration Committee, under the stock options portion of the variable remuneration for the years in question, in accordance with the table in point II.31 above.

As described in greater detail in point III.10 of this report, attributed options may be exercised in blocks, corresponding to 1/3 of all options, on each anniversary of their attribution date, while unexercised options may be exercised on their subsequent maturity date. As such, the stock option plan's corresponding variable portion does not exclusively serve Novabase's long-term interests.

However, the variable portion of the remuneration paid through the stock option plan is fully aligned with these long-term interests when the options are not exercised until

their last maturity date, i.e. 3 years after the commencement of the directors' terms of office, which must always occur for at least 1/3 of the options attributed.

In addition, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired).

In this way, Novabase believes that a substantial part of the variable remuneration of the company's directors aligns their interests with the long-term interests of the company, although not exclusively so.

Notwithstanding the above, and in view of the entry into force of the new 2010 Corporate Governance Code establishing a number of new recommendations in this regard, together with the lack of any remuneration tool to specifically discourage excessive risk assumption, Novabase will deliberate on the possible future implementation of appropriate practices to adopt new CMVM recommendations involving the variable portion of remuneration.

### *II.33 As regards the remuneration of the executive members:*

Novabase has structured the remuneration of its executive directors in accordance with best market practices, specifically considering CMVM recommendations in this regard from the 2007 Corporate Governance Code.

Notwithstanding the above, in view of the entry into force of the new 2010 Corporate Governance Code, Novabase will deliberate on the possible future implementation of appropriate practices to adopt new CMVM recommendations in the area of executive director remuneration.

#### *a) Reference to the fact that the executive members' remuneration includes a variable component and information on the way said component relies on the assessment performance;*

As stated in point II.31 of this report, the remuneration of executive directors includes a variable portion in cash and a variable stock option plan portion.

The variable portion in cash of directors' remuneration is determined with a view to aligning this part of the directors' remuneration with the organization's performance in the year in question, measured by the net profits generated. A proper balance is also ensured between the fixed and variable portions of these remunerations.

#### *b) The corporate bodies responsible for assessing the performance of executive members;*

As stated in point II.3 of this report, the Board of Directors Performance Assessment Committee is responsible for assessing the performance of the Executive Committee with respect to how it has been conducting Novabase's annual plan and budget passed by the Board of Directors at the start of each year, together with the degree of success in achieving their corresponding goals.

Moreover, the variable portion in cash of directors' remuneration is determined by the Remuneration Committee with a view to aligning this portion with the organization's performance in the year in question, measured by the net profits generated (as stated in point II.31).

#### *c) The pre-established criteria for assessing the performance of executive members;*

The evaluation of the performance of directors (including executive directors) takes into account the organization's performance in the year in question, as measured by the net profits generated (as stated in point II.31).

*d) The relative importance of the variable and fixed components of the members' remuneration, as well as the maximum limits for each component;*

One of the goals of the variable portion in cash is to establish a proper balance between the fixed and variable portions of these remunerations.

Under the stock option plan's corresponding variable component, it is stipulated that the total number of options attributed under the 4<sup>th</sup> Plan may under no circumstances exceed the total number of options attributed under the 3<sup>rd</sup> Plan, pursuant to which the shares corresponding to the options attributed but not yet exercised under this third 2006-2008 Stock Option Plan should not at any time exceed 8% of the total volume of shares representing Novabase's share capital at the time, for the three Annual Loyalty Components comprising the 3<sup>rd</sup> Plan.

*e) The deferred payment of the remuneration's variable component and the relevant deferral period;*

Information on the deferred payment of the remuneration's variable component is described in point II.32 above, in the part relating to the stock option plan.

*f) An account of the way whereby the payment of the variable remuneration is subject to the company's continual positive performance during the deferral period;*

The way in which the payment of the variable remuneration is linked to the company's continual positive performance is described in point II.32 above, in the part relating to the stock option plan.

*g) Sufficient information on the criteria whereon the allocation of variable remuneration on shares is based, as well as on maintaining company shares that the executive members have had access to, on the possible share contracts, namely hedging contracts or risk transfer, the relevant limit and its relation apropos the value of the total annual remuneration;*

There is no remuneration through the direct allocation of shares.

*h) Sufficient information on the criteria whereon the allocation of variable remuneration on options is based as well as its deferral period and exercising price;*

This information is described in point III.10 of this report.

*i) The main factors and reasons for any annual bonus scheme and any other non-financial benefits;*

Except for the stock option plan's corresponding variable remuneration component, there is no annual bonus scheme or any other non-financial benefits.

*j) Remuneration paid in the form of a share in the profits and/or the payment of bonuses and the rationale behind the act of awarding such bonuses and/or share in profits;*

Except for the bonuses described in point II.31, paid to directors José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro de Marques Carvalho, there is no form of profit sharing and/or bonuses. These amounts were decided on by the Remuneration Committee in view of the circumstances of the current term, in which the company's founders are transitioning to non-executive positions after performing executive duties for 20 years.

*l) Compensation paid or owed to former executive directors in relation to early contract termination;*

Except for the compensation paid to former director Manuel Tavares Festas (see point II.31), no compensation was paid or became due to former executive directors in relation to early contract termination.

*m) Reference to the envisaged contractual restraints for compensation owed for undue dismissal of executive directors and its relation apropos the remunerations' variable component;*

There are no contractual restraints for compensation owed for undue dismissal of executive directors, this being subject to legal rules.

*n) Amounts paid on any basis by other companies in a group relationship or exercising control over the company;*

Novabase directors are paid exclusively by this entity, and do not receive additional remuneration of any kind from other companies that are controlled by or part of the Novabase Group. However, in 2009, in view of the positions of executive directors Nuno Fórneas and Francisco Antunes in the Group prior to their appointment as directors of Novabase SGPS in the General Meeting of Shareholders of 28 April 2009, the amounts referred to in point II.31 were paid by Novabase Group companies.

*o) A description of the main characteristics of the supplementary pensions or early retirement schemes set up for executive directors and whether said schemes were subject or not to the approval of the General Meeting of Shareholders;*

As stated in point II.31 of this report, there are no supplementary pension or early retirement schemes for Novabase directors.

*p) An estimate of the non-financial benefits considered as remuneration which do not fall under the categories listed above;*

There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

*q) Mechanisms to prevent executive directors from having employment contracts that question the grounds of the variable remuneration;*

The company does not adopt mechanisms to prevent executive directors from having employment contracts that question the grounds of the variable remuneration.

However, to the company's knowledge, there are no contracts of this sort.

*II.34 Reference to the fact that remuneration of non-executive members of the Board of Directors is not included in the variable component.*

Only independent non-executive directors and one non-independent non-executive director (Joaquim Sérvulo Rodrigues) receive solely fixed cash remuneration. The remuneration policy for directors passed in the 2009 General Meeting of Shareholders still allowed non-independent non-executive directors to receive a variable remuneration component, especially bearing in mind that these directors could take on key management responsibilities in the Group, although without executive powers (which they ultimately did), thereby justifying this variable component.

In any case, since differences in the remuneration structure are intended to adjust remuneration according to the duties actually performed by each director in the Group, the remuneration of the members of the Board of Directors is structured so as to align their interests with those of the company.

*II.35 Information on the reporting of irregularities adopted by the company (reporting means, persons entitled to receive said reports, how the reports are to be handled and the names of the persons or bodies that have access to the information and the relevant involvement in the procedure).*

In compliance with the CMVM Recommendations published in the 2007 Corporate Governance Code, and in view of fostering a culture of responsibility and compliance, Novabase has adopted a system for reporting irregularities (known as “SPI”) that may occur within its Group. Any report of irregularities made through SPI is directed to the Auditing Committee, which will appoint a person in charge of SPI to manage the reports received. The person in charge of SPI must act independently and autonomously (notwithstanding responsibility to the Auditing Committee for proper compliance with his/her duties) and will be subject to confidentiality requirements.

