
CORPORATE GOVERNANCE REPORT

2015



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I. MISSION, OBJECTIVES AND POLICIES

1. MISSION, VISION AND VALUES GUIDING THE COMPANY

MISSION

TAP's mission focuses on the Air Transport service and similar activities, always aspiring to be the best choice for those who use its services and among the best companies to work with, acting coherently with its commitment to society and the environment.

VISION

TAP aims to provide a quality service to its Customers, seeking a position of leadership in the market segment in which it operates and maintaining a positive attitude of contribution towards the economic and social development of Portugal and the communities it serves:

- Being recognised as the airline company that, through the geographic positioning of its operational hub in Lisbon, provides privileged connections between Europe and Africa and North, Central and South America;
- Pursuing, in the development of its network, an interconnection strategy, which connects Europe to a growing number of destinations located in Africa and in the South Atlantic, where it is distinguished as the leading European carrier to Brazil;
- Providing a quality product to Customers through the best and easiest solutions for their journeys and adding ever more value to the product offered to them;
- Being perceived by the shareholder as a company that generates value on a sustained basis.

TAP, in line with the pursuit of its Vision, develops its activity according to the following **Values**:

- Compliance with best Corporate Governance practices, namely with respect to the principles of independence and transparency;
- Commitment to society, providing services that respect and value internationally recognised human rights;
- Adoption of practices that contribute to the preservation of the Environment, within the scope of the activity that is conducted and global environmental concerns;
- Foster professional development, remuneration levels and work conditions compatible with legitimate labour expectations and market requirements.

2. POLICIES AND LINES OF ACTION UNDER THE DEFINED STRATEGY

At the end of 2014, TAP began a strategic reflection for the period 2015-20 in the context of the reprivatisation process in progress, having defined six strategic areas as a guide to establish itself in the world market as a growth reference and consequently grow their representation in the general context of the aviation industry. A number of factors made evident the need to rethink the Company's long-term strategy: i) the reduction of the yield, which had a direct impact on the profitability of the Company; ii) the high number of non-recurring events during the Summer campaign; iii) lower efficiency of equipment due to its age; iv) the need to compete with airline counterparts on cost-cutting efforts, so as not to compromise its competitiveness; and v) the need to adapt TAP's commercial model to a new reality in the Industry.

Key developments in 2015 in the scope of the Strategic Plan for 2015-2020

First priority area: renovation and expansion of all fleets – In line with the current business plan at the time, no changes were envisaged or made to the composition of the fleet. At the end of 2015, the fleet of TAP Group, which comprises the fleet of TAP and PGA, maintained the same composition as in 2014. As such, it consists of 77 aircraft: the fleet belonging to TAP with 61 aircraft (43 medium haul and 18 long haul) and the regional fleet of PGA, comprising 16 aircraft (including 2 aircraft under the ACMI regimen with OMNIWhite).

Second priority area: evolution of the commercial model – There was an evolution of the Company's commercial model, providing customers with more options and creating new products and services, in addition to the trip. Other initiatives include the beginning of a *Customer Choice* model, to be developed in 2016 and in subsequent years, with customers determining the services and benefits associated with the respective commercial rate; the launch of an extensive Ancillary Services program, offering customers various products; the relaunch of Plusgrade, allowing customers to bid an amount for access to business class; launch of a new campaign management multi-channel platform, making it possible to increase communication capabilities. A fourth business unit – TAP Loyalty – was also created under TAP, S.A., representing the separation, in relation to the Air Transport business unit, from the Victoria Program – TAP Frequent Flyer Program.

Third priority area: automation and improved customer experience – Under the development of an integrated customer experience program, based on the scanning and automation of customer facing processes, several activities were developed, the most important being the customer knowledge, scanning and automation of processes areas. With regard to the customer knowledge area, the ability to integrate the information with the project Vision 360° made it possible to evolve to the building of a unique and integrated vision of the Company's customers.

Fourth priority area: consolidation of the Company's growth and increased focus on the hub – The Company remained strategically focused on improving the network by strengthening the Lisbon hub through the potential increase in traffic between Europe and TAP destinations in North, Middle and South America and Africa. The main goal was to develop existing markets or to conquer new opportunities in markets as yet unexplored, with operations in Funchal and Oporto remaining unchanged, in accordance with the performance registered

Fifth priority area: improving operational efficiencies – In accordance with the plan's timeframe, TAP aims to step up its efforts to optimize its cost structure in order to ensure a basis for growth in a sustainable manner and as efficiently as possible, without ever compromising its resolution to maintain excellence in the safety of their operations and to offer customers a global reference product and service. In 2015, while under the effect of a context of favourable fuel prices, there was a reduction in the unit cost of operation.

