



TEIXEIRA DUARTE

**CODE OF ETHICS AND
CONDUCT**

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CODE OF ETHICS AND CONDUCT OF TEIXEIRA DUARTE

The Code of Ethics and Conduct establishes, in a new version, the transversal principles of action for all Teixeira Duarte Group employees and in this way, the Company's dealings with the related parties. The Mission and Values of Teixeira Duarte are, through this means, reinforced and developed.

The present Code was approved by "Teixeira Duarte, S.A.", as the leading listed company of the Teixeira Duarte Group, being extended to all the entities included in its consolidation perimeter and management scope and to all their employees.

In this context, the references throughout this Code to "Teixeira Duarte", "Group" and "Company" refer and are applicable to this universe of entities.

1. ETHICS AND CONDUCT

- Ethics and Conduct at Teixeira Duarte

The operating rules and guidelines that have defined Teixeira Duarte's action have been successively adapted but have essentially remained unchanged for over the 90 years of its history, being a motive of great pride and encouragement for the growth of the Company and the Group to which it belongs.

This constant relationship between autonomy and sense of responsibility, which extends to all of the Group's personnel, reflects the importance of the employees and their conduct in the definition of the form of action of Teixeira Duarte.

It has been felt and confirmed that the loyalty to this model has resulted in very gratifying returns, not only as a production unit, but also as a training centre for personal and collective fulfilment among vast number of employees.

In addition to the above, this positioning of the Company with respect to its employees also has impact on a large group of entities with which Teixeira Duarte deals, directly and indirectly, implying an awareness of its inherent responsibility to these related parties.

The importance of this challenge has always been accepted as a positive aspect, where this challenge is intended, without any presumption, to be shared by all who work with the Company in the different markets and areas of action in which Teixeira Duarte operates.

In fact, the Company has wanted and managed to instil both its basic policy and the guiding principles underlying it, in the teams that carry out these operations, in close collaboration with the Board of Directors and Senior Management Staff of the Group, with this mode of action being reflected in the Mission and Values of Teixeira Duarte.

All are responsible for knowing and individually assimilating these Values, implementing them institutionally and defending them externally, promoting their application to the members of the governing bodies, employees, service providers and entities with which the Company relates in the development of its action, including, in this context, customers, suppliers, competitors, public authorities and the actual community.

- Ethics and Conduct of Teixeira Duarte

The Mission and Values of Teixeira Duarte are the essence of its ethics and mould the conduct of its employees, having been stated at Teixeira Duarte in 2008 as a faithful reflection of its past and as pillars for its future.

Teixeira Duarte's Mission is **“Doing, contributing to the building of a better world”**. And its Values are **Expertise, Efficiency, Dedication, Truth, Commitment, Trust and Respect**.

These values have always been conveyed to all the employees through example and daily practice. However, in view of the Group's growth, an increasing need has been felt to highlight them and explain their respective contents.

Indeed, the interventions in such varied business sectors as Construction, Concessions and Services, Real Estate Development, Hotel Services, Distribution, Energy and the Automobile Sector, and in such different markets as Portugal, Angola, Algeria, Brazil, Spain, Mozambique

and Venezuela, among others, clearly illustrate the encompassing nature of the Teixeira Duarte Group.

2. THE CODE

The Mission of Teixeira Duarte – **Doing, contributing to the building of a better world** – defines the driving engine behind the employees daily work, and constitutes the objective shared by all regardless of their area of action, geographic zone or work team.

“**Doing**”, because making things happen is a constant concern.

“**Contributing**” because we should understand that non-one does anything alone.

“**Building**” because we build.

And “**a better world**” is the objective that we all share, within and outside Teixeira Duarte.

The Values of Teixeira Duarte are the manner that should be employed in achieving this objective and they are the essence of the rules governing the employees' behaviour and that characterise Teixeira Duarte's dealings with all the related parties.