According to the implemented system, employees and other Novabase stakeholders have access to a direct and confidential channel for reporting to the Auditing Committee any practice that appears to be improper or irregular in any way, whatever it may be, which has occurred within the Novabase Group, regardless of any blame that may be attributed, and which may impact the financial statements or the information sent to the CMVM, or that may cause serious damage to Novabase or its stakeholders (employees, customers, partners and shareholders).

Reporting of irregular practices occurring within the Novabase Group by Novabase employees when they have such knowledge is a duty, regardless of the source of the practice or the person who has performed it.

The apparent irregularity must be reported in a secure and confidential manner to the person in charge of SPI, the independent member of the Auditing Committee Manuel Alves Monteiro, in two different manners:

- to the private e-mail address: m.a.monteiro.novabase@gmail.com
- by post in a letter addressed to Dr. Manuel Alves Monteiro, marked “Confidential”, to the address: Av. D. João II, Lote 1.03.2.3. Parque das Nações, 1998-031 Lisbon.

Such reports will be processed by the person in charge of SPI according to the following procedure:

- i) receipt and preliminary analysis of the report of the irregular practice;
- ii) judgement of the consistency of the report received (with destruction of all inconsistent reports, the Auditing Committee being responsible for this destruction, subsequent to a proposal from the person in charge of SPI);
- iii) investigation/report/dismissal;
- iv) final forwarding.

Before proceeding to the final forwarding of the reports, the person responsible for SPI takes account of the reports for statistical purposes and maintains a record of the reports that exclusively covers the following aspects: (i) date on which the report was received; (ii) essence of the facts reported, eliminating all information that permits identification of any physical persons; (iii) date on which the investigation was concluded.

Once the investigation has been concluded, reports with an underlying probability of an irregular practice are forwarded by the Auditing Committee to the Board of Directors so that it can take appropriate measures.

Whenever the report of irregular practices results in evidence of the practice of a crime or serious disciplinary infraction, the Auditing Committee must recommend that the

company forwards the matter to (i) Novabase internal bodies for due process and (ii) to external investigation bodies, namely the police or the public prosecutor, in order to ascertain responsibilities.

General rules of conflict of interest apply to the decisions to be approved by the Auditing Committee or by the Board of Directors regarding reports made within the scope of SPI.

Whatever the circumstance, the confidentiality of the report will be guaranteed if so requested by its author, and the personal data of the physical persons involved will be protected, while any action taken against the person who has made the report will be considered a serious offence.

This policy is explained on the Novabase website ([www.novabase.pt](http://www.novabase.pt)) in the IR/Corporate Governance section.

In this way, Novabase complies with the provisions of the Commercial Companies Code and the recommendations of the 2007 and 2010 Corporate Governance Codes. Its system has been approved by the Portuguese Data Protection Authority (CNPD) through authorization no. 4494/2009.

## *Section V – Special Committees*

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**Remuneration Committee:** The board decides upon the remuneration of corporate board members. Its current members for the three-year period of 2009-2011 were decided in the General Meeting of Shareholders of 28 April 2009. Francisco Luís Murteira Nabo presides over the Remuneration Committee. Pedro Rebelo de Sousa and João Quadros Saldanha are also members of this committee. All of the committee's members are independent from the members of the Board of Directors, pursuant to Chapter II, point II.19 of the Annex to CMVM Regulation No. 1/2007, which includes the criteria adopted by Novabase in 2009 to gauge the fulfilment of Recommendation No. II.5.2 of the 2007 Corporate Governance Code.

Notwithstanding the above, pursuant to Recommendation No. II.5.3. of the 2010 Corporate Governance Code, no one serving or having served on the Board of Directors, in the preceding three years, should be hired to support the Remuneration Committee in the performance of its duties, together with other circumstances, under the terms of this recommendation, affecting the independence of the person in question within the scope of the Remuneration Committee's duties. This recommendation seems to suggest, *a fortiori*, that individuals who have performed duties on the Board of Directors in this period should likewise not be hired to support this committee or, *a fortiori*, become one of its members, which is the case of one of this committee's current members (João Quadros Saldanha).

Therefore, in view of Recommendation No. II.5.3. of the 2010 Corporate Governance Code, former director João Quadros Saldanha may be considered a non-independent member of the Remuneration Committee in relation to the members of Novabase's Board of Directors.

Notwithstanding the above, Novabase wishes to emphasize that since the Remuneration Committee's current members were appointed to their positions for the three-year period of 2009-2011, it seems inappropriate to make any changes at this time to this committee's composition before the end of the current term.

In an effort to adopt the best practices in corporate governance, Novabase intends to analyze this issue in detail and propose to the General Meeting of Shareholders, if and



when it is appropriate in the future, the appointment of Remuneration Committee members in complete, verbatim compliance with CMVM recommendations in this regard.

In 2009, the Remuneration Committee held four meetings, and the respective minutes were drafted and signed.

*II.36 Identification of members of those committees that have been constituted for the purposes of individual and overall performance assessment of the executive members, consideration on the governance system that has been adopted by the company and the identification of potential candidates with the professional profile fitting the member position.*

As stated in point II.3, on 31 December 2009, the Board of Directors Performance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Luís Mira Amaral, José Afonso Oom Ferreira de Sousa, Joaquim Sérvulo Rodrigues and Pedro Miguel Quinteiro Marques de Carvalho.

Moreover, as also stated in point II.3, on 31 December 2009, the Corporate Governance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Manuel Alves Monteiro, João Luís Correia Duque, José Afonso Oom Ferreira de Sousa and Joaquim Sérvulo Rodrigues.

As mentioned earlier in this report, Novabase will deliberate in 2010 on the future implementation of a solution involving a structure with the capacity to identify, in a timely manner, potential candidates with the high profile needed for the position of director, in fulfilment of Recommendation No. II.5.1. of the 2010 Corporate Governance Code, namely by changing the internal operating regulations of the Corporate Governance Assessment Committee so that these powers may be reassigned to the latter specialized committee.

*II.37 Number of meetings held by the committees that have been constituted for management and supervision during the period concerned, as well as reference to the minutes of said meetings that have been held.*

As already mentioned in point II.13, both the Board of Directors Performance Assessment Committee and the Corporate Governance Assessment Committee met once in 2009. Both of these specialized committees draw up their own meeting minutes

*II.38 Reference to the fact that one member of the remuneration committee has knowledge and experience in remuneration policy issues.*

The Chairman of the Remuneration Committee, Francisco Luís Murteira Nabo, has suitable knowledge and experience in remuneration policy issues, pursuant to point II.38 of CMVM Regulation No. 1/2010.

*II.39 Reference to the independency of natural or legal persons with an employment contract or providing services to the remuneration committee, as regards the Board of Directors as well as, when applicable, to the fact that these persons have an existing relation with the company consultant.*

The Remuneration Committee is not assisted by any natural or legal persons with an employment contract or service agreement as regards the Board of Directors or any structure beneath it, or by any existing relationship with a company consultant that affects its independence or exemption.



In addition, the Remuneration Committee is not assisted by any entity having a relationship with the company's management in the preceding three years, pursuant to the above paragraph, or by any person related by an employment contract or service agreement with any person referred to in this or the above paragraphs.

Notwithstanding the above, the considerations from the start of this Section V, namely concerning the assessment of the independence of Remuneration Committee members in view of the provisions of Recommendation No. II.5.3. of the 2010 Corporate Governance Code, must be taken into account.

As explained earlier, the provisions of this CMVM recommendation seem to suggest, *a fortiori*, that individuals who have performed duties on the Board of Directors in this period should likewise not be hired to support this committee or, *a fortiori*, become one of its members, which is the case of one of this committee's current members (João Quadros Saldanha).

Therefore, in view of Recommendation No. II.5.3. of the 2010 Corporate Governance Code, former director João Quadros Saldanha may be considered a non-independent member of the Remuneration Committee in relation to the members of Novabase's Board of Directors.

Notwithstanding the above, Novabase wishes to emphasize that since the Remuneration Committee's current members were appointed to their positions for the three-year period of 2009-2011, it seems inappropriate to make any changes at this time to this committee's composition before the end of the current term.