Sixth priority area: repositioning of the business of the maintenance and engineering units in Portugal and Brazil – Although growth in 2015 was 10% higher than in 2014, the pressure on value propositions that remove risk from customers, at competitive prices, remained strong. This necessarily implies financial capacity on the part of service providers. The market trend is to set up large networks for the provision of MRO services, led either by large MRO groups or by OEMs. By controlling the product chain *from-cradle-to-grave*, they not only protect their know-how but also constitute new and strong competitors to traditional MRO organisations, making it difficult for them to regenerate their product and service portfolios, forcing them to incorporate smaller MROs with less financial capacity, such as TAP–Maintenance and Engineering, that make sense to their market-conquering strategy, from a networking point of view, expanding the supply portfolio while simultaneously becoming more competitive in terms of prices through the synergies thus obtained. So as not to lose the opportunity of becoming part of these strategies, it is essential to maintain high levels of technical and management skills in order to ensure competitive rates in terms of flexibility, efficiency and compliance with customer expectations.

This context explains the great difficulty faced by TAP–Maintenance and Engineering to return to revenue values in the MRO engine business, like those seen not many years ago and, concomitantly, to deplete the capacity of the installed supply, despite the fact that 2015 was better than 2014, in terms of the engine business, with financial results exceeding budget expectations. In fact, the contribution margin of TAP–Maintenance and Engineering to TAP's results was 41% higher than that budgeted, albeit 20% lower in comparison to 2014, following a negative production change in the annual budget. In 2014, the production change was identical, but of an opposite sign. Besides the natural sales effort in the pursuit of the goals outlined, the focus on improving the invoicing, receipts and purchase processes, with the clear goal of making a greater contribution to the TAP treasury, deserves special mention.

TAP–Maintenance and Engineering Brazil continued its convergence to operational balance. The company's activity grew once again for the fifth consecutive year by around 11% in re ais. Note should be made of the bad start, in terms of activity, as a result of the postponement of some inspections by virtue of the lower activity of Brazilian airlines that are clients of the company. However, there was a remarkable recovery in the second half of the year, with 6 consecutive months of positive EBITDAR and a cumulative EBITDA at breakeven level in the same period.

A new strategy for the Company as from early 2016

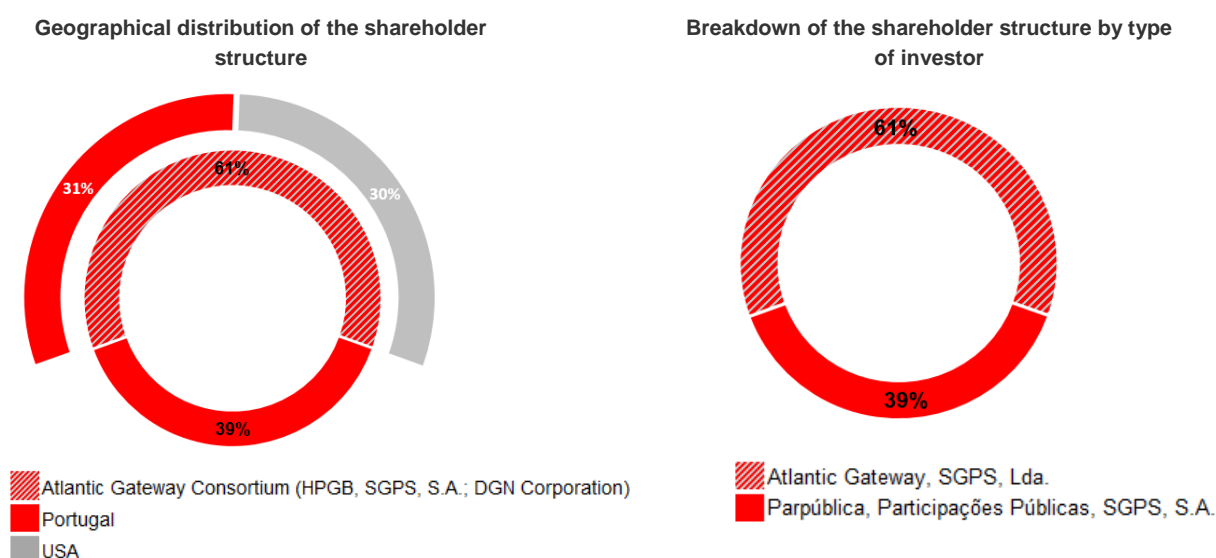
The year 2015 was marked by the TAP reprivatisation process. This process underwent several stages, starting in late 2014 and was effectively concluded on 12 November 2015 through the sale of shares representing 61% of the share capital of TAP SGPS to the Atlantic Gateway consortium in the form of a direct sales reference. As a result, a new company strategy emerged, to be put in motion in early 2016, which includes changes to the Fleet, Network, Product and a Capitalisation Plan.