Reference is made first to their content and scope, and only after their consequences on action with the related parties.

The employees should act with:

Expertise - Value based on the Company's origin and ultimate purpose: “an engineering establishment”, where know-how and techniques are created and developed, which enable applying the principles of science to analyse and solve practical questions and human needs.

Efficiency - A fundamental principle of the manner of carrying out tasks, consisting of the virtue of producing the desired effect and doing so with the appropriate resources, and achieving this, above all, with zero failures and zero accidents and the minimum waste.

Dedication - Corresponds to the compromised and enthusiastic manner with which challenges and responsibilities are accepted, acting with forceful intention, sacrifice or even “heroism”.

Truth - Consists of the coldly correct appraisal of facts; presenting things as they are, in good faith and great rigour, neither in fear of admitting to errors and limitations, nor to successes and capabilities, reflecting a purposeful awareness and knowledge of oneself and the Company.

Commitment - Based on the importance of one's "word of honour" and the almost “obsessive” way of pursuing the accomplishment of all contracts and obligations, both before third parties and in terms of loyalty and complicity with one's own colleagues and the actual Company.

Trust - Structural principle which is expressed in the great autonomy granted and corresponding accountability undertaken; investment in training, support and encouragement to “in-house” personnel, giving opportunities and valorising those who grasp them with the same determination and spirit with which they are provided.

Respect - Respect for others, for the dignity of all humanity and institutions; an implicit and instinctive form of action which implies the natural assumption of other important goals based on this principle, such as health, safety and environmental protection.

Many of these aspects are then developed in a more detailed form in procedures described in the Integrated Management Systems of the Teixeira Duarte Group companies, in the areas in which they are certified, which involve Occupational Safety, Hygiene and Health, Quality, Environment, Social Responsibility and Research, Development and Innovation.

3. DEALINGS WITH RELATED PARTIES

3.1. Observance and Defence of the Law and Rights, Freedoms and Guarantees

As a preliminary comment and inherent to the Values listed above, similarly to the action of any citizen, the employees of Teixeira Duarte are bound to the **Commitment** to observe, defend and promote compliance with the legislation and regulations in force in the markets in which Teixeira Duarte operates, including any general or sector agreements and specific codes of conduct and ethics of each professional.

Without prejudice to the above, the employees of Teixeira Duarte should act, under all and any circumstances, with **Respect** for different cultures and customs and for the dignity of all human beings and institutions, as well as of the rights to which all the Company's related parties are legitimately entitled, whether legally established or contractually undertaken by Teixeira Duarte. This gives rise, among others, to the duties of:

- **Accomplishment** of the provision and its consideration;
- **Compliance** relative to reporting and transparency;
- **Respect** for industrial property;
- **Respect** for confidentiality and secrecy;
- **Respect** for data protection, the right of privacy and the rights, freedoms and guarantees of citizens.

The **Truth** as a mode of action implies an attitude of integrity and transparency, repudiating any fraudulent or disguised behaviour.

3.2. Public Authorities

- Independence

Teixeira Duarte actively participates in the development of the economy, accomplishing its Mission on the different geographic and sector fronts, *“contributing to the building of a better world”*. This should always be done with independence relative to the Public Authorities and political agents, acting together with them and always with absolute integrity and transparency, repudiating all and any illegal acts, or which might illicitly influence any decisions or constitute corruption or any other type of favour. And, likewise, Teixeira Duarte and the employees in question should consider their independence relative to any public entity or civil servant with whom they form relations during the performance of their duties, assuring that any decisions taken by public authorities fully respect the Law and normal decision-making criteria, never granting any favours whatsoever, nor harming the public interest.

- Collaboration

Also assuming the **Truth** as an objective implies active behaviour in that perspective, since, within its sphere of competence and responsibilities, Teixeira Duarte and its employees provide the supervisory and inspection authorities with all the necessary collaboration, responding diligently to any requests that are required and actively reporting information about any actions which constitute incorrect conduct, including those which might represent possible illegal practices in financial and accounting matters, fraud, corruption and money laundering, as well as any action related, directly or indirectly, to terrorist entities or which might target or support terrorism.