In an effort to adopt the best practices in corporate governance, Novabase intends to analyze this issue in detail and propose to the General Meeting of Shareholders, if and when it is appropriate in the future, the appointment of Remuneration Committee members in complete, verbatim compliance with CMVM recommendations in this regard.

## Chapter III. Information and Auditing

### III.1 Shareholder base, including indication of shares not admitted to trading, different categories of shares, underlying rights and duties and the percentage of capital that each category represents.

Novabase's share capital consists of 31,401,394 issued shares. There are no shares that are not admitted for trading, nor are there different categories of shares. All shares confer the same rights.

### III.2 Qualified holdings in the shareholder capital of the issuer company, calculated in accordance with Article 20 of the Portuguese Securities Code.

**Shareholdings<sup>1</sup> (under the terms of Article 20, Item 1 of the Securities Code)**

Shareholder	#	#	%
	Partial Shares	Shares	Capital and Voting Rights
Partbleu, Sociedade Gestora de Participações		3,180,444	10.13%
ES TECH VENTURES, SGPS, SA	1,792,144		
BES Pension Fund	1,157,395		
Corporate Board members	100		
Banco Espírito Santo, SA Group (under the terms of Article 20, Item 1 of the Securities Code)		2,949,639	9.39%
José Afonso Oom Ferreira de Sousa		2,514,947*	8.01%
Pedro Miguel Quinteiro Marques de Carvalho		2,170,679*	6.91%
Luís Paulo Cardoso Salvado		1,903,040*	6.06%
Rogério dos Santos Carapuça		1,884,787*	6.00%
João Nuno da Silva Bento		1,799,793*	5.73%
Fernando Fonseca Santos		1,575,020	5.02%
Santander Acções Portugal Fund	1,234,775		
Santander PPA Fund	191,663		
Other	144,128		
Santander Asset Management - Soc. Gestora de Fundos de Investimento Mobiliário, SA (under the terms of Article 20, Item 1 of the Securities Code)		1,570,566	5.00%
Millennium Acções Portugal Fund	583,604		
Millennium PPA Fund	397,892		
Millenniumbcp-Gestão de Fundos, SA (under the terms of Article 20, Item 1 of the Securities Code)		981,496	3.13%**
Álvaro José da Silva Ferreira		920,000*	2.93%
<b>Total</b>		<b>21,450,411</b>	<b>68.31%</b>

<sup>1</sup>Shareholdings of each of these shareholders correspond to last positions notified to the company as at 31 December 2009.

\* Includes shares under the shareholders' agreement described in point III.5 of this report. The shares of other shareholders under this agreement are attributable to the shareholder in question. In total, the shareholders under this agreement own 11,848,266 shares corresponding to 37.73% of the share capital and voting rights of Novabase – SGPS, S.A.

\*\*On 24 March 2010, it was disclosed that Millenniumbcp-Gestão de Fundos, SA has reduced its stake to less than 2% of voting rights.

### *III.3 Identification of shareholders with special rights and description of these rights.*

The articles of association do not provide for shares with special rights.

### *III.4 Restrictions on the transferability of shares, such as consent of sale clauses or restrictions on ownership of shares.*

The articles of association do not limit the transfer or ownership of Novabase shares.

### *III.5 Shareholders' agreements that are known to the company and which may lead to restrictions in terms of transferring securities or voting rights.*

On 20 April 2006 the following Novabase shareholders signed a shareholders' agreement according to the following table, which shows the individual positions on this date:

Shareholder	No. of Shares	% Capital
José Afonso Oom Ferreira de Sousa	2,498,697	8.70%
Pedro Miguel Quinteiro Marques de Carvalho	2,498,697	8.70%
Rogério dos Santos Carapuça	1,873,113	6.52%
Luís Paulo Cardoso Salvado	1,783,543	6.21%
João Nuno da Silva Bento	1,783,543	6.21%
Álvaro José da Silva Ferreira	804,866	2.80%
João Vasco Tavares da Mota Ranito	492,628	1.71%
José Carlos de Almeida Pedro de Jesus	366,592	1.28%
Manuel Saldanha Fortes Tavares Festas	74,946	0.26%
<b>Total</b>	<b>12,176,665</b>	<b>42.39%</b>

The following contents of this shareholders' agreement are noteworthy:

- Obligations regarding the composition of the Board of Directors and election of its members, namely the joint creation by all signatories, previously at General Meetings of Shareholders for the election in question, of proposals for designating members of the Board of Directors. A majority must pass such proposals equal to or greater than two thirds of votes corresponding to shares, with signatories assuming the responsibility of voting in favour of proposals they have presented at the General Meeting of Shareholders;
- The need for agreement by a majority equal to or greater than two thirds of votes corresponding to shares to establish terms by which these shares may be sold, together with the potential purchase of Novabase shares by the signatories, with signatories agreeing not to initiate sales or purchases of any kind outside of this agreement;
- In all of the following matters, signatories must exercise their voting right at Novabase General Meetings of Shareholders by a strict majority equal to or greater than two thirds of votes corresponding to shares: dividend policy to be adopted, management compensation policy for Novabase directors, increases and decreases in share capital, elimination of the pre-emptive right in increases in capital, composition of corporate boards, Novabase mergers and divisions, and amendments to the articles of association;

- d) Obligation of signatories to vote at General Meetings of Shareholders exclusively in favour of decisions previously passed by a two-thirds or greater majority of signatories having voting rights corresponding to shares;
- e) The need for unanimity of all signatories for the purchase of Novabase shares that imply the allocation to such signatories of a qualified shareholding exceeding 33% or 50% of Novabase voting rights;
- f) The signatories undertake to ensure that their descendents in the first degree, who have not yet reached legal age, will not acquire any Novabase shares in return for payment;
- e) Any Signatory that, in breach of the Shareholders' Agreement, causes a qualified shareholding of 50% of Novabase voting rights to be allocated to the remaining signatories, under the terms of Article 20 of the Securities Code, must immediately initiate the procedure to suspend the tender offer obligation as provided for in Article 190 of the Securities Code. Any Signatory responsible for allocating such voting rights, in the terms specified above, and who fails to execute the proper procedures to suspend and terminate the obligation for a tender offer, will be obliged to launch the tender offer individually.

The Shareholders' Agreement remained in force for a three-year period following its signature. However, any signatory who resigned or was dismissed, with or without just cause, from his management duties at Novabase while the Shareholders' Agreement was in force could opt to terminate his participation in the agreement.

On 29 February 2008, the market was notified that the signatories of the Shareholders' Agreement, José Afonso Oom Ferreira de Sousa, Pedro Miguel Quinteiro Marques de Carvalho, Rogério dos Santos Carapuça, Luís Paulo Cardoso Salvado, João Nuno da Silva Bento, Álvaro José da Silva Ferreira and Manuel Saldanha Fortes Tavares Festas, had agreed to free up the purchase of Novabase shares by the aforementioned signatories up to a maximum amount of 8.85% of Novabase's share capital, thereby allowing each signatory to purchase up to 397,403 shares. Shares acquired in this manner will not be considered agreement shares, unless otherwise decided by the signatories unanimously.

On the same date, the market was notified that João Vasco Tavares da Mota Ranito and José Carlos de Almeida Pedro de Jesus, following their resignation from Novabase in September 2007 and their request to be released from the Shareholders' Agreement, ceased to be covered by this agreement as of 1 March 2008.

In addition, on 28 October 2008 the market was notified of the signing of a new Shareholders' Agreement signed by shareholders José Afonso Oom Ferreira de Sousa, Pedro Miguel Quinteiro Marques de Carvalho, Rogério dos Santos Carapuça, Luís Paulo Cardoso Salvado, João Nuno da Silva Bento and Álvaro José da Silva Ferreira, centred on 10,488,065 Novabase shares held by them, corresponding to 33.4% of the company's voting rights. The Shareholders' Agreement entered into force on 20 April 2009, for a period of three years, at which time the prior Shareholders' Agreement referred to above ceased to be valid.

