

10

Corporate Governance Report



“Develop a mission is ... acquire skills, achieve goals, prepare for the future .”

CORPORATE GOVERNANCE REPORT

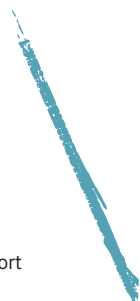


0.1 \PREAMBLE STATEMENT OF COMPLIANCE

1.1. In matters of governance, **INAPA – INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, SA** is subject to the norms found in CMVM Regulation no. 1 / 2007 with the amendments introduced by Regulation no. 5 / 2008, which can be seen at www.cmvm.pt;

1.2. Detailed indication of recommendations contained in the CMVM Corporate Governance Code, adopted and not adopted:

Recommendation	Degree of compliance	Remission in the report
GENERAL MEETING		
\ Board of the General Meeting		
The Chairman of the General Meeting shall have human resources and logistics support appropriate for his needs, taking into account the company's economic situation.	Full	
The remuneration of the Chairman of the General Meeting must be reported in the annual report on corporate governance.	Full	2.3.



Recommendation	Degree of compliance	Remission in the report
GENERAL MEETING		
\ Participation in the Meeting		
Advanced deposit or blocking of shares for participation in the general meeting, stipulated in the bylaws, must not exceed 5 working days.	Full	2.4.
In the event the General Meeting is suspended, the company shall not demand any blocking of shares during the entire period until the session is resumed. The regular advanced block, as required in the first session, is sufficient.	Full	2.5.
\ Voting and exercising the right to vote		
The companies shall not stipulate any bylaw restrictions to voting by mail.	Full	2.8.
The bylaw period for receiving votes in advance by mail shall not exceed three working days.	Full	2.8.
Companies must stipulate in their bylaws that one vote corresponds to each share.	Full	2.6.
\ Quorum and deliberations		
Companies shall not establish a constitutive or deliberative quorum greater than stipulated by law	Non Compliance (by the company articles of association it is required not only for deliberations considered in no. 2 of art. 383 of the CSC, but for all deliberations, that at first call there be present or represented shareholders who hold at least 1/3 of capital stock)	2.7.

Recommendation	Degree of compliance	Remission in the report
GENERAL MEETING		
\ Minutes and information on adopted deliberations		
<p>The General Meeting minutes must be made available to shareholders on the company's web site within 5 days, even if they do not contain privileged information as per legal terms, and a history of attendance, work orders and deliberations made related to meetings held must be kept on this site for at least the three previous meetings.</p>	Full	
\ Measures related to corporate control		
<p>Measures that are adopted with a view to impede the success of a take over must respect the company's interests and those of its shareholders.</p>	Full	2.13.
<p>Company bylaws that, respecting the principle in the previous line, provide for a limitation in the number of votes that can be held or exercised by a single shareholder, individually or in conjunction with other shareholders, must also stipulate that at least every five years, maintenance or not of this bylaw provision shall be the subject of a General Meeting deliberation – without quorum requirements and that for that deliberation all votes shall be counted without that limitation in place.</p>	Full	2.7.
<p>Defensive measures shall not be adopted that aim at automatically causing serious erosion of company assets in the case of transition of control or change in the composition of the board of directors, thus jeopardizing the free transmissibility of shares and free consideration by shareholders of the performance of the board of directors.</p>	Full	2.13.

Recommendation	Degree of compliance	Remission in the report
MANAGEMENT AND SUPERVISORY BOARD		
\ General topics		
\ Structure and competence		
The board shall assess the adopted model in its governance report, identifying eventual restrictions to its operation and proposing measures it deems of good repute to overcome them.	Full	3.1.
The companies shall create internal systems of control to effectively detect risks tied to its activities to safeguard its assets and for the transparency of its corporate governance.	Full	3.4.
The management and supervisory boards shall have operating regulations, which shall be posted on the company's web site.	Full	3.6.
\ Incompatibility and independence		
The Board of Directors shall include a number of non-executive members to guarantee the effective capacity of supervision, inspection and assessment of the executive members activity.	Full	3.9.
Among the non-executive directors there shall be an appropriate number of independent directors taking into account the size of the company and its shareholder structure, which shall under no circumstances, be less than ¼ of the total number of directors.	Full	3.9.
\ Eligibility and nomination		
Consistent with the applicable model, the Chairman of the Supervisory Board, the Audit Commission or the Commission for Financial Matters shall be independent and have the competence needed to exercise the respective functions.	Full	3.9. 3.10.

Recommendation	Degree of compliance	Remission in the report
MANAGEMENT AND SUPERVISORY BOARD		
\ General topics		
\ Policy for communicating irregularities		
The company shall adopt a policy for communicating irregularities that may allegedly occur within it, with the following elements:	Full	3.22.
<ul style="list-style-type: none"> • Indication of the means through which the communication of irregular practices can be done internally, including people with the authority to receive the communications; 	Full	
<ul style="list-style-type: none"> • Indication of the treatment to be given to the communications, including confidential treatment, if so intended by the deponent. 	Full	
The general lines of this policy shall be disclosed in the corporate governance report.	Full	3.22.
\ Remuneration		
The remuneration of board members shall be structured to permit the alignment of their interests with the company's interests. In this context:	Full	3.18.
<ul style="list-style-type: none"> • (i) The remuneration of directors who exercise executive functions should include a component based on performance, and should thus take into account the performance evaluation periodically conducted by the competent board or commission; 		
<ul style="list-style-type: none"> • (ii) The variable component shall be consistent with a maximization of the company's long-term performance and dependent on the sustainability of the performance variables adopted; 		
<ul style="list-style-type: none"> • (iii) When this does not directly result from a legal imposition, remuneration of non-executive board members shall exclusively consist of a fixed sum. 		

Recommendation	Degree of compliance	Remission in the report
MANAGEMENT AND SUPERVISORY BOARD		
\ General topics		
\ Remuneration		
<p>The Commission on Remunerations and the board of directors shall submit a declaration on the remuneration policy for the management and supervisory boards as well as the other directors as per no. 3 of art. 248-B of the CVM for appreciation by the annual shareholders' general meeting. In this context, the criteria and the main parameters proposed for assessing performance shall be specifically explicated to the shareholders to determine the variable component, whether dealing with share premiums, stock options, annual bonuses or other components.</p>	Non-compliance	
<p>At least one representative of the commission on remunerations shall be present at the annual general meeting of shareholders.</p>	Full	3.19.
<p>The proposal related to the approval of stock allocation plans and/or stock option plans or based on variations in share prices for members of the management and supervisory boards and other directors must be submitted to the General Meeting as per no. 3 of art. 248-B of the CVM. The proposal shall contain all the elements needed for a correct assessment of the plan. The proposal shall be accompanied by the plan regulations, or if it has yet to be prepared, the conditions which it shall obey. Likewise, the main characteristics of the retirement benefit system enjoyed by the members of the board of directors and supervisory boards and other directors must be approved at the General Meeting as per no. 3 of art. 248-B of the CVM.</p>	Not applicable (the company does not have any stock allocation and/or stock option plan or one based on variations in share prices in force. Nor does it have any retirement benefit system enjoyed by board of directors and supervisory board members and other directors in force.)	3.20.
<p>Remuneration of board of directors and supervisory board members shall be the object of annual disclosure in individual terms, distinguishing, whenever the case, the different components received in terms of fixed remuneration and variable remuneration, as well as remuneration received at other Group companies or companies controlled by qualified shareholders.</p>	Non-compliance	3.20.

Recommendation	Degree of compliance	Remission in the report
MANAGEMENT AND SUPERVISORY BOARD		
\ Board of Directors		
<p>Within the limits established by law for each board of directors and supervisory board structures, and unless due to the reduced size of the company, the Board of Directors shall delegate everyday management of the company, and the competences delegated shall be identified in the annual corporate governance report.</p>	Full	3.3.
<p>The Board of Directors shall ensure that the company operates in a manner consistent with its objectives, and shall not delegate its competence, namely with regard to (i) defining the company's general strategy and policies, (ii) defining the group's corporate structure, (iii) decisions that should be considered strategic due to their sum, risk or special characteristics.</p>	Full	3.3.
<p>If the Chairman of the Board of Directors exercises executive functions, the Board of Directors shall seek efficient mechanisms to coordinate the work of non-executive members that specifically ensure they can decide in an independent and informed manner, and these mechanisms shall be duly explained to the shareholders within the scope of the corporate governance report.</p>	Full (The Chairman of the Board of Directors does not exercise executive functions.)	3.3.
<p>The annual management report shall include a description of the activity carried out by non-executive directors, namely referring to possible restrictions observed.</p>	Full	
<p>The board shall promote a rotation of the director who is chief financial officer after two terms at least.</p>	Full (The director of the board who is chief financial officer is about to complete his first term as director.)	