3.3. Governing Bodies

All the members of the Governing Bodies of the numerous entities comprising the Teixeira Duarte Group respect and promote, in the context of these actions and inherent responsibility of the administration or supervision of these companies, the Values of Teixeira Duarte and, through them, respect the specific rules applicable, namely, to additional responsibilities arising from these positions, the reporting of the activity of each of these entities through reports and financial statements to be approved by the corresponding holders of the share capital, the verification of any incompatibilities in the holding of these positions, and the respect of compliance with Corporate Governance rules and reporting to supervisory entities, as is the case of the leading listed company of the Group relative to the Portuguese Securities Market Commission (CMVM), where this company draws up the corresponding Corporate Governance Report every year.

3.4. Employees

3.4.1. The action of the Employees

- “Doing, contributing to the building of a better world”

Expertise, Efficiency and **Dedication** constitute the central core of the way that the employees should carry out their tasks, creating and developing know-how and techniques to solve practical issues, adjusting resources, caring for the equipment and assets of the Company and

third parties, preventing waste and errors, and showing dedication in the undertaking of their tasks.

This principle thus assures an overall attitude tending towards excellence of the service rendered and a genuine contribution to the Company's role in the development of the economy and accomplishment of its mission: *“Doing, contributing to the building of a better world.”*

- Conflict of Interest

The **Commitment** is a reflection of the intended *“loyalty and complicity with one's own colleagues and the actual Company”*, always preventing any possible conflicts of interest and assuring the duties of confidentiality and secrecy inherent to each position, never using this information for direct or indirect personal interest.

The employees should not perform any external professional duties which might conflict with the interests of the Company, or interfere with good compliance with their obligations. Likewise, they should not intervene in any processes in which their personal interest might affect their evaluation and decision-making capacity, namely those which directly or indirectly involve entities or persons with whom they collaborate or are connected by ties of kinship and affinity, or equivalent.

The Company and its employees should also assure that they do not have, within the Company's operating structure, any relations of hierarchical or functional dependence on anyone with whom they are connected by ties of kinship and affinity, or equivalent.

- Confidentiality

The employees should use the information that they have obtained about the Company's activity only for the performance of their duties, where they are not permitted to convey or use this information when it could be considered confidential due to its nature or content, namely technical and commercial elements of products and services, budgets, planning, search and research results.

- Privileged information

Employees who have access to privileged information, unknown in the market and which might be important in decision-making concerning the purchase and sale of shares representing the share capital of the Group's leading listed company, should not disclose it to others nor use it for this purpose, moreover, at the risk of incurring penalties established in the legislation on this matter.

- Media

In addition to the matters indicated above, the employees should ensure the prudent management of contacts with the media on any issues related to the Company, which should always be coordinated previously with the hierarchy and support of the institutional communication structures of the Teixeira Duarte Group, since this involves the exposure of Teixeira Duarte's image, which could influence the appreciation or devaluation of an asset belonging to the shareholders and the stability of the action of an economic Group with possible impact on the employees and other related parties.

3.4.2. The action of the Company

On the other hand, Teixeira Duarte undertakes, relative to its employees, the **Commitment** to respect their employment contracts, namely concerning the payment of their retributions, **Respect** for their personal and professional fulfilment, always acting in **Truth**, informing them appropriately on the Company's life and the position of each employee.

Teixeira Duarte promotes a culture of labour and merit firmly based on the **Truth** and a culture of **Trust** which implies the granting of autonomy and *“support and encouragement to “in-house” personnel, giving opportunities and valorising those who grasp them with the same determination and spirit with which they are provided”*.