The shares under the new Shareholders' Agreement are held by the aforementioned shareholders in the following quantities:

Name	No. of Shares	% Capital
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José Afonso Oom Ferreira de Sousa	2,170,679	6.91%
Pedro Miguel Quinteiro Marques de Carvalho	2,170,679	6.91%
Rogério dos Santos Carapuça	1,774,755	5.65%
Luís Paulo Cardoso Salvado	1,783,543	5.68%
João Nuno da Silva Bento	1,783,543	5.68%
Álvaro José da Silva Ferreira	804,866	2.56%
<b>Total</b>	<b>10,488,065</b>	<b>33.40%</b>

The following contents of this shareholders' agreement are noteworthy:

- a) Obligations regarding the joint creation by all signatories, before the General Meeting of Shareholders for the election in question, of proposals for designating the officers of the General Meeting of Shareholders, Board of Directors, Auditing Committee and Remuneration Committee. A majority must pass such proposals equal to or greater than two thirds of votes corresponding to shares, with signatories assuming the responsibility of voting in favour of proposals they have presented at the General Meeting of Shareholders;
- b) The need for agreement by a majority equal to or greater than two-thirds of votes corresponding to shares to establish terms by which such shares may be sold, together with the potential purchase of Novabase shares by the signatories, with signatories agreeing not to initiate sales or purchases of any kind outside of this agreement;
- c) Notwithstanding the above information, each signatory is authorized, under the terms of the Shareholders' Agreement, to acquire Novabase shares in proportion to the shares held by him/her within the scope of this agreement, providing that the total shares owned by the signatories does not exceed 33% or 50% of the total number of Novabase shares and/or respective voting rights, depending on whether the qualified shareholding of the signatories is greater or less than 33% on that date, pursuant to article 20 of the Securities Code. Novabase shares acquired in this way will not be considered agreement shares;
- d) In all of the following matters, signatories must exercise their voting right at Novabase's General Meetings of Shareholders by a strict majority equal to or greater than two-thirds of votes corresponding to shares: dividend policy to be adopted, management compensation policy for Novabase directors, increases and decreases in share capital, elimination of the pre-emptive right in increases in capital, composition of corporate boards, Novabase mergers and divisions, and amendments to the articles of association;
- e) Obligation of signatories to vote at General Meetings of Shareholders exclusively in favour of decisions previously passed by a two-thirds or greater majority of signatories having voting rights corresponding to shares;
- f) The need for unanimity of all signatories for the purchase of Novabase shares that imply the allocation to such signatories of a qualified shareholding exceeding 33% or 50% of Novabase voting rights;
- g) The signatories undertake to ensure that their descendents in the first degree, who have not yet reached legal age, will not acquire any Novabase shares free of

charge;

- h) Any signatory that, in breach of the Shareholders' Agreement, causes a qualified shareholding of 50% of Novabase voting rights to be allocated to the remaining signatories, under the terms of Article 20 of the Securities Code, must immediately initiate the procedure to suspend the tender offer obligation as provided for in Article 190 of the Securities Code. Any Signatory responsible for allocating such voting rights, in the terms specified above, and who fails to execute the proper procedures to suspend and terminate the obligation for a tender offer, will be obliged to launch the tender offer individually.

Any signatory who is dismissed without just cause from his management duties at Novabase while the Shareholders' Agreement is in force may opt to terminate his participation in the agreement.

Up until the date of entry into force of this Shareholders' Agreement, the prior shareholders' agreement referred to above remained valid. The new Shareholders' Agreement was signed without three of the signatories of the previous agreement. As regards two of these signatories, João Vasco Tavares da Mota Ranito and José Carlos de Almeida Pedro de Jesus, termination of their participation in the current shareholders' agreement had already taken place. With respect to the third of these signatories, Manuel Saldanha Fortes Tavares Festas, the prior Shareholders' Agreement ended on its stipulated expiry date of 20 April 2009.

The signing of these Shareholders' Agreements, particularly the new Shareholders' Agreement, has sought to guarantee shareholder stability for their corresponding three-year periods. Novabase believes that the existence of a shareholders' agreement does not constitute a defensive measure contrary to shareholder interests in itself, since it ensures stability in the management of the company, therefore safeguarding Novabase's corporate and shareholder interests. Furthermore, Novabase believes that because the new shareholders' agreement involves only 33.40% of Novabase's total shares, it should not be considered a defensive measure against any public offerings for acquisition, given that in addition to the fact that it was not established for this purpose, such a shareholders' agreement cannot prevent the transfer of control of the company and therefore the success of any general public offerings for acquisition.

Apart from this Shareholders' Agreement, Novabase has no knowledge of the existence of any other shareholders' agreements regarding its share capital.

The articles of association do not place any limitations on voting rights.

### *III.6 Rules applicable to amendment of the company's articles of association;*

#### *Constitutive quorum for the General Meeting of Shareholders*

When amendments to the Memorandum and Articles of Association are under consideration, the General Meeting of Shareholders can only decide on first notice if shareholders having stock corresponding to at least one-third of the share capital are present or represented. This requirement does not apply on second notice, and the General Meeting of Shareholders can then decide on any matter, regardless of how many shareholders are present.

#### *Deliberative quorum for the General Meeting of Shareholders*

When amendments to the Memorandum and Articles of Association are under consideration, the General Meeting of Shareholders decides by a two-thirds majority of

the votes cast.

However, should shareholders representing at least half the share capital be present or represented on second notice, the decision on amendments to the memorandum and articles of association can be taken by an absolute majority of the votes cast, and a two-thirds majority is not required.

### *III.7 Control mechanisms provided for in a possible employee investment scheme in which voting rights are not directly exercised by them.*

There are no employee investment schemes in which voting rights are not directly exercised by them.

### *III.8 Changes in the issuer's share prices, taking into account the following:*

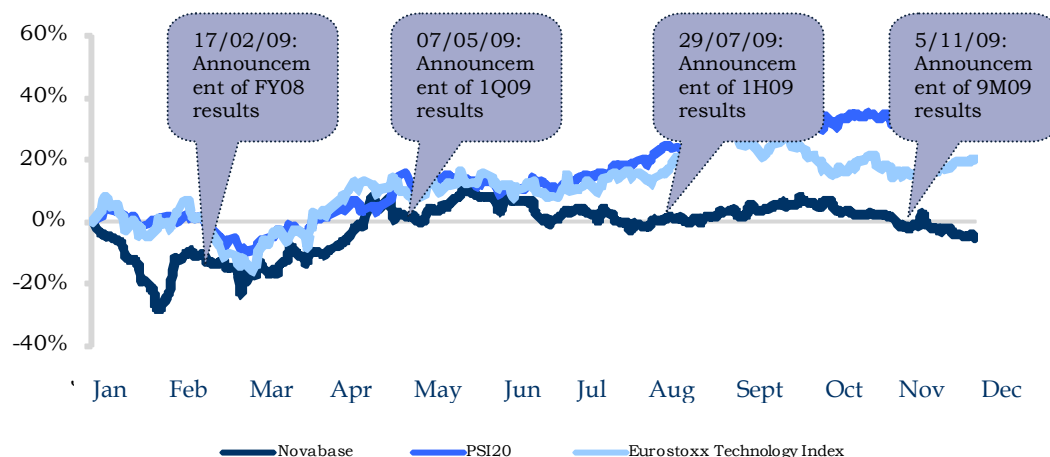
- a) The issue of shares or other securities with share subscription or acquisition rights;*
- b) Announcement of results;*
- c) Payment of dividends according to the category of shares with indication of the net amount per share.*

The twelve months of 2009 were marked by gains of 33.5% and 20.5% in the PSI20 and EuroStoxx Technology indices, respectively.

Novabase's share price fell 3.3% in 2009 due to depreciation in the last two months of the year (9.2%).

Share turnover accounted for 27.0% of Novabase's capital in 12M09, with 8.5 million shares traded, lower than in 12M08 (turnover of 66.9% of capital, with 21.0 million shares traded), reflecting the capital market's current negative backdrop.