Recommendation	Degree of compliance	Remission in the report
MANAGEMENT AND SUPERVISORY BOARD		
\ Managing Director, Executive Commission and Executive Board of Directors		
<p>The directors who exercise executive functions, when requested by other corporate body members, shall provide the information requested in a timely and appropriate manner.</p>	Full	
<p>The Chairman of the Executive Commission shall send the calls and minutes for the respective meetings to the chairman of the Board of Directors, and when applicable, to the Chairman of the Supervisory Board or the Audit Commission, respectively.</p>	Full	
<p>The Chairman of the Executive Board of Directors shall send the calls and minutes for the respective meetings to the chairman of the Chairman of the General and Supervisory Board and the Chairman of the Commission for Financial Matters.</p>	Not applicable (the administrative structure is the Board of Directors with the Audit Commission.)	
\ General and Supervisory Board, Commission for Financial Matters, Audit Commission and Supervisory Board		
<p>Besides complying with supervisory functions entrusted to it, the General and Supervisory Board shall play an advisory role, continuously monitoring and assessing corporate management on the part of the Executive Board of Directors.</p> <p>The matters on which the General and Supervisory Board should opine include (i) defining the company's strategy and general policies, (ii) the Group's corporate structure and (iii) decisions that should be considered strategic due to the sum, risk or special characteristics.</p>	Not applicable (the administrative structure is the Board of Directors with the Audit Commission.)	3.15.
<p>Annual reports on the activity carried out by the General and Supervisory Board, the Commission on Financial Matters, the Audit Commission and the Supervisory Board shall be the object of disclosure on the company's web site, along with supplying the annual financial statement documents.</p>	Full	

Recommendation	Degree of compliance	Remission in the report
MANAGEMENT AND SUPERVISORY BOARD		
<p data-bbox="240 389 783 492">  General and Supervisory Board, Commission for Financial Matters, Audit Commission and Supervisory Board </p>		
<p data-bbox="233 539 783 714">Annual reports on the activity carried out by the General and Supervisory Board, the Commission on Financial Matters, the Audit Commission and the Supervisory Board shall include a description of supervision activity, namely pointing out possible restrictions observed.</p>	<p data-bbox="826 539 863 566">Full</p>	
<p data-bbox="233 763 783 1088">The Commission on Financial Matters, Audit Commission and Supervisory Board, according to the applicable model, shall represent the company for all due purposes before the external auditor, and shall be responsible for proposing the provider for these services, the respective remuneration, ensure that suitable conditions for providing the services are guaranteed within the company, as well as being the interlocutor for the company and the first nominee for the respective reports.</p>	<p data-bbox="826 763 1214 1010">Full (With the note that the Audit Commission was only constituted 31 May 2007, at a general meeting that also elected the external auditor, and for this reason it did not propose the provider nor establish the respective remuneration.)</p>	<p data-bbox="1270 797 1307 824">3.3.</p>
<p data-bbox="233 1137 783 1272">The Commission on Financial Matters, Audit Commission and Supervisory Board, according to the applicable model, shall assess the external auditor annually and propose his removal at the General Meeting whenever such is justified.</p>	<p data-bbox="826 1137 863 1164">Full</p>	<p data-bbox="1270 1137 1307 1164">3.3.</p>

Recommendation	Degree of compliance	Remission in the report
MANAGEMENT AND SUPERVISORY BOARD		
\ Specialized Commissions		
<p>Unless due to the reduced size of the company, the Board of Directors and the General and Supervisory Board, according to the adopted model, shall create any commissions that may be necessary to (i) ensure a competent and independent assessment of executive director performance, as well as an assessment of their own overall performance and that of the various commissions, (ii) reflect on the governance system adopted, check its effectiveness and propose which measures to take to the competent entities, aimed at their improvement.</p>	<p>Not applicable (in compliance with company size, its Board of Directors and the functions performed by the Audit Commission, there is no justification to create any of the mentioned commissions.)</p>	<p>3.2.</p>
<p>Members of the commission on remunerations or its equivalent shall be independent in relation to the members of the board.</p>	<p>Full</p>	<p>3.19.</p>
<p>Every commission shall take minutes of the meetings held.</p>	<p>Not applicable (there are no specialized commissions within the scope of the Board of Directors).</p>	<p>3.2.</p>



Recomendação	Grau de cumprimento	Remissão no relatório
INFORMATION AND AUDITING		
\ General Information Duties		
<p>The companies shall ensure the existence of permanent contact with the market, respecting the principle of shareholder equality and preventing asymmetry in access to information on the part of investors. For such, the company shall have an investor relations office.</p>	Full	4.12.
<p>The following information available on the web site must be disclosed in English:</p> <ul style="list-style-type: none"> • The firm, the type of publicly held company, head quarters and other elements mentioned in art. 171 of the Commercial Code; • Bylaws; • Identity of the heads of corporate bodies and the representative for market relations; • Investor Relations Office, respective functions and means of access; • Rendering of accounting documents; • Semestral calendar of corporate events; • Proposals presented for discussion and voting at the General Meeting; • Calls for holding a General Meeting. 	Full	



0.2\ GENERAL MEETING

2.1. Members of the General Meeting

The composition of the current General Meeting Board is as follows:

Dr. João Vieira de Almeida - President

Dr.ª Sofia Barata - Secretary

2.2. Start and finish dates of the respective mandates

The members of the General Meeting Board were elected by the shareholders at the meeting on 31 May 2007 for the three-year period ending 31 December 2009.

2.3. Remuneration of the Chairman of the General Meeting Board

By deliberation of the Commission on Remunerations on 21 May 2008, remuneration for the Chairman of the General Assembly Board was set at € 5,000.00 (five thousand Euros) for every meeting over which he presides.

2.4. Prior notice for deposit or blocking of shares for participation at the General Meeting

The n.º 1 of art. 13 of the bylaws stipulates that *“those shareholders who at least since the fifth working day prior to the date of the General Meeting own shares shall have the right to vote, and for such, they shall place the shares in their name in the share registration log, when nominal, or when to the bearer, safeguard them in company safes or deposit them in credit institutions or an entity that by law is equipped for such a purpose, five days in advance, and inform the Chairman of the General Meeting Board of said deposit and of the number of shares in this situation up to three days before the meeting in question and maintain this ownership until the date of the General Meeting.”*

2.5. Applicable rules for share-blocking should the General Meeting be suspended.

The bylaw is remiss in this matter and thus the supplementary precepts of legislation in force apply.

It is in the company's understanding that of the supplementary precepts of legislation in force, that under penalty of creating an unjustified lien against the shareholders, the shares are not subject to blocking for the entire suspension period should be withdrawn, and as a counterpart, by applying what is stipulated in no. 1 of art. 13 of the bylaws, the shareholders shall inform the Chairman of the General Meeting Board at least three working days in advance of the date of starting the work, that their shares have been registered in the shares registration log, when nominal, or when made to the bearer, safeguarded in company safes or deposited in credit institutions or entities that by law are equipped for such purposes, at least five working days prior to the referred to date.

This understanding, when and if necessary, shall be the object of due publication.

2.6. Number of shares that correspond to one vote

The n.º 5 of art. 13 of the articles of association stipulates that *“every registered or deposited share as per the terms in no. 1 of this article shall be worth one vote.”*

2.7. The existence of bylaws on exercising voting rights, including constituting or deliberative quorums or systems for equity rights.

The bylaw provisions for this matter are limited to the stipulations in no. 2 and 3 of art. 17 that respectively project:

- “The General Meeting may function at first call-up when shareholders whose shares correspond to at least one-third of capital stock are present or represented.”

- “At the second call-up, the General Meeting can function validly regardless of the number of shareholders present or represented and regardless of the sum of capital to which the respective shares correspond.”