II. CAPITAL STRUCTURE

1. CAPITAL STRUCTURE

Under the terms of article 4 of the Statutes of TAP SGPS, the share capital of TAP SGPS, in the amount of 15,000,000.00 euros is represented by one million five hundred thousand ordinary shares with a nominal value of ten euros each, with 39% being held by Parpública-Participações Públicas, SGPS, S.A. and 61% by the consortium Atlantic Gateway, SGPS, Lda., constituted by HPGB, SGPS, S.A. and DGN Corporation.

Geographical distribution and by type of investor of the shareholder structure of TAP-Transportes Aéreos Portugueses, SGPS, S.A., on 31 December 2015



Under the terms of article 4 of the Statutes of TAP, S.A., its share capital, of the value of 41,500,000.00 euros is represented by eight million and three hundred thousand ordinary shares with a nominal value of five euros each, and is 100% owned by TAP-Transportes Aéreos Portugueses, SGPS, S.A..

2. LIMITATIONS TO THE HOLDING AND/OR TRANSFER OF SHARES

The Statutes of TAP SGPS do not provide for restrictions or limitations on the ownership and/or transferability of shares.

In statutory terms (article 5) of TAP, S.A., the transmission and encumbrance of shares are subject to the consent of the Company, which must be requested in writing, with an indication of all the conditions required for the intended operation. Through a resolution by the Board of Directors, the company must give or withhold its consent to the transfer or encumbrance of shares within a maximum period of sixty days of the date on which the request for consent is received, under penalty of such transfer or encumbrance failing to depend on it, becoming free. In addition to other grounds for refusal of consent, the Board of Directors should always refuse consent when the intended transfer or encumbrance of shares (i) violates the provisions of Regulation (EC) No. 1008/2008 of the Parliament and of the Council of 24 September 2008 or may cause the revocation of the company's air transport operating license; (ii) is made in favour of a person, partnership, association, group, or any other similar entity that directly or indirectly exercises aviation activity in any type of business, or is a partner, shareholder or corporate body of any entity engaged in a competing activity with the company, pursuant to the terms described above.

III. SHARES AND BONDS HELD

1. SHAREHOLDERS

Qualifying holdings held by shareholders in the capital of TAP SGPS on 31 December 2015, with an indication of the respective assignment of voting rights.

Company	Shareholders	% share capital held		% Voting rights	
		2015	2014	2015	2014
TAP–Transportes Aéreos Portugueses, SGPS, S.A.	Lisbon Atlantic Gateway	61.00%	-	61.00%	-
	Lisbon Parública	39.00%	100.00%	39.00%	100.00%
Transportes Aéreos Portugueses, S.A.	Lisbon TAP SGPS	100.00%	100.00%	100.00%	100.00%
TAPGER–Sociedade de Gestão e Serviços, S.A. ("TAPGER")	Lisbon TAP SGPS	100.00%	100.00%	100.00%	100.00%
Portugália–Companhia Portuguesa de Transportes Aéreos, S.A. ("Portugália")	Lisbon TAP SGPS	100.00%	100.00%	100.00%	100.00%
Cateringpor–Catering de Portugal, S.A. ("Cateringpor")	Lisbon TAPGER	51.00%	51.00%	51.00%	51.00%
L.F.P.–Lojas Francas de Portugal, S.A. ("LFP")	Lisbon TAPGER	51.00%	51.00%	51.00%	51.00%
Megasis–Soc. de Serviços e Engenharia Informática, S.A. ("Megasis")	Lisbon TAPGER	100.00%	100.00%	100.00%	100.00%
U.C.S.–Cuidados Integrados de Saúde, S.A. ("UCS")	Lisbon TAPGER	100.00%	100.00%	100.00%	100.00%
Aeropar, Participações, S.A. ("Aeropar")	Brazil TAP SGPS	99.83%	99.83%	99.83%	99.83%
	Portugália	0.17%	0.17%	0.17%	0.17%
TAP–Manutenção e Engenharia Brasil, S.A. (ex-VEM) ("TAP M&E Brazil")	Brazil Aeropar	47.64%	47.64%	47.64%	47.64%
	TAP SGPS	51.00%	51.00%	51.00%	51.00%
SPdH–Serviços Portugueses de Handling, S.A. ("SPdH")	Lisbon TAP SGPS	43.90%	43.90%	43.90%	43.90%
	Portugália	6.00%	6.00%	6.00%	6.00%