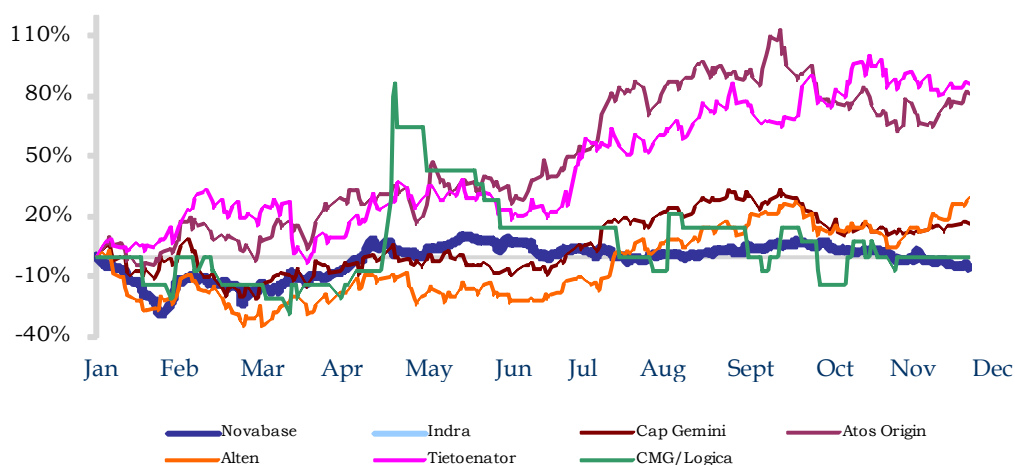
#### **Novabase and the Market**



In comparing Novabase's share price with other similar companies from Europe's IT sector, one can see that the Novabase share's performance in 12M09 was lower than that of other shares.



### Novabase and other TMTs



The average Novabase share price weighted by quantity in 12M09 was €4.39 per share. 8.5 million shares were traded in all 255 stock exchange sessions in 12M09, corresponding to a trading value of €37.2 million.

The daily average number of shares traded in 12M09 was 33.2 thousand shares, corresponding to a daily average value of about €0.1 million.

The share price on the last day of trading of 12M09, 31 December 2009, was €4.44, which represents a loss of 3.3% compared to the €4.59 that Novabase shares registered at the end of 2008.

The highest closing price achieved in 2009 was €5.05, while the lowest closing price recorded was €3.27. Market capitalization at the end of 2009 was €139.4 million.

The relevant occurrences disclosed by Novabase in 2009 were as follows:

2009-11-17

#### Qualified Holdings

Novabase informs that it was notified by Millennium bcp - Gestão de Fundos de Investimento, S.A., that the holding of funds under its management in NOVABASE, SGPS, S.A.'s share capital was reduced to 981,496 shares.

2009-11-16

#### Acquisition of Own Shares

Novabase hereby informs that it has performed a transaction on its own shares.

2009-11-16

#### Management Transactions

Novabase hereby informs that it was notified by directors of transactions on Novabase shares.

2009-11-16

#### COLLAB Modernizes Moçambique Celular Customer Service Centre

COLLAB was chosen by Moçambique Celular - MCEL, the largest mobile operator in Mozambique, to

renovate and modernize its customer service centre by deploying the OneContact solution.

2009-11-09

**Novabase Deploys Municipal Election Support Solution in the Azores**

Novabase was again chosen by the Vice-Presidency of the Regional Government of the Azores to deploy the technology system to support the municipal elections of 11 October.

2009-11-05

**Novabase informs about the consolidated results for 3Q2009** Turnover reaches €180.4 million (€222.2 million in 9M08), EBITDA reaches €16.7 million (€16.9 million in 9M08) and Net Profit reaches €9.3 million (€-0.6 million in 9M08). Novabase's Consolidated Services and Sales reached €180.4 million in the 3<sup>rd</sup> quarter of 2009 (9M09), corresponding to an 18.8% decrease compared to €222.2 million in 9M08.

2009-11-03

**Qualified Holdings**

Novabase informs having been notified by a communication from Santander Asset Management – Sociedade Gestora de Fundos de Investimento Mobiliários, S.A. ("Santander Asset Management") that as from 29 October 2009, Fundo Santander PPA holds 191,663 shares representing 0.61% of the share capital and voting rights in NOVABASE SGPS S.A.

2009-09-30

**Novabase Develops Solution for Administrative Modernization Agency**

Novabase was responsible for developing and deploying the Licence and Certificate Catalogues, available through the "Empresa Online" service, at Portal da Empresa ([www.portaldaempresa.pt](http://www.portaldaempresa.pt)), for the Administrative Modernization Agency (AMA).

2009-09-08

**Novabase Establishes Partnership with K2**

Novabase and K2, the owner of a platform to create Business Process Management applications to improve company efficiency, recently signed a partnership agreement - Value Added Reseller - allowing Novabase to supplement its offerings in this area.

2009-07-29

**Novabase informs about 1<sup>st</sup> half 2009 consolidated results**

Turnover reaches €119.9 million (€147.3 million in 6M08), EBITDA reaches €12.0 million (€13.6 million in 6M08), Net Profit reaches €7.0 million (€-2.1 million in 6M08). Turnover and EBITDA do not include the Mobility Solutions business (discontinued during 1Q2008) and only include the TV business in Germany in 2007 and 2008.

2009-07-27

**Novabase Develops Solution for Administrative Modernization Agency**

Novabase was chosen by the Administrative Modernization Agency to deploy a platform aimed at simplifying the company industrial licensing process with the entry into force of the new law governing Industrial Activities (REAI – Decree Law No. 209/2008 of 29 October).

2009-07-21

**Novabase Promotes English and IT Education for Public School Students**

As part of its social responsibility project, Novabase has launched, for the fourth year running, the 2009 Novabase Summer School Programme for public primary school students from grades 3 and 4 in the Sintra area.

2009-07-16

**Privileged Information**

Novabase wishes to make a statement about the story published in today's journal I, dated 16 July, entitled, "Schools step up surveillance. Student privacy is a problem."

2009-07-13

**Management Transactions**

Novabase hereby informs that it was notified by director Luís Fernando de Mira Amaral of transactions on Novabase shares.

2009-06-29

**Novabase Takes Part in Electric Mobility in Portugal**

Novabase is proud of its commitment to take part in the Mobi.E project (highly backed by the Portuguese government), which it considers an excellent opportunity to position its offerings in the energy sector and enhance its contributions towards the country's sustainable development. ✨

2009-06-24

**Novabase Develops Solution for Financial Institute for Regional Development**

Novabase was chosen by the Financial Institute for Regional Development (IFDR), under an international public tender, to develop the information systems for managing the National Strategic Reference Framework (QREN).

2009-06-19

**Qualified Holding**

Novabase informs that it has been notified by AXA Investments Managers Paris that AXA Rosenberg Group LLC disposed of 148,000 Novabase SGPS S.A. shares on the market on 10 June 2009.

2009-06-03

**Banco Espírito Santo de Investimentos and Euronext Sign Liquidity Provider Agreement on Novabase Stocks**

Following an agreement signed with Novabase SGPS, S.A. (Novabase), Banco Espírito Santo de Investimentos, S.A. signed a liquidity provider agreement with Euronext Lisbon, S.A. (Euronext Lisbon) on Novabase stocks.

2009-05-25

**Qualified Holding**

Novabase informs having been notified by Fernando Fonseca Santos that his holding in NOVABASE, SGPS, S.A. has increased to 1,575,020 shares representing 5.016% of the voting rights and capital of NOVABASE, SGPS, S.A. ❖

2009-05-22

**Qualified Holding**

Novabase informs that it has received a notification in English from Credit Suisse Securities (Europe) Limited ("CSSEL").

2009-05-13

**Acquisition of Own Shares**

Novabase hereby informs that it has performed transactions on its own shares.

2009-05-13

**Management Transactions**

Novabase hereby informs that it was notified by directors of transactions on Novabase shares.

2009-05-07

**Novabase SGPS, SA informs about the 1Q2009 consolidated results**

Turnover reaches €58.9 million (€65.1 million in 3M08), EBITDA reaches €6.7 million (€7.3 million in 3M08), Net Profit reaches €4.2 million (€-5.9 million in 3M08). Turnover and EBITDA do not include the Mobility Solutions business (discontinued during 1Q2008) and only include the TV business in Germany in 2007 and 2008.