2.8. Bylaws on voting by mail

The bylaws on voting by mail consist of no. 2, 3 and 4 of art. 13 of the articles of association that respectively project:

- “Shareholders can exercise their right to vote by mail, and for such, they must send the Chairman of the General Meeting Board a registered letter with recorded delivery at least three working days prior to the General Meeting date.”
- “Votes by mail count for forming a constituting quorum of the General Meeting, and it is the Chairman’s responsibility to verify authenticity and regularity, as well as ensure confidentiality until the time of the vote. Votes by mail shall be revoked in the event that the shareholder or his representative is present at the General Meeting.”
- “Votes by mail count as negative votes related to deliberation proposals presented after the date on which these same votes were sent.”

2.9. Availability of a model format for exercising the right to vote by mail

The company provides its shareholders a specially prepared model for exercising the right to vote by mail, which is sent whenever requested, and it is also available on the respective web site, in the investors section of the General Meeting chapter

2.10. Deadline requirement for the receipt of mailed ballots and the date on which the General Meeting is held.

The bylaw that regulates this matter is found in no. 2 of art. 13 of the articles of association, which stipulates that:

- “Shareholders can exercise their right to vote by mail, and for such, they must send the Chairman of the General Meeting Board a registered letter with acknowledge of receipt at least three working days prior to the General Meeting date.”

2.11. Voting rights via electronic means

Up to the present moment, it has not been possible to reconcile the concerns with holding the meeting where there are optimal conditions in terms of space, with the technical requirements for electronic voting, and it is worth mentioning that the company has yet to receive any request on the part of its shareholders demonstrating interest in this form of voting.



2.12. Intervention by the General Meeting on matters concerning the remuneration policy of the company and the performance assessment of the members of the Board of Directors.

The allocation and fixation of compensations, whether due monthly or any other period, to members of the Board of Directors are up to a commission comprised of three members especially elected for such by the General Meeting every three years, with re-election permitted one or more times.

The General Meeting is held annually and concomitantly with the appreciation of the annual accounts for assessing the performance of members of the Board of Directors.

The matter is the object of its own special point in the meeting agenda, which is necessarily concluded *"by a vote of confidence for all or some of the board of director and supervisory board bodies and their respective members or for the destitution of some or all of them."*

2.13. Defensive measures that are intended to immediately instigate serious asset erosion in cases such as changes in the control or to the composition of the Board of Directors.

The company has not adopted any measure of this nature.

2.14. Significant agreements to which the company is a part of and that come into force, are changed or end in cases such as change in company control, as well as related outcome, unless the disclosure of same, due to its nature is highly damaging to the company, and save when the company is specifically obliged to disclose such information by force of legal imperatives.

The company is not a party in agreements that come into force, are changed or end in cases such as change in company control, when from such there is no loss in guarantees as to the company's capacity to honour its commitments.

2.15. Agreements between the company and the Board of Directors or Directors, as per no. 3 of art. 248-B of the Securities Code, that provide for compensation if they resign or are made redundant without a valid reason or if their employment ceases following a change in company control.

The company has no agreements in force with members of its Board of Directors and/or directors that provide for compensation in cases of resignation, redundancy without just cause or if their employment ceases following a change in company control.

0.3 \ MANAGEMENT AND SUPERVISORY BOARDS

3.1. Composition of corporate bodies

By deliberation of the General Meeting of 31 May 2007, the company adopted the management and supervisory model considered in item b) of no. 1, art. 278, CSC, which is a Board of Directors including an Audit Commission and a Statutory Auditor.

The aforesaid bodies are comprised as follows:

Board of Directors

Vasco Luís Schulthess de Quevedo Pessanha - Chairman
Jorge Armindo Carvalho Teixeira - Vice-Chairman
José Manuel Félix Morgado
Arndt Jost Michael Klippgen
Abílio Ramos Marques
Pedro Maria Cabral Norton de Matos
Emídio de Jesus Maria
Paulo Jorge dos Santos Fernandes (a)

(a) Renounced to the mandate in February 6th 2009

Executive Board of the Board of Directors

José Manuel Félix Morgado - Chairman
Arndt Jost Michael Klippgen

Audit Commission

Emídio de Jesus Maria - Chairman
Abílio Ramos Marques
Pedro Maria Cabral Norton de Matos

Statutory Auditor and external auditor

PriceWaterhouseCoopers & Associados, SROC, Lda
represented by:

Ricardo Filipe de Frias Pinheiro - Roc
José Manuel Henriques Bernardo - Substitute

After two financial years under this model of governance, it is this body's understanding that it has fully corresponded to the company's needs in terms of management as well as monitoring and appropriate control of its activity on the part of supervisory boards.

No restrictions have been felt resulting from its application that requires the adoption of corrective measures for the adopted model.

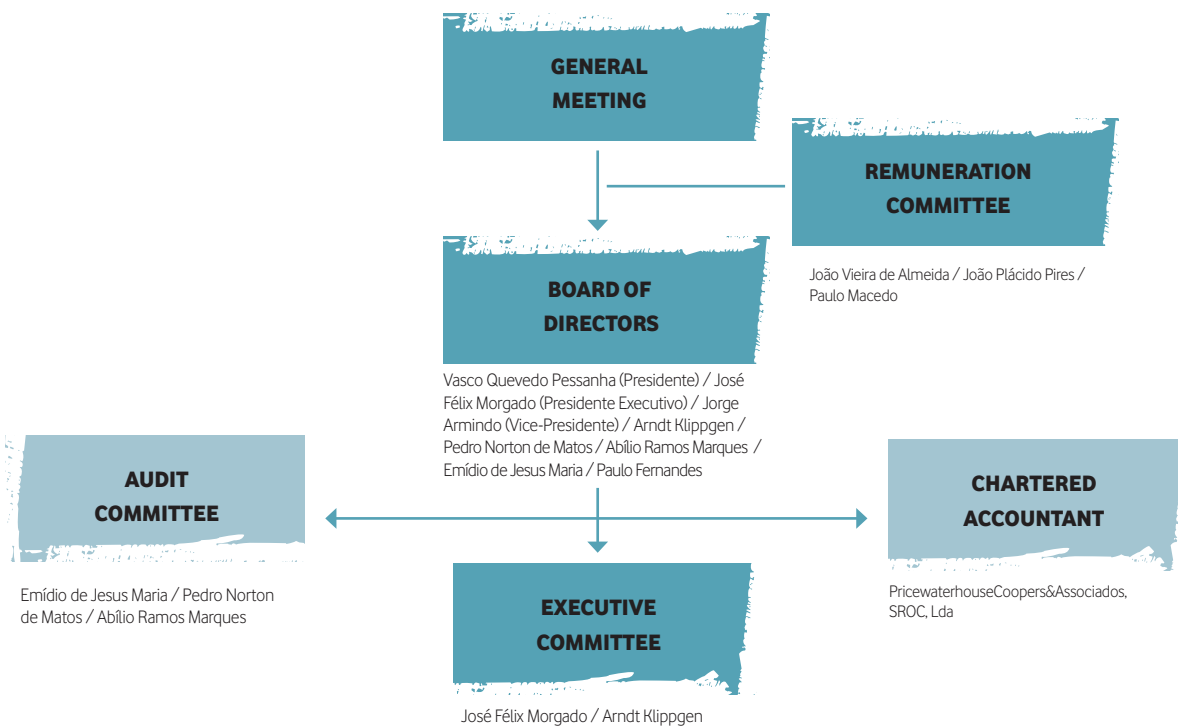
3.2. Identification and composition of other commissions created with responsibilities for the management or supervision of the company

In compliance with the reduced size of its Board of Directors and the functions performed by the Audit Commission, there is no justification to create any of the mentioned commissions.



3.3. Organizational or functional charts related to the delegation of responsibilities among the various corporate bodies, commissions and/or departments within the company, including information regarding the scope of delegating responsibilities or distributing duties among the members of the Management or Supervisory Bodies, as well as a list of non-delegable matters.