An example of this is the fact that the directors of Teixeira Duarte are employees with careers built within the actual Group, with over twenty years of in-house experience, and the senior structures of the different sectors and markets of action are also workers with the same type of

long career path developed at Teixeira Duarte, in other words, preference is given to the people who most strongly feel and embody the maturity and experience of Teixeira Duarte's Values.

- Training

Also due to its Value of **Expertise** – and the inherent creation and development of know-how and techniques – Teixeira Duarte has always fostered a strong spirit of learning, embodied in the follow-up given to new personnel in their activity developed by those more experienced, who convey and instil **Trust**. Over the last few years, Teixeira Duarte has promoted a great variety of training actions in a more systematised and encompassing manner, which have covered the increasingly greater requirements faced by the Company not only in its own activity, but also in the aspects comprising the integrated management systems and all others involving the central concerns of sustainability: economic, social and environmental.

- Social Responsibility

Additionally, but not necessarily lastly, is the **Respect** for all employees as human beings, thus pursuing “(...) *other important ultimate goals based on this principle, such as health, safety and environmental protection*”, where the Company also complies with the principles conveyed in the standards on social responsibility, SA8000, in particular because:

- It does not use and repudiates the use of child labour and adopts the principle, in its works, also not to use labour of minors;
- Forced or compulsory work is not, and never has been, a practice that is used or permitted;
- The Company provides a safe and healthy work environment and takes effective measures to prevent potential accidents and damages to the health of the workers;
- The right to freedom of association and collective bargaining is assured;

- The Company strives to ensure data protection and the right of privacy and the rights, freedoms and guarantees of the employees as citizens.
- The exercise of any type of discrimination is forbidden in relation to ethnic or social origin, gender, sexual orientation, age, belief, marital status, political orientation, opinion or place of birth;
- All people are treated with dignity and respect;
- The Company complies with the applicable laws and standards of its areas of activity regarding work hours and public holidays;
- The remuneration of its employees is provided in conformity with the applicable legislation and in observance of the applicable work agreements;
- The administration has defined the Company's policy on social responsibility and promoted compliance with all the other procedures for its practical implementation and integration in the Company's management system.

3.5. Shareholders

- Stability and commitment

The origin of the Teixeira Duarte Group goes back to 1921, the year in which Eng. Ricardo Esquível Teixeira Duarte started his professional activity as an Engineer, with the Group continuing to operate with an important presence of the Teixeira Duarte Family over the following 90 years, not only at the level of its senior management but also of its shareholder body, reflecting a serious and long-standing commitment to the Company's development and to its dealings with all related parties.

In 1987, the leading listed company of the Group at that time modified its corporate structure to form a public limited liability company, changing its corporate name to the current "Teixeira Duarte - Engenharia e Construções, S.A.". A strong increase of share capital was carried out, with the capital having been opened to employees through assignment of shares of members of the family.

In 1998, after the listing of the shares on the stock market at that time called the "Lisbon Stock Exchange", its share capital was also opened to public investment.

In 2010, “Teixeira Duarte, S.A.” became the Group's leading listed company, holding 100% of “Teixeira Duarte – Engenharia e Construções, S.A.”.

Currently, its management model still clearly portrays the features of a family firm, now with over 90 years of history, which has always evolved based on three pillars:

- Leadership exercised by members of the family in the Company's governing bodies;
- The existence of a structure of professional excellence – the Company's Senior Management – formed by top managers and directors with long-standing in-house experience.
- The close follow-up of corporate life by shareholders of the Teixeira Duarte family, nowadays also through the family holding “Teixeira Duarte – SGPS, S.A.”, providing present and constant support.

This close relationship with the shareholder structure has given major stability to the management and even greater reliability to the development of its business in a manner boosting sustained growth, rather than focused on temporary or specific occasional interests.