2009-04-30

**Novabase Announces the Creation of an Executive Committee of the Board of Directors**

Novabase – Sociedade Gestora de Participações Sociais, S.A. ("Novabase") announces that the following decision was made in today's Board of Directors meeting, aimed at implementing and executing the Novabase corporate governance model passed in the 2009 General Meeting of Shareholders.

2009-04-28

**Novabase Informs on Management Transactions**

Novabase informs that Director Nuno Fórneas notified the company that he now holds 61,706 shares representing 0.197% of Novabase's share capital and corresponding voting rights.

2009-04-28

**Novabase Informs on Management Transactions**

Novabase informs that Director João Luís Correia Duque notified the company that he now holds 500 shares representing 0.0016% of Novabase's share capital and corresponding voting rights. ❖

2009-04-28

**Members of Corporate Boards and Remuneration Committee**

Novabase informs on the appointment of corporate boards ❖

2009-04-24

**Sale of Treasury Shares**

Novabase owns 875,720 treasury shares corresponding to 2.79% of the amount of Novabase shares admitted to trading on the Euronext Lisbon regulated market. ❖

2009-04-13

**Novabase Deploys Solution for Seville Metro**

Novabase was responsible for supplying the entire network of automatic ticket vending machines for the Seville metro, which was recently inaugurated with the opening of the first Ciudad Expo – Olivar de Quintos line, which now uses the new equipment model developed by Novabase.

2009-04-06

**Novabase Innovates with Efficient Energy Management Solution**

Measuring the environmental impacts of data centre operation is now a reality. Novabase, the leading Portuguese company in IT business solutions, recently developed a data centre management solution to analyze these systems' availability and performance, taking both technology and environmental indicators into account.

2009-03-31

**Annual Information Consolidation Document**

2009-03-30

Qualified Holding

Novabase informs having been notified by Partblue SGPS, S.A. that its holding in NOVABASE, SGPS, S.A. has increased to 3,180,444 shares

2009-03-27

Qualified Holding

Novabase informs having been notified by Credit Suisse Securities (Europe) Limited ("CSSEL") that the total shareholding attributable to the companies of the investment banking business of the Credit Suisse Group has been reduced to less than 2% of the voting rights in Novabase SGPS S.A.

2009-03-20

Qualified Holding

Novabase informs having been notified by Partblue SGPS, S.A. that its holding in NOVABASE, SGPS, S.A. has increased to 2,123,968 shares representing 6.76% of its share capital and corresponding voting rights

2009-03-20

Qualified Holding

Novabase informs having been notified by Fernando Fonseca Santos that his holding in Novabase, SGPS, S.A. has increased to 633,119 shares representing 2.01% of its share capital.

2009-03-19

Qualified Holding

Novabase informs having been notified by Partblue SGPS, S.A. that its holding in NOVABASE, SGPS, S.A. has increased to 698,203 shares.

2009-03-18

Novabase Challenges IADE Students to Design New Set-top Box

Novabase, in partnership with PT, has launched the Best TDT Set-Top Box Design Award, in an initiative supported by the Visual Arts, Design and Marketing Institute (IADE) aimed at challenging students from the second cycle of the Master's in Visual Culture and Design to design the housing for set-top boxes.

2009-02-23

Qualified Holding

Novabase informs having been notified by Axa Rosenberg Group LLC that its holding in Novabase, SGPS, S.A. has increased to 648,253 shares.

2009-02-23

Acquisition of Treasury Shares

Novabase announces that it owns 1,108,105 treasury shares corresponding to 3.53% of the total shares admitted to trading.

2009-02-18

Qualified Holding

Novabase informs having been notified by BPI - Gestão de Activos – SGFIM, SA, that the holding of the funds under its management in Novabase, SGPS, S.A. has decreased to 589,558 shares.

2009-02-17

Novabase Announces Guidance for 2009

Novabase discloses its 2009 guidance to the market.

2009-02-17

Novabase Announces Appointment of New Market Relations Representative

Novabase announces the appointment of María del Carmen Gil Marín as its new Market Relations Representative, with effect from 20 February 2009. ✪

2009-02-17

Novabase Announces Consolidated Results of 31 December 2008

Turnover reaches €292.0 million (€270.1 million in 12M07), EBITDA reaches €21.1 million (€23.0 million in 12M07). Novabase's Consolidated Services and Sales in 2008 (12M08) reached €292.0 million, corresponding to an increase of 8.1% compared to the €270.1 million registered in 12M07.

2009-02-13

Technotrend GmbH Sells Assets to Görler Telekom GmbH and Begins Winding-up Process

Novabase announces that Technotrend GmbH, in which Novabase has a stake, has sold its current business and all its stocks to Görler Telekom GmbH, a company in the Kathrein Group, for the sum of €10 million.

2009-01-12

Novabase and AMA Focus on Service Quality in Public Administration

Novabase has been invited by the Administrative Modernization Agency (AMA) to take part in the development of an employee training solution for "Loja do Cidadão" customer service centres.

2009-01-07

Qualified Holding

Novabase informs having been notified by BPI - Gestão de Activos – SGFIM, SA, that the holding of

*funds under its management in Novabase, SGPS, S.A. has increased to 659,354 shares.*

### *III.9 Description of the dividends distribution policy adopted by the company, identifying the amount of the dividend per share distributed over the past three financial years.*

Dividends for 2000, 2001 and 2002 – the Board of Directors proposed at the General Meetings of Shareholders on 22 May 2001, 29 April 2002 and 29 April 2003 that the profits made in the financial years of 2000, 2001 and 2002 should continue to be invested in the company to enable it to give priority to structural investments with a decisive impact on the company's growth and profitability. The prospectus of the public offer for the sale and admission to official trading of Novabase's shares on the Lisbon and Oporto Stock Exchanges (today Eurolist of Euronext Lisbon) had already announced the company's intention not to distribute dividends to the shareholders in the three years following its admission to trading. The General Meeting of Shareholders therefore decided unanimously not to distribute dividends to the shareholders for the financial years ending on 31 December of 2000, 2001 and 2002.

Dividends for 2003, 2004, 2005, 2006, 2007 and 2008 – shareholders present at Annual General Meetings of Shareholders decided not to distribute dividends.

Meanwhile, on 9 February 2010, Novabase publicly announced its intention to propose, at the 2010 General Meeting of Shareholders, the distribution to shareholders of a total of €15.7 million, of which €10 million corresponds to annual profits and €5.7 million corresponds to capital reimbursements. This distribution would entail a total payment of €0.50 per share to shareholders, subject to approval by the General Meeting of Shareholders.

### *III.10 Description of the main characteristics of the stock plans and plans for options to purchase stock adopted or in force during the year under review, namely justification for adoption of the plan, category and number of plan recipients, eligibility criteria, inalienability of shares clauses, criteria regarding share prices and the price for exercising options, time frame during which options can be exercised, characteristics of the shares to be attributed, existence of incentives to acquire shares and/or exercise options and the power of the board of directors to execute or modify the plan.*

*Indication:*

- a) Of the number of shares needed to meet the exercising of the options attributed and the number of shares needed to meet the number of exercisable options, as a reference at the beginning and end of the year;*
- b) Of the number of options attributed, exercisable and extinguished during the year;*
- c) At the General Meeting of Shareholders, assessment of the characteristics of the adopted plans or the plans in force during the year in question.*

To date, the Novabase General Meeting of Shareholders has approved four plans for options to allot, subscribe for and/or purchase shares, namely:

- 1<sup>st</sup> Plan was universal, offering stock options to employees and members of the Board of Directors of Novabase and other companies in the Novabase Group (2000-2002 Plan), passed in the General Meeting of Shareholders of 22 May 2001;
- 2<sup>nd</sup> Plan for Options to Subscribe and/or Purchase Novabase Stock for

the years 2003 to 2005 (2003-2005 Plan), passed in the General Meeting of Shareholders of 29 April 2003, also a universal plan, offering stock options to employees and members of the Board of Directors of Novabase and other companies in the Novabase Group;

- 3<sup>rd</sup> Stock Options Plan (2006-2008 Plan), passed in the General Meeting of Shareholders of 20 April 2006, covering only the directors of some of the Novabase Group companies, namely those directors who in large part manage these companies, as well as those persons who hold an important position in any company of the Novabase Group on the basis of an employment contract.
- 4<sup>th</sup> Plan for Options to Allot Shares (2009-2011 Plan) passed in the General Meeting of Shareholders of 28 April 2009, covering only the directors of Novabase SGPS.