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In compliance with the deliberation of 29 June 2007 of the Board of Directors, the following responsibilities were delegated to the Executive Committee as per no. 3 and 4 of art. 407 of the Commercial Code, without detriment to the fact that, as per the terms in no. 8 of the same legal precept, the Board of Directors may take measures regarding the same issues:

- Company management;
- Establishment of policy plans, company and Group objectives and strategy, for approval by the Board of Directors;
- Establishment of general lines of internal corporate organization for approval by the Board of Directors;
- Present budgets and mid and long term investment and development plans for approval by the Board of Directors;
- Approval of contracts for purchasing goods and services whose value for each type of goods and service is less than 500,000 Euros;
- Negotiation and signing of short-term financing contracts for the company and affiliates as per the terms and conditions that are most appropriate to defend the interests of the company;
- Negotiation of financing contracts for longer than one year and one day for the company and its affiliates, issuance of bonds and commercial paper programs, however with

- The company's ties to these sorts of operations expressly conditioned upon prior deliberation by the Board of Directors;
- Purchase, sale or general liens on company goods or fixed asset values considered in budgets approved by the Board of Directors;
- Purchase, sale or general liens on company goods or fixed asset values not considered in budgets approved by the Board of Directors up to an individual value of 1.5% of paid-in capital stock, with an annual limit of 5% of the referred to capital;
- Be the lessee or lessor of any building or fraction of property;
- Represent the company in and out of court, active and passively, as well as propose and follow any lawsuits, admit to them or give up on them, come to terms with them or commit to them in arbitration;
- Purchase, sell or charge participations in other companies, so long as the operations in question are included in the approved budget or activity plans and do not exceed, individually € 5,000,000.00, with all others requiring prior deliberation by the Board of Directors;
- Sign, amend and rescind work contracts and exercise disciplinary power over personnel;
- Open, manage and close bank accounts;
- Constitute proxies for the company.

At the said deliberations, the Board of Directors expressly declared the following responsibilities as non-delegable to the Executive Committee:

- Those shown in items a) to m) of art. 406 of the Commercial Code;
- Deliberations on instructions that are binding to affiliate companies;

- Approval of company and affiliate budgets and plans;
- Approval of important investments or divestments at or by affiliates;
- Deliberation on the purchase and sale of majority interests or ownership as well as those subject to a special purchase or sale process as per the CVM;
- Deliberation on split, merger or dissolution operations by affiliates or where it is a stakeholder;

As stipulated in applicable legal provisions and by force of the aforesaid deliberations by the Board of Directors on 29 June 2007, the following responsibilities are especially entrusted to the Audit Commission:

- Supervise company board of directors;
- Monitor observance of law and articles of association;
- Check the good standing of books, accounting records and documents that serve as support;
- Check cash status and the existence of any sort of goods or securities that belong to the company or were received by it as guarantee, deposit or other purpose;
- Check the accuracy of the account documents;
- Check if the accounting policies and the valuation criteria adopted by the company permit the correct assessment of equity and results;
- Prepare an annual report about its supervisory action and give an opinion on the report, accounts and proposals presented by the board;
- Call the General Meeting when the Chairman of the respective Board does not do so, and should;
- Supervise the effectiveness of the risk management system, the internal control system and the internal audit system;

- Receive communications of irregularities presented by shareholders, company employees or others;
- Supervise the financial information preparation and disclosure process;
- Propose the nomination of the Statutory Auditor to the General Meeting;
- Supervise the revision of accounts to the company's rendering of account documents;
- Supervise the independence of the Statutory Auditor, namely with regard to providing additional services;
- Inform the Public Prosecutor's Office of wrongful acts it has become aware of and that constitute a public crime;

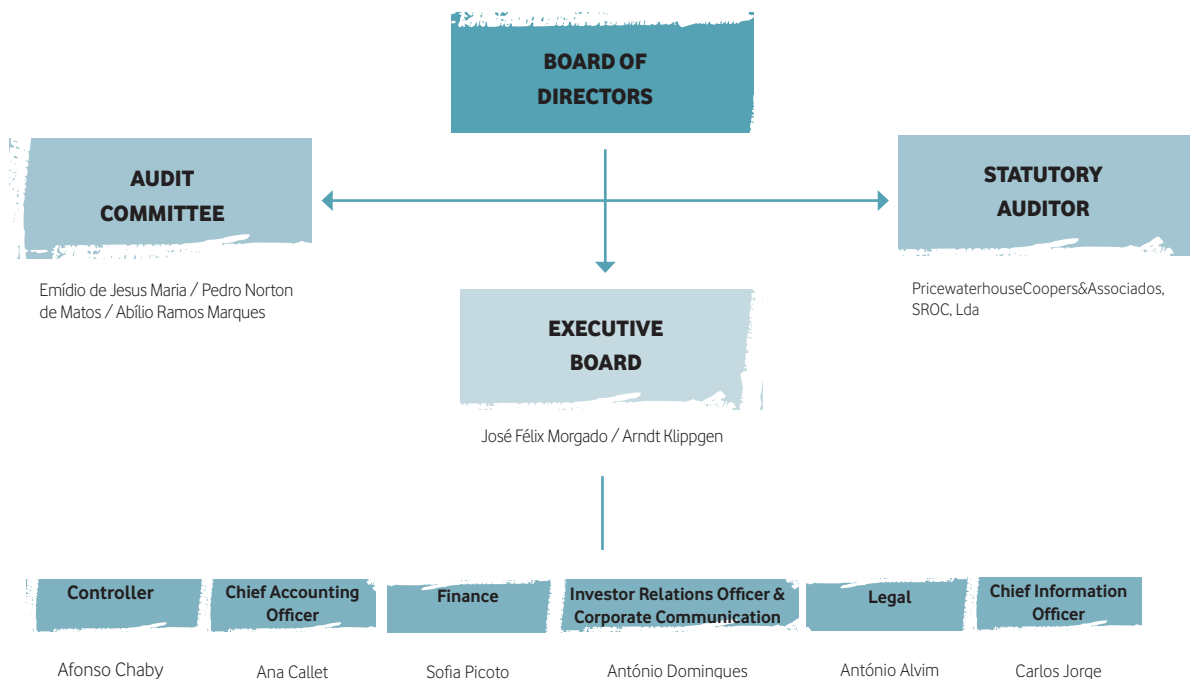
- Contract services by experts to help one or several of its members in exercising their functions.

3.4. Description of the internal control and risk management systems within the company, namely as regards the financial information disclosure process.

Whereas the pursuit of commercial activity is shared by the various branches of the Group, it is this company's responsibility, as a whole, to ensure the respective control and management of operational, economic and financial risks.

For such, the company equipped itself with the following structure, considered appropriate for controlling and managing the aforementioned risks:

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Based on this structure, the companies that integrate the group report all information related to commercial activity developed during the period and the evolution of the respective stock on hand, receipts, liabilities and treasury, on a monthly basis, using pre-defined bases or frameworks for the purposes in question.

The information is to be examined closely by the management control, financial and accounting departments.

In this aspect, it is also important to point out that the IT system, reconciles and validates the figures obtained by Group companies.

The activity of the departments in question is in turn controlled by the Board of Director's Executive Committee and subject to analysis by the Board of Directors, the Audit Commission and the Statutory Auditor and the external auditor within the scope of responsibilities that by law and by the bylaws are respectively entrusted unto them.

It is also important to highlight that the management information gathered is also the object of regular analysis, in harmony with the specific provisions, by external auditing services. Full compliance is the object of monitoring by the Board of Director's Audit Commission within the scope of its own responsibilities.

3.5. Powers of the Board of Directors, particularly in regard to resolutions on capital increases.

By force of art. 20 of the bylaws, it is the Board of Directors responsibility to generally exercise the broadest management powers, representing the company in and out of court, actively and passively, as well as practicing all acts towards achieving its corporate objectives, and most especially:

- Install, maintain, transfer or close establishments;
- Set up, maintain, transfer or close offices, branches, agencies or any other form of company representation;
- Purchase, sell and pledge, in any form, its own shares and bonds or other securities of an equal or similar nature;

- Purchase, sell and pledge, in any form, shares, company parts, bonds or other securities of an equal or similar nature of other companies, as well as public debt securities;
- Purchase and sell other goods, as well as pledge them in any form;
- Purchase property, as well as sell it and pledge it by means of any act or contract, even as part of real guarantees, so long as in any case it has obtained a favourable ruling by the supervisory board;
- Admit to, desist from or settle any claims, as well as agree to arbitration;
- Constitute proxy's as per the terms of the law;

Besides the mere responsibility of proposing such to the shareholders gathered at the General Meeting, no powers are currently granted the board of directors to deliberate on any increase in capital.

3.6. Existence of regulations on the functioning of corporate bodies or any internally defined rules on incompatibility and the maximum number of positions that a member is entitled to hold and the place where these rules may be consulted.

Besides the norms in the articles of association that refer to the activity of corporate bodies and the regime of incompatibility of its respective members, which shape legislation in force, specific regulations for the functioning of the Board of Directors and the Executive Committee, created within their scope, as well as of the Audit Commission, were approved by deliberation of the Board of Directors on 29 June 2007.