2. ACQUISITION AND DIVESTMENT OF SHARES

In 2015, under the reprivatisation of TAP–Transportes Aéreos Portugueses, SGPS, S.A., a transfer was made on 12 November of shares representing 61% of the share capital of TAP SGPS to the consortium Atlantic Gateway SGPS, Lda., constituted by HPGB, SGPS and DGN Corporation. Within the scope of the shareholdings held by TAP SGPS there were no direct acquisitions and sales of shareholdings.

IV. GOVERNING BODIES AND COMMISSIONS

A. BOARD OF THE GENERAL MEETING

1. Composition of the board of the general meeting

Until 12 November 2015

Mandate (Start - End)	Position	Name	Annual Remuneration	
			Fixed ⁽¹⁾	Gross ⁽²⁾
2009-2011 ⁽¹⁾	Chairman	Paulo Manuel Marques Fernandes	640 €	1,280 €
	Vice-Chairman	António Lorena de Sêves	400 €	800 €
	Secretary	Orlanda do Céu Silva Sampaio Pimenta d'Aguiar	330 €	660 €

Caption: (*) See number 4 of article 391 of the Companies Code; (1) Established value of the attendance voucher; (2) Value corresponds to a General Meeting at TAP SGPS and a General Meeting at TAP, S.A.

With regard to corporate bodies elected at 12 (TAP SGPS) and 13 (TAP, S.A.) November 2015 for the period 2015-2017, hitherto, there was no resolution of the Remuneration Committee on the remuneration statute, so it is expected that resolution and thus there is no information to be provided for the period 13 November 2015 to 31 December 2015.

B. ADMINISTRATION AND SUPERVISION

1. GOVERNANCE MODEL

Since 2006 and until 12 November 2015

TAP adopted the dual model with an Executive Board of Directors composed of six members (an Executive Chairman and five Executive Directors), who are responsible for managing the company's activities, and a General and Supervisory Board, composed of seven members, who are essentially responsible for supervising the Company's activities in various areas, namely, accounting policies, issuing opinions on the Company's accounting documents and on strategic issues for the Group, in accordance with the law and Company's Statutes. With regard to the composition of the Executive Board of Directors, at the end of 2014 this body was composed of only 4 members due to the resignation of two of its members, a situation that continued until 12 November 2015. There are still two Specialised Commissions, appointed by the General and Supervisory Board: the Specialised Audit Commission and the Specialised Sustainability and Corporate Governance Commission, composed of three and seven members, respectively. The objective of the Specialised Audit Commission is, among other aspects, to support the Executive Board of Directors and the General and Supervisory Board with respect to the quality and integrity of the financial information and the quality, integrity and effectiveness of the internal control system. It also provides advice and assistance to the General and Supervisory Board and the Executive Board of Directors, under its assigned duties, identifying potential financial and operating risks, among others. The objective of the Specialised Sustainability and Corporate Governance Commission is, among other aspects, to assure that the necessary conditions are created for the sustained growth of the Company in economic, environmental and social areas (triple bottom line), through implementation of the Company's code of ethics and good conduct, among other appropriate instruments. The Company's Auditing Body is the Certified Accountant, who was also elected at the General Meeting.

From 12 November 2015

After the transfer of shares representing 61% of the share capital of TAP SGPS for the consortium Atlantic Gateway, SGPS, Lda., the company's new Statutes were approved in a General Meeting, whereby, In article 8 thereof, the Governing Bodies now become: the General Meeting, the Board of Directors (composed of 11 members), the Supervisory Board and the Statutory Auditor or the Auditor Firm. Under article 19 of the company's Statutes, the Board of Directors has delegated, within the limits established by law, the management of the company to an Executive Committee composed of a Chairman and two Members.