The time periods for exercising the first two plans have already expired, and there are no active stock options that can be exercised. The 3<sup>rd</sup> Plan had active stock options in 2009 that could be exercised before the last deadline of 25 May 2009. This 3<sup>rd</sup> Plan had 1,498,610 active options which could be exercised at the adjusted take-up unit price of €6.39. The Plans implemented by Novabase have sought and still seek to promote investment in the company by employees and/or members of the Board of Directors of the company and other companies in the Novabase Group, with a view to pooling efforts towards developing the company's business activity, achieving its goals and sharing the company's strong growth potential with staff regardless of their professional category.

The 4<sup>th</sup> Plan for Options to Allot Shares, in effect from 2009-2011, covers the directors of Novabase SGPS.

This Plan for Options to Allot Shares involves ordinary Novabase shares as a performance bonus for participants.

The options are allotted by way of decision of the Remuneration Committee, which will meet for this purpose within 60 days of the commencement of duties. The options may be exercised in phases at three points in time. The first can be exercised on 25 May of the year following that in which the first annual component is attributed, and the other two on the same day (or on the first subsequent working day) in the following months of May, and in blocks corresponding to 1/3 of the number of options attributed. Unexercised options may be exercised on their subsequent maturity dates, although they will automatically expire if not exercised on the last maturity date of 25 May 2012.

Each participant may benefit only once from the options under this plan, which will occur in the year in which they commence their management duties.

The options' strike price is defined before the date of attribution. It should, as a rule, be the arithmetical average of the prices, weighted by the respective volumes, of the transactions of Novabase shares at sessions of the Euronext Lisbon regulated market occurring in the ninety days preceding the participant's commencement of management duties, with any necessary adjustment under the terms of the Plan. The strike price of the options allotted to the directors elected at the General Meeting of Shareholders of 28 April 2009 was €4.04 per share.

Under the terms of the plan, exercised options are settled via net share settlement from Novabase's portfolio.

Once the participant notifies the company of his/her intention to exercise options on each of the scheduled dates, the number of shares to allot to this participant (rounded down) is determined by the formula:



No of shares = No. of options exercised x (TP – *Strike*) / TP

Where:

TP or take-up price = arithmetical average of the prices, weighted by the respective volumes, of the transactions of Novabase's shares at sessions of the Euronext Lisbon occurring in the ninety days preceding the vesting date.

The total number of options attributed under the 4<sup>th</sup> Plan may under no circumstances exceed the total number of options attributed under the 3<sup>rd</sup> Plan, pursuant to which the shares corresponding to the options attributed but not yet exercised under this third 2006-2008 Stock Option Plan should not at any time exceed 8% of the total volume of shares representing Novabase's share capital at the time, for the three Annual Loyalty Components comprising the 3<sup>rd</sup> Plan.

Novabase's Remuneration Committee is responsible for selecting participants in the 4<sup>th</sup> Plan.

As a rule, changes to strike and take-up prices are not authorized. Whenever financial transactions with potentially relevant impacts on Novabase's share value occur, these prices may be adjusted under the terms of the Plan, but only to offset these transactions' effects, subject to the Remuneration Committee's prior authorization and validation.

The total number of recipients is eight participants.

Implementation of the Plans:

In 2001 the first phase of the current Stock Option Plan was implemented, and by 25 May 2001, 55,964 subscription options for Novabase shares had been exercised, which corresponded to 47.6% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for that purpose on 1 June 2001. Of the 55,964 shares subscribed, 45,043 were subscribed at €8.50, and the remaining 10,921 at €10.40.

In 2002 and 2003, due to the performance of the capital markets, none of the options provided for in the Stock Option Plan were exercised.

In 2004, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 150,743 subscription options for Novabase shares were exercised on 25 May 2004, corresponding to 11.9% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for that purpose, whose public recording and corresponding commercial registry occurred on 28 May 2004. These 150,743 shares were subscribed for and paid up at the unit price of €4.96.

In 2005, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 319,058 subscription options for Novabase shares were exercised on 25 May 2005, corresponding to 8.9% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for that purpose, whose public recording and corresponding commercial registry occurred on 1 June 2005. Of the 319,058 shares, 314,971 were subscribed for and paid up at the unit price of €4.96, and the remaining 4,087 were subscribed and paid up at the unit price of €5.87.

In 2006, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 2,675,629 subscription options for Novabase shares were exercised on 25 May 2006, corresponding to 48% of the options attributed and exercisable on that date.

The options were exercised by means of an increase in capital decided upon for that purpose, whose public recording and corresponding commercial registry occurred on 01 June 2006. Of the 2,675,629 shares, 2,634,308 were subscribed for and paid up at the unit price of €4.96, 38,755 were subscribed for and paid up at the unit price of €5.87, and the remaining 2,566 were subscribed for and paid up at the unit price of €6.10.

In 2007, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 23,169 subscription options for Novabase shares were exercised on 25 May 2007, corresponding to less than 1% of the options attributed and exercisable on that date (active options). All 23,169 options were subscribed for at the unit price of €4.91 (resulting from the adjustment to the unit price of €4.96, as explained below). The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2008, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 10,974 subscription options for Novabase shares were exercised on 25 May 2008, corresponding to 1% of the options attributed and exercisable on that date (active options). All 10,974 options were subscribed at the unit price of €4.09. The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2009, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 10,974 subscription options for Novabase shares were exercised on 25 May 2009, corresponding to 1% of the options attributed and exercisable on that date (active options). All 10,974 options were subscribed at the unit price of €4.09. The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2009, under the 4<sup>th</sup> Plan, a total of 1,959,720 options were allotted to Novabase directors participating in the Plan.

#### Implementation Summary Chart:

Period	Total Shares Exercised	Shares	Subscription Price	Shares	Subscription Price
2001	55,964	45,043	8.5	10,921	10.40
2004	150,743	150,743	4.96		
2005	319,058	314,971	4.96	4,087	5.87
2006	2,675,629	2,634,308	4.96	38,755	5.87
2006	2,566	2,566	6.10		
2007	23,169	23,169	4.91		
2008	10,974	10,974	4.09		
2009	10,974	10,974	4.09		

Given a hypothetical take-up price, on 31 December 2009, of the options attributed in the 4<sup>th</sup> Plan, which would be €4.67 per share (calculated according to the above criteria), if all attributed and exercisable options (i.e. 1/3 of the 1,959,720 options allotted to management) were exercised on the next vesting date of 25 May 2010, up to 88,124 shares would be attributed in settlement of the exercised options.

The remaining options attributed to date under the 4<sup>th</sup> Plan could not be exercised in 2009, or 2010. Given the same criteria as above (including the hypothetical take-up price on 31 December 2009), the total number of shares to attribute, if all options



attributed under the 4<sup>th</sup> Plan could be exercised on 25 May 2010 (which the Plan does not allow), would be 264,373.

As regards the shares attributed under the 4<sup>th</sup> Plan, these cannot be sold or encumbered by participants for a period of one year from their respective date of attribution due to the exercising of these options, with the exception of 50% of all shares attributed on said date.

In addition, on 25 May 2010, 10,975 options (last 1/3 of the 32,923 attributed and exercisable in 2010) may be exercised at the take-up price of €4.09 each, which were attributed in reference to the 3<sup>rd</sup> Plan (but not included in this Plan) and confer the right to purchase or subscribe for an equal number of shares.