The maximum number of positions that a member is entitled to hold is not the object of a specific stipulation, where the legal and regulatory norms in force are exclusively applicable.

The regulations that manage the corporate bodies could be found in company's web site, www.inapa.pt.

3.7. Rules applicable to the appointment and replacement of members of the Board of Directors and Supervisory Body

Members of the management and supervisory bodies are elected for three year terms by a simple majority of the shareholders gathered at the General Meeting.

As per no. 2 of art. 18 of the Articles of association "Shareholders who voted against the proposal that makes the election of the directors, are entitled to designate a director so long as this minority represents at least 10% of capital stock. The election shall be held with the referred to minority voting in the same meeting, and the director thus elected automatically replaces the least voted person on the list of winners, or in the case of a tie, the one who is in last place on the same list."

Replacement of board of directors and supervisory body members is carried out by calling the respective substitutes at the General Meeting.

If there are no substitute directors elected at the General Meeting, the Board of Directors will promote, as per the law, the necessary replacements by co-option, to be ratified at the first General Meeting held after such, in the terms of the law.

3.8. Number of meetings held by the Management and Supervisory Body and other created committees that are responsible for managing and supervising during that period.

The Board of Directors met 9 times in 2008, the Executive Board 10 and the Audit Commission 10 times.

3.9. Identification of the members of the Board of Directors and other Committees created within the company and distinguishing between executive and non-executive Members and from among the latter, which members comply with the incompatibility rules set out in article 414-A nº1, except for item b) and the independence criterion mentioned in article 414/5, both from the Commercial Company Code.

Name	Position	Incompatibilities	Independence
Vasco Luís Schulthess de Quevedo Pessanha	Non-Executive	Not incompatible	Not independent
José Manuel Félix Morgado	Executive	Not incompatible	Independent
Jorge Armindo Carvalho Teixeira	Non-Executive	Not incompatible	Independent
Arndt Jost Michael Klippgen	Executive	Not incompatible	Independent
Emídio de Jesus Maria	Non-Executive / Audit Commission	Not incompatible	Independent
Abílio Ramos Marques	Non-Executive / Audit Commission	Not incompatible	Not independent
Pedro Norton de Matos	Non-Executive / Audit Commission	Not incompatible	Independent
Paulo Jorge dos Santos Fernandes	Non-Executive	Not incompatible	Not independent

3.10. Professional qualifications of the members of the Board of Directors, the professional activities carried out by them at least during the last five years, the number of company shares they hold and the date of the beginning and end of the first mandate;

Executive directors

JOSÉ MANUEL FÉLIX MORGADO

Degree in Administration and Company Management from Universidade Católica Portuguesa;

Graduate Studies in Management of Assets and Liabilities at INSEAD;

Between 1990 and 1993 he worked for Samuel Montagu Investment Bank and HSBC Investment Bank, in London and Lisbon;

Between 1993 and 2005, he was part of the higher management at Banco Comercial Português, exercising functions that included member of Board of Directors at BCP Investimento, CFO at Seguros & Pensões, member of the Board of Directors at OcidentalVida, Ocidental Seguros, Médis – Companhia Portuguesa de Seguros de Saúde, Império Bonança, Império Comércio e Indústria, Companhia de Seguros de Macau, Pensões Gere and Chairman of the Board of Directors at Império Vida y Diversos;

Between 2005 and 2006, he was part of higher management at EDP, exercising functions that included CFO, and later Chief Executive Officer at ONI SGPS, responsible for restructuring and repositioning the telecommunications operator in the Portuguese and Spanish markets.

ARNDT JOST MICHAEL KLIPPGEN

Born in Dresden, East Germany, in 1950;

In 1973, he earned his Diplom-Kaufmann academic degree from the University of Hamburg;

Between 1974 and 1988, he was general director of the Richard Klippgen & Co, Reinbeck paper distribution company;

In 1988, he was responsible for the merger involving Richard Klippgen & Co and three other paper distributors;

Between 1988 and 2000, he was general director of Papier Union GmbH & Co. KG;

He has been CEO at Papier Union GmbH since 2000.

Non-executive directors

VASCO LUÍS SCHULTHESS DE QUEVEDO PESSANHA

Degree in Economics from the ISCEF of Universidade Técnica de Lisboa;

A.M.P. from the Harvard Business School;

De 1970 a 1972 foi consultor de gestão e organização de empresas na NORMA, SA (Grupo CUF)

From 1970 to 1972, he was a management and organization consultant at NORMA, SA (CUF Group);

From 1972 to 1973, he was executive manager at NEOCEL – Impressão e Manufatura, Lda;

In 1973, he was elected director of the Board of Directors at Inapa – Indústria Nacional de Papéis, SA;

Between 1975 and 1987, he was Chairman of the Board of Directors at Inapa – Indústria Nacional de Papéis, SA;

From 1987 to 2006:

- Chairman of the Board of Directors at Inapa – Investimentos, Participações e Gestão, SA and its domestic and foreign subsidiaries;
- Chairman of the Board of Directors at Papelaria Fernandes – Indústria e Comércio, SA;
- Administrator of Solvay Portugal – Produtos Químicos, SA;
- Administrator / manager of family-run asset management companies indicated in 3.11
- Currently exercises the functions listed in 3.11 to this report

JORGE ARMINDO DE CARVALHO TEIXEIRA

Degree in Economics from Faculdade de Economia do Porto;

Between 1976 and 1992, he was Assistant Professor of Business Management and International Finance Management;

Between 1982 and 1987, he was Financial Director at the Amorim Group;

Between 1987 and 1997, he was Vice-President at Amorim Group and member of the Board of Directors at several of the Group's companies;

Between 1997 and 2000, he was non-executive Vice-President of the Amorim Group;

Between 1998 and 2004, he was Chairman of the Board of Directors at Portucel Soporcel Group and several subsidiaries.

He was a board member at Inapa – Investimentos, Participações e Gestão;

In 2005, he was Chairman of the Board of Directors at Portucel – Empresa de Celulose e Papel de Portugal, SGPS, SA, EDIFER – SGPS, SA, Portucel Tejo – Empresa de Celulose do Tejo, SA, Iberpartners – Gestão e Reestruturação de Empresas, SA, and Fundação do Alto da Lixa, SA. He was a voting board member at Inapa – Investimentos, Participações e Gestão;

He currently runs the companies described in 3.11.

PEDRO MARIA CABRAL NORTON DE MATOS

Degree in Business Organization and Management from ISCTE;

Between 1977 and 1980, Trade Commissioner at Rank Xerox;

Between 1980 and 1984, Trade Commissioner at Sperry / Unisys;

Between 1984 and 1986, Commercial Director at Inforgal;

Between 1986 and 1988, Commercial Director at Sperry / Unisys;

Between 1988 and 1990, Administration Assistant / Director of Strategy at Rima / Nixdorf;

Between 1991 and 1995, CEO at Unisys Portugal;

Between 1995 and 2000, President of the Ibérico Group and responsible for Southern Europe at Unisys;

Between 2000 and 2005, Chairman of the Executive Board at Oni SGPS and Chairman of the Board of Directors at OniTelecom;

Currently exercises the functions listed in 3.11 of report.

ABÍLIO RAMOS MARQUES

Degree in Finance from the Instituto Superior de Ciências Económicas e Financeiras ;

Attended the Top Management Program at IESE (University of Navarra);

Between 1971 and 1973, junior economist at Intermercado – Gestão de Empresas, SARL;

He served in the armed forces between 1973 and 1976;

Between 1976 and 1978, he was responsible for accounting at Rodoviária Nacional, EP;

Between 1978 and 1996, he was part of higher management at Portucel – Empresa de Celulose e Papel de Portugal, SA exercising the following functions, in order:

- Director of Budget Control Services;
- Director of Financial Services;
- Financial Director.

Between 1996 and 2003, he was a board member at Hidroeléctrica de Cabora Bassa, SARL.

Between 2003 and 2005, he was adviser to the Board of Directors at Portucel – Empresa de Celulose e Papel de Portugal, SGPS, SA.

He has been a director at Parpública – Participações Públicas, SGPS, SA since 2005.

EMÍDIO DE JESUS MARIA

Degree in Business Organization and Management from Instituto Superior de Economia da Universidade Técnica de Lisboa;

Official Accounting since 1980, official chartered accountant since 1990 (presently with voluntary suspension of activity).