2. STATUTORY RULES ON THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

- According to the provisions of number 2. b) of article 10 of the Statutes of TAP SGPS, the General Meeting is responsible for *"electing and dismissing the members of the General Meeting, of the Board of Directors, of the Supervisory Board and of the respective chairmen and vice-chairmen, if any, and the Statutory Auditor or Statutory Firm, in this case under the proposal of the Supervisory Board."*
- According to the provisions of number 5 of article 14 of the Statutes of TAP SGPS, with regard to the Board of Directors, *"the General Meeting may elect a Vice-Chairman, who will replace the Chairman of the Board of Directors in his absence or impediment."*

- Number 8 of the same article 14 establishes that “should any manager be definitely missing, he should be replaced pursuant to law”.
- And, as provided in number 9 of the same article 14, “the replacement as referred to in the preceding paragraph, when done by co-optation or appointment of the Supervisory Board, shall be submitted for ratification at the next General Meeting, with the mandate of the new director terminating at the end of the term of the office for which the other directors were elected”.

3. COMPOSITION OF THE BOARD OF DIRECTORS

Composition of the Board of Directors and of the General and Supervisory Board at TAP SGPS, in office until 12 November 2015 and composition of the Executive Board of Directors and of the General and Supervisory Board at TAP, S.A., in office until 13 November 2015

TAP, SGPS, S.A.

Mandate (Start - End)	Position	Name	Appointment		Mandates held in the company	
			Doc.	Date	Number	Date of 1 st appointment
Executive Board of Directors						
2009-2011 (*)	Executive Chairman	Fernando Pinto	General Meeting	02.Jun.2009	2	05.Dec.2006
	Executive Director	Luiz Mór	General Meeting	02.Jun.2009	2	05.Dec.2006
	Executive Director	Manoel Torres	General Meeting	02.Jun.2009	2	05.Dec.2006
	Executive Director	Maria Teresa Lopes	Cooptation	03.Dez.2014	1	03.Dec.2014
General and Supervisory Board (GSB)						
2009-2011 (*)	Chairman	Manuel Pinto Barbosa	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	Carlos Veiga Anjos	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	João Borges de Assunção	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	Luís Patrão	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	Maria do Rosário Vítor	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	Rui Azevedo Silva	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	Vítor Cabrita Neto	General Meeting	02.Jun.2009	2	05.Dec.2006

Caption: (*) see number 4 of article 391 of the Companies Code

TAP, S.A.

Mandate (Start - End)	Position	Name	Appointment		Mandates held in the company	
			Doc.	Date	Number	Date of 1 st appointment
Executive Board of Directors						
2009-2011 (*)	Executive Chairman	Fernando Pinto	General Meeting	02.Jun.2009	2	05.Dec.2006
	Executive Director	Luiz Mór	General Meeting	02.Jun.2009	2	05.Dec.2006
	Executive Director	Manoel Torres	General Meeting	02.Jun.2009	2	05.Dec.2006
	Executive Director	Maria Teresa Lopes	Cooptation	03.Dez.2014	1	03.Dec.2014
General and Supervisory Board						
2009-2011 (*)	Chairman	Manuel Pinto Barbosa	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	Carlos Veiga Anjos	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	João Borges de Assunção	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	Luís Patrão	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	Maria do Rosário Vítor	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	Rui Azevedo Silva	General Meeting	02.Jun.2009	2	05.Dec.2006
	Member of the GSB	Vítor Cabrita Neto	General Meeting	02.Jun.2009	2	05.Dec.2006

Caption: (*) see number 4 of article 391 of the Companies Code

Composition of the Board of Directors at TAP SGPS, in office after 12 November 2015 and composition of the Board of Directors at TAP, S.A., in office after 13 November 2015

TAP, SGPS, S.A.

Mandate (Start - End)	Position	Name	Appointment		Mandates held in the company	
			Doc.	Date	Number	Date of 1 st appointment
Board of Directors						
2015-2017	Chairman	Humberto Manuel dos Santos Pedrosa	General Meeting	12.Nov.2015	1	12.Nov.2015
	Member	Fernando Abs da Cruz Souza Pinto	General Meeting	12.Nov.2015	1	12.Nov.2015
	Member	David Humberto Canas Pedrosa	General Meeting	12.Nov.2015	1	12.Nov.2015
	Member	Maximilian Otto Urbahn	General Meeting	12.Nov.2015	1	12.Nov.2015
	Member	David Gary Neeleman	General Meeting	12.Nov.2015	1	12.Nov.2015
	Member	Francisco Maria Freitas de Moraes Sarmento Ramalho	General Meeting	12.Nov.2015	1	12.Nov.2015
	Member	Henri Courpron	General Meeting	12.Nov.2015	1	12.Nov.2015
	Member	Philippe Calixte Albert Delmas	General Meeting	12.Nov.2015	1	12.Nov.2015
	Member	Robert Aaron Milton	General Meeting	12.Nov.2015	1	12.Nov.2015
	Member	Sydney John Isaacs	General Meeting	12.Nov.2015	1	12.Nov.2015
	Member	Tiago Gonçalves de Aires Mateus	General Meeting	12.Nov.2015	1	12.Nov.2015

Note: In accordance with number 1 of article 14 of the Statutes of TAP SGPS, the Board of Directors is composed of 11 (eleven) members. As at 31 December 2015, the Board of Directors appointed by the General Meeting on 12 November 2015, for the period 2015-2017, maintains the same composition.