- Transparency

Teixeira Duarte and all the entities included its consolidation perimeter and scope of management fully respect the information reporting rules and standards, faithfully reflecting the underlying reality in all its financial statements and corresponding notes, as well as in its management and other reports, in compliance with the applicable rules and standards, in particular those related to book-keeping which, in the case of the Group's leading listed company, are drawn up based on accounting policies that are consistent with the International Financial Reporting Standards (“IFRS”), as endorsed by the European Union.

It is through this same entity that the Group proceeds with the public disclosure of a vast amount of elements, complying with its numerous obligations as a company listed on the stock exchange, namely through the publication of reports and financial statements, and corporate governance reports, the issue of a great variety of press releases for the market, and the production of responses to the different related parties requesting information at various levels.

In order to reinforce the policy of disclosure of information referred to above, and aimed at fostering permanent contact with the market and the response to requests made by investors in due time, assuring strict compliance with the principle of equality among shareholders and for the purpose of preventing any asymmetries in access to information on the part of investors, "Teixeira Duarte, S.A." has an Investor Support Office, which operates directly under the Board of Directors.

All the information required by investors and available under the rules, regulations and other applicable guidelines is provided by this Office and may be accessed through various means of communication, easily accessible to all.

Additionally, Teixeira Duarte provides a website (www.teixieraduarte.pt) offering a variety of updated and relevant information for the market, in particular:

- The Articles of Association;
- Information on the identity of the members of the governing bodies;
- Information on the representative for market relations, Investor Support Office or equivalent structure, respective duties and means of access;
- The six-monthly calendar of corporate events, disclosed in the beginning of each semester, including, amongst others, general meetings, disclosure of the annual, six-monthly and quarterly accounts;
- The documents presenting the financial statements of the last five years;
- The call notices to the general meetings and all the preparatory and subsequent information related to these general meetings, including the historical records with the deliberations taken at these meetings, the share capital represented and the results of the voting, relative to the preceding three years.

3.6. Customers and Suppliers

In pursuing its business, Teixeira Duarte has sought to ensure the sustainable growth of its turnover, which has been possibly largely due to the manner of its positioning with respect to its customers and suppliers, both being indispensable to the productive unit represented by Teixeira Duarte.

Offering good service, acting and demanding action of **Commitment, Truth** and **Respect** all foster healthy and long-lasting relations with customers and suppliers.

Indeed, apart from the quality of the products and services, assured by the aforesaid manner of the action of its workers – with **Expertise, Efficiency** and **Dedication** – Teixeira Duarte's success with its customers and suppliers arises from the way that it positions itself with respect to them, based on the underlying outstanding values of **Commitment, Truth** and **Respect**, as noted above.

The importance of one's "word of honour" and the almost "obsessive" way of pursuing the accomplishment of all contracts and obligations, reflect the spirit and sense of responsibility with which Teixeira Duarte assumes its commitments and strives to ensure its own compliance with commitments to third parties.

For this reason, it is clearly fundamental to act with **Truth** in the undertaking of obligations and contracts, in an awareness of the Company's capabilities and limitations, in the same way that it never waivers from a strict appraisal of the facts, rigorously and in good faith accepting both successes and failures.

- Selection Criteria

This **Truth** implies that Teixeira Duarte and its employees should act so that the decisions taken by customers and those to be taken relative to suppliers follow objective, technical and professional selection criteria, aimed at the efficiency of the decision and safeguarding the Company's interests, albeit in full **Respect** for these entities, regardless of their position in relation to the Company, in other words, rejecting any possible abuses of power or position, whether between companies or among the employees.

- Conflicts of Interest and Corruption

In the context of relations with customers and suppliers, we reiterate the need to assess possible conflicts of interest, as well as the prohibition of any corrupting behaviour, either actively or passively, including payments or receipts for facilitation or creation, maintenance or promise of irregular situations or favours.

- Transmission, defence and promotion of the Values of Teixeira Duarte

In addition to its application, Teixeira Duarte and its employees should convey, defend and promote the observance of Teixeira Duarte's Values and this Code by its customers and suppliers.