Inspector in Inspeção Geral das Finanças from 1980 to 2003:

- Technical functions (1980 to 1984) and finance inspector, coordinating the audit services (1985 to 1988);
- Finance Inspector, Director (1988 to 1994), where implemented and managed the SCCC – Serviço de Coordenação dos Controlos Comunitários, within this functions was national representative in several committees and work group of European Commission and Council, with particular emphasis in Comité Consultivo de Coordenação da Luta Anti-Fraude, and chairman of CIFG – Comissão Internacional de Coordenação e Controlo da Aplicação do Sistema de Financiamento do FEOGA - Garantia;
- Sub-inspector General of Finance, responsible by the management of the following departments:
 - (i) Private companies and cooperatives (1994 to 1997)
 - (ii) Tax revenues and Fiscal and border Administration (1997 to 2003)

Official Chartered Accountant e consultant (1990 to 2008)

- Revision/audit thought the integration in supervisory bodies in public and private companies (1990 to 2008);
- Coordinator of the technical commission of public sector on OROC - Ordem dos Revisores Oficiais de Contas, entre 2003 and 2007 within witch was member of Public Sector Committee of FEE-Fédération des Experts Comptables Européens;
- Member of several evaluation commissions to public tender to high-way concessions (public-private partnerships);
- Assistant of Secretary of Treasury and Finance;
- Consultant in the project "Assistência Técnica à Inspeção Nacional de Finanças de Angola", financed by the World Bank between 2005 and 2006.

Other functions:

- Professor of Audit and Supervising in Instituto Superior de Gestão, 1987 to 1989;
- Member of the audit committee of BEI – European Bank of Investments (Luxemburg) from 1996 to 2003;
- Member of the General Committee and from Executive Committee of CNC – Comissão de Normalização Contabilística between 1995 and 2003;
- Member of the Executive Committee of UCLEFA – Unidade de Coordenação da Luta Anti-Fraude from 1998 to 2003;
- Chairman of the Comissão de Acompanhamento do FAT – Fundo de Acidentes de Trabalho, between 2001 to 2006.

PAULO JORGE DOS SANTOS FERNANDES

Degree in Electronic Engineering from Universidade do Porto, and later concluded his MBA at the Universidade de Lisboa.

Besides the companies where he currently exercises board member functions, his professional experience includes:

- 1982/1984 Assistant Director of Production at CORTAL
- 1986/1989 Managing Director at CORTAL
- 1989/1994 Chairman of the Board of Directors at CORTAL
- 1995 Board member at CRISAL - CRISTAIS DE ALCOBAÇA, SA
- 1997 Board member of the Vista Alegre, SA Group
- 1997 Chairman of the Board of Directors at ATLANTIS - Cristais de Alcobaça, SA
- 2000/2001 Board member at SIC
- 2001 Board member at V.A.A.

Throughout his career, he has also performed functions in several associations, namely:

- between 1989/1994 President of FEMB (Fédération Européene de Mobilier de Bureau) for Portugal
- between 1989/1990 Chairman of the General Meeting of Assoc. Industr. Águeda
- between 1991/1993 Member of the Consulting Board at Assoc. Ind. Portuense

Shares owned by members of the Board of Directors in company capital stock on 31 December 2008

	Quantity	Voting Rights
Vasco Luís Schulthess de Quevedo Pessanha	1,000,000	0.67%
owned by people or entities considered in art. 447 and no. 2 of art. 1 of CMVM Regulation 7 / 2001 as per the writing in CMVM Regulation 10 / 2005	1,000,000	0.67%
José Manuel Félix Morgado	563,631	0.38%
Jorge Armindo Carvalho Teixeira	0	0%
Arndt Jost Michael Klippgen	0	0%
Pedro Maria Cabral Norton de Matos	0	0%
Abílio Ramos Marques	0	0%
owned by people or entities considered in art. 447 and no. 2 of art. 1 of CMVM Regulation 1 / 2007 as per the writing in CMVM Regulation 10 / 2005	49,084,738	32.72%
Emídio de Jesus Maria	0	0%
Paulo Jorge dos Santos Fernandes		
owned by people or entities considered in art. 447 and no. 2 of art. 1 of CMVM Regulation 1 / 2007 as per the writing in CMVM Regulation 10 / 2005	6,494,896	4.33%

Date of first appointment of members of the Board of Directors and date term ends

	1st Appointment	End of term
Vasco Luís Schulthess de Quevedo Pessanha	29.05.1973	31.12.2009
José Manuel Félix Morgado (*)	09.11.2004	31.12.2009
Arndt Jost Michael Klippgen	31.05.2007	31.12.2009
Jorge Armindo Carvalho Teixeira (**)	06.07.2000	31.12.2009
Pedro Maria Cabral Norton de Matos	26.06.2006	31.12.2009
Abílio Ramos Marques	31.05.2007	31.12.2009
Paulo Jorge dos Santos Fernandes	09.04.2008	31.12.2009
Emídio de Jesus Maria	09.04.2008	31.12.2009

(*) Co-opted director on 9 November 2004 having ceased functions on 25 May 2005. Once again co-opted on 15 February 2007.

(**) Representing Papercel – Celulose e Papel de Portugal, SGPS, SA from 06/07/2000 to 25/05/2005

3.11. Functions the members of the board of directors exercise at other companies, showing those exercised in other companies of the same group.

VASCO LUÍS SCHULTHESS DE QUEVEDO PESSANHA

Group Companies (board member / manager)

None

other companies (board member / manager)

\Mepesa – Sociedade de Investimentos Imobiliários, Lda;
\Sagritávora – Sociedade Agrícola da Quinta do Távora, Lda;
\Sociedade Agrícola da Quinta dos Buxeiros, Lda;
\ Investimentos Prediais da Rocha - ImpreRocha SA.
\Solvay Portugal, SA.
\Sociedade Agrícola da Alvarinheira, SA.

Functions within other companies

Member of the General Board at BCP Banco Comercial Português, SA.

JOSÉ MANUEL FÉLIX MORGADO

Group Companies (board member / manager)

\Gestinapa – SGPS, SA;
\Inapa Portugal – Distribuição de Papel, SA;
\Inapa Deutschland GmbH;
\Papier Union, GmbH (Beirat);
\Inapa France, SAS;
\Logistipack, SA
\Inapa Suisse, SA
\Inapa Belgium, SA
\Inapa Luxembourg, SA
\Inapa España Distribución de Papel, SA;

other companies (board member / manager)

\Medialivros – Actividades Editoriais, SA
\Poresin – Investimentos Mobiliários e Imobiliários, Lda.

Functions within other companies

None

JORGE ARMINDO DE CARVALHO TEIXEIRA

Group Companies (board member / manager)

None

other companies (board member / manager)

\Amorim - Entertainment e Gaming Internacional, SGPS, SA
\Amorim Turismo - Serviços e Gestão, SA
\Amorim Turismo, SGPS, SA
\Amorim Turismo Imobiliária, SGPS, SA
\CHT - Casino Hotel de Tróia, SA
\Drink In – Companhia de Indústria de Bebidas e Alimentação, SA
\Edifer, SGPS, SA
\Estoril Sol, SGPS, SA
\Fozpatrimónio, S.A.
\Goldtur - Hotéis e Turismo, SA
\Grano Salis - Inv. Turísticos, Jogo e Lazer, S.A.
\Hotel Turismo, SARL
\Iberpartners – Gestão e Reestruturação de Empresas, SA
\Imofoz, SA
\Mobis - Hotéis de Moçambique, SARL
\Notel - Empreendimentos Turísticos, SARL
\Prifalésia - Construção e Gestão de Hotéis, SA
\Return - Investimentos Hoteleiros e Jogo, SA
\Royspa - Serviços de Consultadoria, Lda
\SGGHM - Sociedade Geral de Hotéis de Moçambique, S.A.
\Sociedade Figueira Praia, SA
\SPIGH - Sociedade Portuguesa de Investimentos e Gestão Hoteleira, S.A.
\Troia Península Investimentos, SGPS, SA
\Turyleader, SGPS, SA

Functions within other companies

None

ARNDT JOST MICHAEL KLIPPGEN

Group Companies (board member / manager)

\Inapa Deutschland GmbH
\Papier Union GmbH
\PMF – Print Media Factoring, GmbH
\Inapa Packaging, GmbH
\Inapa VisCom, GmbH
\Inapa Logistics GmbH
\ComPlott – Papier Union GmbH
\Inapa Suisse, Sa

other companies (board member / manager)

None

Functions within other companies

None

ABÍLIO RAMOS MARQUES

Group Companies (board member / manager)

None

other companies (board member / manager)

\Ria-Mãe – Criação de Peixe, Lda
\CE-Circuito Estoril, S.A.