TAP, S.A.

Mandate (Start - End)	Position	Name	Appointment		Mandates held in the company	
			Doc.	Date	Number	Date of 1 st appointment
Board of Directors						
2015-2017	Chairman	Humberto Manuel dos Santos Pedrosa	General Meeting	13.Nov.2015	1	13.Nov.2015
	Member	Fernando Abs da Cruz Souza Pinto	General Meeting	13.Nov.2015	1	13.Nov.2015
	Member	David Humberto Canas Pedrosa	General Meeting	13.Nov.2015	1	13.Nov.2015
	Member	Maximilian Otto Urbahn	General Meeting	13.Nov.2015	1	13.Nov.2015
	Member	David Gary Neeleman	General Meeting	13.Nov.2015	1	13.Nov.2015

Note: In accordance with number 1 of article 12 of the Statutes of TAP, S.A., the Board of Directors consists of a minimum of 3 (three) and a maximum of 11 (eleven) members. As at 31 December 2015, the Board of Directors appointed by the General Meeting on 12 November 2015 for the term 2015-2017 is composed of 5 (five) members.

Composition of the Executive Committees of TAP SGPS and of TAP, S.A., appointed in the meetings of the Boards of Directors of these companies on 13 November 2015

TAP, SGPS, S.A.

Mandate (Start - End)	Position	Name	Appointment		Mandates held in the company	
			Doc.	Date	Number	Date of 1 st appointment
Executive Committee						
2015-2017	Chairman	Fernando Abs da Cruz Souza Pinto	Board of Directors	13.Nov.2015	1	13.Nov.2015
	Member	David Humberto Canas Pedrosa	Board of Directors	13.Nov.2015	1	13.Nov.2015
	Member	Maximilian Otto Urbahn	Board of Directors	13.Nov.2015	1	13.Nov.2015

TAP, S.A.

Mandate (Start - End)	Position	Name	Appointment		Mandates held in the company	
			Doc.	Date	Number	Date of 1 st appointment
Executive Committee						
2015-2017	Chairman	Fernando Abs da Cruz Souza Pinto	Board of Directors	13.Nov.2015	1	13.Nov.2015
	Member	David Humberto Canas Pedrosa	Board of Directors	13.Nov.2015	1	13.Nov.2015
	Member	Maximilian Otto Urbahn	Board of Directors	13.Nov.2015	1	13.Nov.2015

4. EXECUTIVE MEMBERS AND MEMBERS CONSIDERED INDEPENDENT

TAP, SGPS, S.A.

Name	Executive and Non-Executive Members of the Board of Directors as at 31 Dec 2015
Board of Directors	
Humberto Manuel dos Santos Pedrosa	Non executive
Fernando Abs da Cruz Souza Pinto	Executive
David Humberto Canas Pedrosa	Executive
Maximilian Otto Urbahn	Executive
David Gary Neeleman	Non executive
Francisco Maria Freitas de Moraes Sarmento Ramalho	Non executive
Henri Courpron	Non executive
Philippe Calixte Albert Delmas	Non executive
Robert Aaron Milton	Non executive
Sydney John Isaacs	Non executive
Tiago Gonçalves de Aires Mateus	Non executive

TAP, S.A.

Name	Executive and Non-Executive Members of the Board of Directors as at 31 Dec 2015
Board of Directors	
Humberto Manuel dos Santos Pedrosa	Non executive
Fernando Abs da Cruz Souza Pinto	Executive
David Humberto Canas Pedrosa	Executive
Maximilian Otto Urbahn	Executive
David Gary Neeleman	Non executive

5. RELEVANT CURRICULUM ELEMENTS OF THE MEMBERS OF GOVERNANCE AND ADMINISTRATION BODIES

The information on relevant curricular elements of the members of the Governance and Management Bodies can be found in Annex I.