*III.11 A description of the main data on business deals and transactions carried out between the company and between the members of the Management and Supervisory Board or companies in a control or group relationship, provided the amount is economically significant for any of the parties involved, except for those business deals 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.*

No business deals or transactions were conducted between the company and the members of its management and supervisory boards, or companies in a control or group relationship, outside of normal market conditions or outside of the company's current business.

*III.12 Description of the vital data on business deals and transactions carried out in the absence of normal market conditions between companies and owners of qualifying holdings or entity-relationships with the former, as envisaged in article 20 of the Securities Code.*

No business deals or transactions were conducted between the company and owners of qualified holdings, or entities in any way related to them, outside of normal market conditions.

However, we now report the only business deals or transactions of this sort deemed significant in financial terms for any of the parties involved.

In 2008, the value of the products and services provided to the BES Group by the Novabase Group rose to €14.4 million (roughly 4.9% of 2008 turnover) compared to €26.3 million in 2009 (roughly 10.9% of 2009 turnover).

These transactions were performed under normal market conditions for similar operations and are part of Novabase's day-to-day activity.

*III.13 A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the owners of qualifying holdings or entity-relationships with the former, as envisaged in article 20 of the Securities Code.*

Pursuant to Recommendation No. IV.2 of the 2010 Corporate Governance Code, significant business deals with qualified shareholders, or with entities in any way related to them, pursuant to Article 20 of the Securities Code, must be subject to the prior opinion of the supervisory board. The procedures and criteria required to define

the relevant level of significance of these deals and other conditions must be established by the supervisory board

Beyond the duties established by law, Novabase did not allocate these specific powers to the Auditing Committee in 2009, since the corporate governance model adopted by the company already ensures that the Auditing Committee is sufficiently empowered to alert the company to anomalous situations, even though procedures have not been implemented for it to assess such business deals in advance.

Moreover, this best practice now recommended by the CMVM did not exist in the 2007 Corporate Governance Code, which was in effect until the end of 2009.

Notwithstanding the above, since the new 2010 Corporate Governance Code stipulates such procedures, Novabase will deliberate in 2010 on their potential implementation within the company's existing corporate governance model, namely by changing the internal operating regulation(s) of the Auditing Committee and/or the Board of Directors, so that these procedures and corresponding powers may be reassigned to this supervisory board.

*III.14 A description of the statistical data (number, average and maximum values) on the business deals subject to preliminary opinion by the supervisory board.*

As stated in the previous point, the company has yet to implement procedures for the prior intervention of supervisory boards beyond those established by law. As such, statistical data does not exist in this regard.

*III.15 Indication of the availability on the company's website, of annual activity reports drawn up by the general and supervisory board, by the financial matters committee, the audit committee and the supervisory board, including constraints that might be encountered, as well as financial information documents.*

A report on the activities carried out by Novabase's Auditing Committee is attached to this report and published on Novabase's website.

*III.16 Reference to the existence of an Investor Relations Office or other similar service, indicating:*

- a) Office functions;*
- b) Type of information provided by the office;*
- c) Means of accessing the office;*
- d) Company website;*
- e) Identification of the market relations representative.*

Novabase is particularly focused on its presence in the capital market. The Investor Relations Office is responsible for representing Novabase in its dealings with the CMVM and investors, while promoting contact with private and institutional, foreign and Portuguese investors.

The office provides information through Novabase's website ([www.novabase.pt](http://www.novabase.pt)). Since 2002 Novabase has had a dedicated investor relations area on its company website at [www.novabase.pt](http://www.novabase.pt). Investors have access to a number of links containing information of interest to their profile. In terms of financial information, they have access to Annual Reports and Accounts for previous years, the Financial Calendar, relevant information

about the sector supporting the predictability of earnings, reserved information, information on the composition and powers of the company's Corporate Boards, the names and e-mail addresses of the analysts covering the security, the market consensus on three-year sales and EBITDA margins, the market performance of Novabase's shares, Novabase's shareholders, a space reserved for the General Meetings of Shareholders for convening meetings and posting preparatory information for General Meetings of Shareholders, the form for postal votes and electronic voting (available since 2006), and minutes with a historical archive for the General Meetings of Shareholders from the past 3 years, a Corporate Governance space in which Novabase publishes this report, CMVM Regulation No. 1/2007 on Corporate Governance and the procedure for reporting irregularities, frequently asked questions, and the contact details of Novabase's Investor Relations Office.

The following information is published in English on Novabase's website: a) The company, public company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code; b) Articles of Association; c) Credentials of the members of the Board of Directors and the Market Liaison Officer; d) Investor Assistance Unit – its functions and access tools; e) Accounts Reporting documents; f) Half-Yearly Calendar on Company Events; g) Proposals sent through for discussion and voting during the General Meeting of Shareholders; h) Notices convening General Meetings of Shareholders.

The investor support office can be contacted as follows:

*Maria Gil Marín*

*Market and Investor Relations*

*Phone: +351 213 836 300*

*Fax: +351 213 836 301*

*E-mail: [investor.relations@novabase.pt](mailto:investor.relations@novabase.pt)*

*Address: Av. D. João II, Lote 1.03.2.3., Parque das Nações, 1998-031 Lisbon, Portugal*

*III.17 Indication of the amount of annual remuneration paid to the auditor and to other individual or legal persons belonging to the same network supported by the company and/or legal persons that are controlled by or part of a group, and breakdown of the percentage relating to the following services:*

- a) Statutory auditing services;*
- b) Other reliability assurance services;*
- c) Tax consultancy services;*
- d) Services other than statutory auditing.*

*If the auditor provides any of the services described in sub-paragraphs c) and d), a description of the auditor independence safeguarding measures shall be provided.*

*For the purpose of this information, the concept of network is that stipulated by European Commission Recommendation no. C (2002) 1873, of 16 May.*

Service	2008 ('000€)	2009 ('000€)
Statutory auditing	242	200
Other reliability assurance services	35	0
Tax consultancy services	82	8

Services other than statutory auditing	0	12
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Among other duties, the external auditor is responsible for verifying the application of remuneration policies and systems, the efficiency and functioning of internal control mechanisms and the reporting of any shortcomings to the Auditing Committee, thereby fulfilling Recommendation No. III.1.4 of the 2010 Corporate Governance Code.

A procedure is in place by which all of the various auditing services are subject to the approval of the Auditing Committee. In 2009, auditors were hired to perform tax consultancy and training services; however, these services (as shown in the table above) did not exceed 10% of all auditing services, thereby fulfilling Recommendation No. III.1.5 of the 2010 Corporate Governance Code.

### *III.18 Reference to the external auditor's rotation period.*

Recommendation No. III.1.3 of the 2010 Corporate Governance Code states that auditors should be rotated at the end of three terms when the term of office of corporate boards is three years, as is the case with Novabase.

Moreover, pursuant to Article 54 of Decree-Law No. 224/2008 of 20 November, in entities of public interest (which, under the terms of the respective legislation, includes listed companies), the maximum period for performing auditing duties by the partner responsible for overseeing or directly performing statutory audits is seven years from his/her appointment, renewable after a minimum period of two years.

Novabase has not adopted any rules on the rotation of external auditors; however, the legal system for statutory auditors – which ensures, in combination with other applicable rules, the independence of external and statutory auditors in the performance of their respective duties – does apply.

The partner responsible for statutory audits has provided services to Novabase since 2003. Under Article 54 of Decree-Law No. 224/2008 of 20 November, once seven years have passed in relation to the start of these services (in April 2010), a new partner will be appointed to oversee or directly perform Novabase's statutory audits.

Moreover, although the practice of rotating external auditors under Recommendation No. III.1.3 of the 2010 Corporate Governance Code was not in effect during this report's financial year, Novabase will deliberate in 2010 on the implementation of measures within the company meeting the conditions needed for Novabase to adopt this recommendation, when applicable.

## Annexes:

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- *Assessment of the independence of the Board of Directors, Auditing Committee and Remuneration Committee*
- *Report from the Auditing Committee*
- *Report from the Remuneration Committee*
- *Report from the non-executive directors*
- *Report from the Board of Directors Performance Assessment Committee*
- *Report from the Corporate Governance Assessment Committee*