Functions within other companies

None

PEDRO MARIA CABRAL NORTON DE MATOS

Group Companies (board member / manager)

None

other companies (board member / manager)

\Gingko SGPS, Lda
\Hábitos Saudáveis, Lda
\Visão Positiva, Lda
\Parceria Total, Lda
\Have a Nice Day, Lda

Functions within other companies

Oracle – member of the Advisory Board

EMÍDIO DE JESUS MARIA

Group Companies (board member / manager)

None

other companies (board member / manager)

None

Functions within other companies

None

PAULO JORGE DOS SANTOS FERNANDES

Group Companies (board member / manager)

None

other companies (board member / manager)

\Altri, S.G.P.S., S.A.
\Caima – Indústria de Celulose, S.A.
\Celbi – Celulose da Beira Industrial, S.A.
\Celitejo – Empresa de Celulose do Tejo, S.A.
\Celulose do Caima, S.G.P.S., S.A.
\Cofihold, S.G.P.S., S.A.
\Cofina Media, S.G.P.S., S.A.
\CPK – Companhia Produtora de Papel Kraftsack, S.A.
\Edisport – Soc. de Publicações, S.A.
\F. Ramada – Participações, S.G.P.S., S.A.
\F. Ramada – Produção e Comercialização de
\Estruturas Metálicas de Armazenagem, S.A.
\F. Ramada II Imobiliária, S.A.
\F. Ramada Serviços de Gestão, Lda.
\F. Ramada, Aços e Indústrias, S.A.
\Invescaima, S.G.P.S., S.A.
\Mediafin – S.G.P.S., S.A.
\Presselivre – Imprensa Livre, S.A.
\Prestimo – Prestígio Imobiliário, S.A.
\Ródão Power, S.A.
\Sociedade Imobiliária Porto Seguro
\Investimentos Imobiliários, S.A.

Functions within other companies

None



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3.12. Identification of the members of the Supervisory Board

Not applicable

3.13. Professional qualifications of the members of the Supervisory Board, the professional activities carried out by them during at least the last five years, the number of company shares they hold and the date of the beginning and end of the first mandate.

Not applicable

3.14. Functions the members of the Supervisory Board exercise at other companies, showing those exercised in other companies of the same group.

Not applicable

3.15. Identification of the members of the General and Supervisory Board and other Committees created within the company.

Not applicable

3.16. Professional qualifications of the members of the General and Supervisory Board as well as other committees established within the company, the professional activities carried out by them at least during the last five years, the number of company shares they hold and the date of the beginning and end of the first mandate.

Not applicable

3.17. The duties that the members of the General and Supervisory Board, as well as other Committees established within the company, carry out in other companies, as well as those carried out in companies of the same group.

Not applicable

3.18. A description of the remuneration policy and the alignment of the Directors' interests with those of the

company and the performance assessment, distinguishing executive from non-executive Directors, a summary and reasoning behind the company's policy on compensations negotiated on contracts or via transactions for cases of impeachment or severance pay.

No compensation has been negotiated for cases of impeachment or severance pay.

Aimed at ensuring the alignment of company interests with those of its board members the remunerations commission defined a variable remuneration model with a annual and a multi-annual components for the executive members of its Board of Directors, which encompass the period of the respective term.

The value is calculated according to the actual value obtained for strategic variables and the degree of realization in face of the budget values approved by the Board of Directors.

3.19. Composition of the Remuneration Commission or similar body.

Attribution of remuneration to members of corporate bodies is entrusted to a commission comprised of three members elected at the general meeting.

The current Remunerations Commission is comprised of:

- Mr. João Vieira de Almeida
- Mr. João Plácido Pires
- Mr. Paulo José de Ribeiro Moita de Macedo

There is no family relationship between the members that integrate the Remunerations Commission and/or them and the members of the Board of Directors, as well as their spouses, next of kin up to and including third-degree lineage.

3.20. Remuneration drawn by members of the board of directors, including performance pay bonuses.

It is the understanding of the Board of Directors that due to the collegiate nature of this corporate body, whose members are jointly responsible for corporate activities, it should not apply individual discrimination of the respective remunerations.

The board of Directors remunerations, including those earned as such through the company or the holding's companies, reached in 2008 702 thousand Euros, where 489 thousands Euros corresponds to the remuneration of executive directors at the company.

There are no rights to shares, share options, share allocation plans or rights to acquire share options or any other incentive system with shares allocated to members of the corporate bodies.

During the fiscal year in question, no remuneration was paid to corporate body members as a form of profit sharing and/or bonus payment, no claim was paid and no claim is owed to any former directors.

There is no complementary plan for pensions or early retirement for directors, or any non-pecuniary benefits considered remuneration.

3.21. Individual information on the amounts payable, regardless of their nature, should the duties cease during the respective mandate, whenever they surpass the monthly salary by twofold.

There is no applicable provision or specific agreement, in the event duties cease for any member of the corporate bodies. Only general law is applicable.

3.22. Information on the irregularities disclosure policy adopted by the company.

Inapa Group employees (staff and other head office employees, directors, staff and other branch employees) shall inform any irregularities of which they have knowledge, and that occur within the companies of the Holding, to the following:

- To the Chairman of the Board of Directors Executive Committee of this company whenever it involves the staff or parent company employees, directors, staff or branch employees, who in turn shall inform the Chairman of the Audit Commission as soon as circumstances allow it;
- To the Chairman of the Board of Directors Audit Commission whenever it involves Inapa – Investimentos, Participações e Gestão, SA directors or the Supervisory Board and/or its collaborators or when it involves a member of the Audit Commission to the Chairman of the Board of Directors;
- This shall be done in writing, whereby the participant has the right to demand the respective informed party a written declaration that this information will be maintained absolutely confidential.
- The informing party is assured that, unless it is a calumnious denunciation, the communication of any communication within the scope of this regulation shall not constitute a basis for proceedings against the informing party or be the cause of any unfavourable treatment related to the same.

0.4 \ INFORMATION

4.1. The equity structure.

Company equity is represented by one hundred and fifty million common shares with a nominal value of one Euro each.

The shares in questions are fully tradable on a regulated market (Euronext Lisbon), and confer all the same rights to the respective owners, without any segregation of the same by category.

4.2. Qualifying stakes in the issuer's equity calculated as per article 20 of the Securities Code.

	nº of shares	% do capital	% voting rights
Parública - Participações Públicas SGPS, SA	49,084,738	32.72%	32.72%
Stake directly or indirectly link to Millennium BCP (artº 20 do CVM)	27,391,047	18.26%	18.26%
Banco Comercial Português, SA	10,315,846	6.88%	6.88%
Fundo de Pensões do Grupo BCP	16,521,635	11.01%	11.01%
Banco Millennium BCP Investimento, SA	553,566	0.37%	0.37%
Cofhold SGPS, SA	6,494,896	4.33%	4.33%
Jorge Augusto Martins Fazendeiro	3,083,851	2.06%	2.06%
Próprias	3,033,851	2.02%	2.02%
Shares owned by person or entity considered in art 447	50,000	0.03%	0.03%

4.4. Possible restrictions on share-transfer.

There are no restrictions on share-transfer, i.e. consent clauses for their disposal or restrictions on share-ownership.

4.5. Shareholder agreements which the company may be aware of and that may restrict the transfer of securities or voting rights.

The company has no knowledge of any shareholder agreements that may restrict the transfer of securities or voting rights.

4.6. Rules applicable to the amendment of the articles of association;

Amendments to articles of association are adopted by the shareholders gathered at the General Meeting as per the majority stipulated by law.

4.3. Shareholders that detain special rights and a description of those rights.

There are no shareholders with special rights.

4.7. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by them.

There is no employee-shareholder system in company stock.



4.8. Description concerning the evolution of the issuer's share price

During the fiscal in question, Inapa did not issue any securities that allowed the issuing or acquisition of shares.

In 2008, the capital market experienced the worst year in the past 6 decades. This crisis of never seen before proportions and that deeply shook up the entire global financial sector was responsible for a significant drop in the markets.

The main world indices fell more than 30%, with the Cac40 and Dax recording depreciations of more than 40%.

In this heavily negative context, the Portuguese market did not go unscathed, and its most representative index, the PS120, fell 51.29%.