6. STATEMENT FROM EACH MEMBER OF THE MANAGEMENT BODY OF SHAREHOLDINGS THEY HOLD IN THE COMPANY, AS WELL AS ANY RELATIONS WITH SUPPLIERS, CUSTOMERS, FINANCIAL INSTITUTIONS OR OTHER BUSINESS PARTNERS

As required in article 52 of Decree-Law number 155/2013 of 3 October, the members of the Executive Board of Directors, in office until 12 November 2015, at the start of the mandate/performance of duties, submitted a statement declaring that they do not hold any shareholdings in the Company, nor have any relations with its suppliers, customers, financial institutions or any other business partners, which may lead to conflicts of interest.

7. FAMILY, PROFESSIONAL OR BUSINESS RELATIONS OF THE MEMBERS OF THE GENERAL AND SUPERVISORY BOARD AND THE EXECUTIVE BOARD OF DIRECTORS

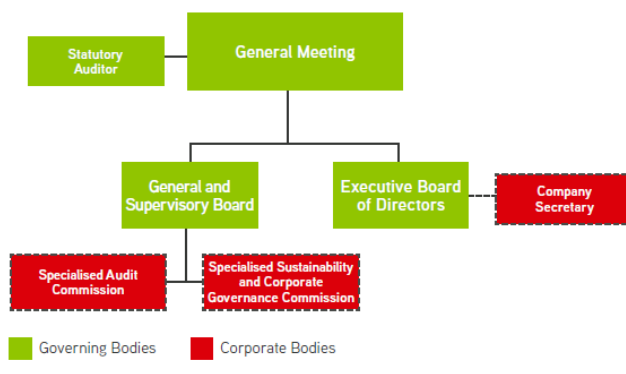
Until 12 November 2015

Name	Family, professional or business relations with shareholders
Executive Board of Directors	
Fernando Pinto	No referenced relations
Luiz Mór	No referenced relations
Manoel Torres	No referenced relations
Maria Teresa Lopes	No referenced relations
General and Supervisory Board	
Manuel Pinto Barbosa	No referenced relations
Carlos Veiga Anjos	No referenced relations
João Borges de Assunção	No referenced relations
Luís Patrão	No referenced relations
Maria do Rosário Vítor	No referenced relations
Rui Azevedo Silva	No referenced relations
Vítor Cabrita Neto	No referenced relations

8. ORGANISATIONAL CHARTS AND DUTIES OF THE DIFFERENT GOVERNING BODIES AND/OR DEPARTMENTS OF THE COMPANY

Until 12 November 2015, date of transfer to Atlantic Gateway of the shares representing 61% of the share capital of TAP–Transportes Aéreos Portugueses, SGPS, S.A.

Under the terms of article 8 of the Statutes of the TAP Group, the Company's governing bodies are the General Meeting, the Executive Board of Directors, the General and Supervisory Board and the Certified Accountant or the audit firm. The Company also has an Audit Commission and a Sustainability and Corporate Governance Commission under the General and Supervisory Board, which may constitute other commissions, pursuant to the legal and statutory terms.



Competence of the General Meeting

The general meeting deliberates on all issues for which it is attributed competence by the law and statutes of the TAP Group, as well as on any others that are not included in the sphere of competence of other corporate bodies. Under the terms of article 11 of the Statutes of TAP, SGPS, the General Meeting is responsible in particular for the following:

- Appraising and deliberating on the management report of the Executive Board of Directors, discussion and voting on the accounts and opinion of the certified accountant and the opinions of the General and Supervisory Board and Audit Commission, and deliberation on the application of the net income for the year;
- Electing and dismissing members of the Board of the General Meeting, the Executive Board of Directors and the General and Supervisory Board, as well as the respective chairmen and vice-chairmen, if applicable, and the certified accountant or Audit firm, in this case under proposal of the General and Supervisory Board;
- Deliberating on any amendment to the Statutes, including share capital increases;
- Defining the remuneration policy for the members of the administration body, including the performance assessment criteria and parameters for calculation of the variable component of remuneration, in the case of directors with administrative duties;
- Establishing the annual maximum issue ceiling for bonds or other securities;
- Appraising the annual activity report issued by the General and Supervisory Board;
- Deciding on proposals to acquire and divest securities, real estate properties and shares which are submitted by the Executive Board of Directors with the favourable opinion of the General and Supervisory Board, under the terms of the present Statutes;
- Deliberating on any other issue on the agenda.