3.7. The Competition

Competition is a natural and healthy consequence of the market which fosters the excellence and **Efficiency** of companies. Teixeira Duarte, due to its core business of construction, has frequently established partnerships with its competitors, especially through consortiums and business combinations, which enable the undertaking of much larger projects, demonstrating a healthy relationship with its competitor companies.

Teixeira Duarte undertakes to scrupulously observe market rules, operating in a serious and fair manner, avoiding restrictive practices and forming healthy relationships with competitor firms, in good faith and fostering mutual respect.

3.8. The Environment and the Community

The Value of **Respect**, embodied in the *respect for others, for the dignity of all humanity and institutions, is an implicit and instinctive form of action which implies the natural assumption of other important goals based on this principle, such as health, safety and environmental protection.*

Originally defined as described above, this value is the essence of Teixeira Duarte's action concerning other important related parties, where this action is optimised, developed and

strengthened through the undertaking of the obligations inherent to the Integrated Management Systems of the Teixeira Duarte Group companies covering the areas of Occupational Safety, Hygiene and Health, Quality, Environment, Social Responsibility and Research, Development and Innovation.

It is in this context that Teixeira Duarte Group stands, assuming its positions before the Environment and the Community.

- Environment

The preservation of and **Respect** for the environment constitute an essential aspect of Teixeira Duarte's action. This concern is expressed in the Management Policies, which define the strategic objectives and principles related to environmental management, in particular:

- Compliance with the applicable legal requirements, as well as other requirements associated to the identified environmental issues;
- Minimisation of the environmental impacts arising from its activity in the different business areas, so as to ensure the sustained development of the Teixeira Duarte Group companies;
- Awareness-raising among all employees and suppliers on their responsibility to preserve and protect the environment.

- Community

Concerning responsibility to the community, the Teixeira Duarte Group companies, acting on their own and through their shareholders, directors and employees, have always played an active role, mainly with respect to the well-being of its workers and their families, and it is precisely through these concerns, joint efforts and common goals that the purpose of achieving social justice for everyone is best pursued.

Also in this regard, it should be noted that the Company has decided that it should focus, through an institutional approach, on adopting an attitude that demonstrates the genuine commitment that Teixeira Duarte has dedicated to implementing a policy of support to those

most in need, reflected not only in actions within its own organisational sphere, but also in activities of social welfare organisations.

In addition to this aspect, the Teixeira Duarte Group companies are members of entities representing the different sectors in which they operate. Institutional associativism seeks, in some cases, to find a specific forum for the joint development of issues that are of essentially technical-scientific nature, in particular in the areas of construction and public works, and in other situations, foster the existence of a platform on which the features and circumstances of the corresponding sectors are analysed and debated. In this way, the members of these entities find support in their strategic positioning in the market, as well as in the promotion and representation of these areas of action before certain stakeholders through an autonomous and suitable entity.

4. APPLICATION, MONITORING AND COMPLIANCE WITH THIS CODE OF ETHICS

- Application

Teixeira Duarte considers that the application of this Code of Ethics is fundamental to the development of its business, where this application should be ensured by all its employees, who should know and respect it, with the Company being entrusted with providing it, disclosing it and promoting its faithful observance.

- Monitoring

The employees, customers, suppliers and all other related parties are responsible for striving to ensure compliance with this Code of Ethics, disclosing it, invoking it in their defence and demanding its application throughout the hierarchical structure, including the senior staff, as well as communicating any possible detected irregularities directly to the Board of Directors, which shall also be available to provide clarifications on the application of this Code of Ethics.

Teixeira Duarte is responsible for monitoring the extent of application of this Code and promoting its possible adaptation to the Company's evolution and development of its business.

- Compliance

Compliance with this Code is compulsory for all Teixeira Duarte employees, with any non-compliance being liable to disciplinary procedures.

Lagoas Park, 24 April 2015