The volumes traded on the Portuguese market also fell substantially to 54,9 billion Euros (- 45% compared to 2007).

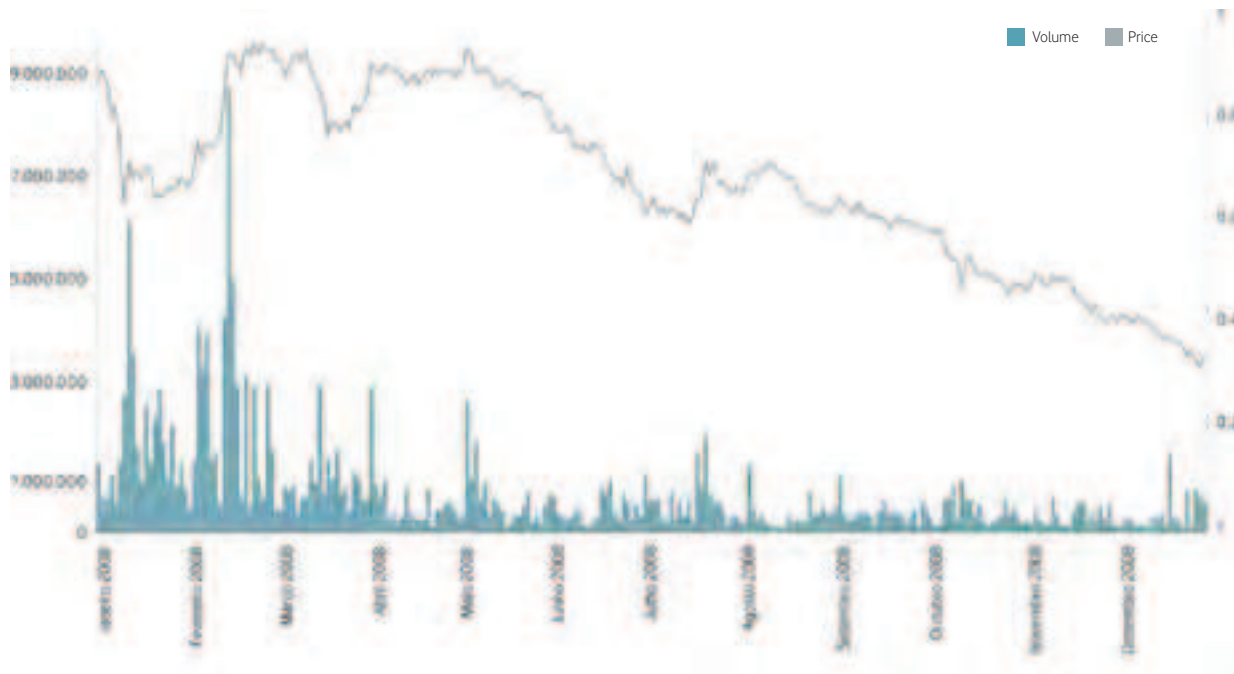
With regard to the above, Inapa shares had a substantially better performance at the volume level and in terms of traded amounts, and were in line with the market in terms of share price evolution.

Traded volumes reached 185.9 million shares, which represented a 210% increase compared to 2007. The volume in 2007 had already grown sevenfold over the previous year. In other words, from 2006 to 2008, the traded volume grew 22 times.

This uncommon fact shows a substantial increase in interest for Inapa shares on the part of an increasingly broader set of investors.

Furthermore, since Inapa- Investimentos, Participações e Gestão, SA capital stock is represented by 150 million shares, the traded volume represents a turnover ratio of 1.24 times the total number of shares.

Considering only the free float (about 44% of capital stock) turnover ratio was 2.8 times.



In terms of traded value, Inapa reached 139 million Euros, which represented a growth of 21% over 2007. This increase is even more significant given that in 2007 the traded value had already grown 390% over 2006.

The share price followed market trends and most especially the PS120 index, closing the year at 0.34 Euros per share, corresponding to a 63% depreciation compared to 2007.

Inapa continued to be monitored in terms of economic-financial analysis by Banco Português de Investimento and Caixa Banco de Investimento, which in 2008 issued analysis reports with buy recommendations with substantial upside.



We develop products and services
to solve the costumers needs.

4.9. Description of the dividend distribution policy.

For Inapa, dividend distribution is an important instrument for remunerating its shareholders.

This consistently followed practice in the past was suspended in 2001, and it is expected to be resumed as soon as macroeconomic conditions, the volume of generated results and financial involvement so permit.

Over the past three fiscal years, Inapa did not distribute any dividends to shareholders, preferring to reinforce its financial structure.

4.10. A description of the main characteristics of the share and stock option plans adopted or valid for the financial year in question.

There is no share and stock option plan for members of the corporate bodies or the employees.

4.11. A description of the main business data and transactions carried out between the company and the members of the Management and Supervisory Board, the owners of qualified stakes or parent companies, affiliates or group companies in an amount that is economically significant for any of the parties involved, except for those businesses 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.

During the fiscal year question, no business or operations were conducted between the company and members of its Management and Supervisory Board.

If no operation or business was conducted with a person or entity that owns this company, the operations or businesses signed with qualified shareholders – such as Banco Comercial Português – and with the owned companies, were exclusively within the scope of the company's current activity and in normal market conditions for similar operations.

4.12. Investor Relations Office

Inapa has an Investor Relations Office responsible for representation with market relations.

This office is entrusted with company relations with market and stock exchange supervisory entities (CMVM, Euronext, Interbolsa, Opex), Financial Intermediaries (brokers and financial brokerage firms, banks), institutional and private investors.

Contacts with this office can be made through the Investor Relations Officer:

Mr. Antonio José Nogueira Simão Domingues
Inapa – Investimentos, Participações e Gestão, SA
Investor Relations Officer
Rue Castilho nº 44 3ª
1250 – 071 Lisbon
E-mail: antonio.domingues@inapa.pt
info@inapa.pt
www.inapa.pt
Phone: + 351 21 382 30 08
Fax: + 351 21 382 30 16

It is important to highlight that Inapa's use of new technologies for promoting important information has been developed and consolidated over recent years.

For such, it has an institutional site in Portuguese and English, at the following addresses:

www.inapa.pt,
www.inapa.com,

Besides an area with purely institutional information and an area with general information about the activities of the Group and its companies, the site also has an area especially devoted to investors and another one for corporate communication.

The site offers interested parties a vast amount of information about the company and group, including the latest management reports and other rendering of account documents, whether annual, semestral or quarterly, all of the information about significant facts and the most important financial indicators.

This information is complemented with the following individual sites, with information of a technical or clearly trade nature:

- www.inapa.de
- www.papierunion.de;
- www.inapa.fr
- www.inapa.ch
- www.inapa.lu
- www.inapa.be
- www.idisa.com
- www.inapa-tecno.com;
- www.papel.online.pt

As a result of the Board of Directors concern regarding access to information on the part of small shareholders, guaranteeing they receive it in a timely manner and on an equal basis with other market agents, the Inapa Shareholders Circle was created.

This unique initiative in Portugal has the following objectives:

- Valorisation of the shareholder's statute;
- Correspond to the needs for information by small shareholders;
- Greater proximity, stimulating shareholder participation;
- Direct access to management;
- Shareholder involvement in company initiatives, whether of a corporate, social responsibility, formation, patron or other character.



With this initiative, Inapa positions itself at the forefront of the best international practices in these issues, taking yet another step towards affirming itself as a benchmark in the capital market as well.

Information continued to be one of the main concerns for the Board of Directors, which through the presentations of its annual and semestral results, disclosure of its quarterly results, and other important information, kept the market and its agents duly and timely informed.

For this communication to reach all market agents and the public in general, in a timely manner and with easy access, it is worth pointing out the work and collaboration provided by the media, for which Inapa has always been available whether through the Chairman of its Executive Committee, or through its Investor Relations area. It is our goal to remain at the forefront of the best practices in investor relations, as well as in terms of Corporate Governance.

4.13. Annual compensation paid to the auditor and to other individuals or groups that belong to the same network supported by the company and/or by any group that bears with it a control or group relationship.

The remuneration paid the external auditor reached the 477 thousand euros for the audit services inherent to the functions that are entrusted to him.

The external auditor and/or individuals or groups that belong to the same network received a total of 339 thousand Euros, in the period in question, corresponding to the sum of fees for the aforementioned services with other audit services provided subsidiaries abroad.

The external auditor provided services of consultant in the amount of 6 thousand Euros.



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