Competence of the General and Supervisory Board

Under the terms of article 23 of the Statutes of TAP, SGPS, the General and Supervisory Board is responsible in particular for the following:

- Actively supervising compliance with the law and memorandum of association;
- Calling a General Meeting, as deemed appropriate;
- Representing the Company in relations with the members of the Executive Board of Directors except concerning matters entrusted to the General Meeting;
- Supervising the activities of the Executive Board of Directors;
- Monitoring the activity of the company's board of directors and participated companies and providing advice and assistance to the Executive Board of Directors, namely concerning strategy, sustainability, accomplishment of objectives and compliance with applicable rules and principles;
- Providing, under the terms of the law and under proposal of the Executive Board of Directors, for the replacement of members of the Executive Board of Directors, when absent or prevented from attending to their duties, definitively or temporarily, until the General Meeting proceeds with new election;
- Proposing, at the General Meeting, the appointment of the certified accountant or audit firm;

- Supervising the independence of the certified accountant or audit firm, in particular with respect to the provision of additional services with companies in group or dependent relations and other relations with the Company;
- Assuring the selection, confirmation and contracting of the external auditor and supervision of its activity, as well as assuring that any non-audit services rendered at TAP, SGPS or at participated companies do not place in question the independence of the auditor;
- Supervising the review of accounts of the documents presenting the Company's accounts and ensuring follow-up of the activity of the certified accountant or external auditor;
- Verifying that the accounting policies and measurement criteria adopted by the Company lead to a correct valuation of the assets, liabilities and earnings;
- Supervising, monitoring and assessing internal procedures relative to accounting, financial and audit matters, as well as the effectiveness of the risk management system, the internal control system and the internal audit system, where applicable;
- Verifying, when deemed necessary and in the manner deemed appropriate, the regularity of the book-keeping, accounting records and underlying documents, as well as the situation of any goods or values possessed by the company in any capacity;
- Supervising the process of preparation and disclosure of financial information and issuing an opinion on the management report and accounts for the year;
- Approving the company's strategic plan, the annual activity plan and the sustainability and corporate governance report(s);
- Monitoring and appraising issues relative to corporate governance, sustainability, internal codes of risk assessment, ethics and conduct and respective compliance and systems of assessment and resolution of conflicts of interest, namely with respect to the company's relations with shareholders;
- Issuing, upon its own initiative or when requested by the chairman of the executive board of directors, an opinion on the annual vote of confidence in the directors, as referred to in article 455 of the Companies Code;
- Submitting to the annual general meeting a report on the application of the remuneration policy, including the assessment of management performance according to the criteria and parameters that have been approved by this body;
- Submitting to the shareholder, whenever a redefinition of the remunerative policy is justified, a proposal substantiated on national and international benchmarking analysis, aimed at determining the appropriate levels of remuneration and structure of the remuneration package for the different governing bodies, as well as the selection of reference indicators and their correspondence with the performance of the executive directors;
- Approving the respective internal regulation, which will include the rules of relations with all other governing bodies for everything not established in the present statutes;
- Appointing the members of the specialised audit commission, the specialised sustainability and corporate governance commission and any others that it deliberates to create based on duly substantiated terms, pursuant to the present statutes;
- Contracting the provision of expert services to assist one or more of its members in the performance of duties, where the contract and remuneration of the experts should take into account the importance of the affairs entrusted to them and the economic situation of the company;
- Receiving communications of irregularities submitted by shareholders, company employees or others;
- Performing of any other duties entrusted by the law or memorandum of association;
- Annually preparing a report on its activity and submitting it at the general meeting;
- The general and supervisory board is also responsible for issuing the opinions referred to it in the present Statutes or others which, under the legal terms, are requested or whose production is justified;
- When the opinion of the general and supervisory board is negative on the issues presented in subparagraphs c) and d) of number 1 and number 4 of article 17 of the statutes, this board may, under the terms of the law, urgently submit the divergence of the deliberation of the general meeting, where this deliberation should be taken by a majority of two thirds of the votes cast in order to be approved.

The chairman of the general and supervisory board or, in his absence or impediment, a member delegated by this board for this purpose, may, whenever deemed appropriate and without the right to vote, attend the meetings of the company's executive board of directors and the meetings of the Group's controlled companies, under the terms of number 3 of article 22 of the Statutes of TAP, SGPS. The chairman of the general and supervisory board should participate in the meetings with the shareholders whenever they are of a formal nature and are intended to appraise strategic aspects of the company's life and future.

Competence of the Executive Board of Directors

The executive board of directors is composed of a minimum of 5 (five) and a maximum of 7 (seven) members, all elected by the general meeting which also appoints, among them, the respective chairman, who has the casting vote.

Under the terms of article 17 of the Statutes of TAP, SGPS, the Executive Board of Directors is responsible in particular for the following:

- Managing corporate business and conducting all the acts relative to the corporate object which are not entrusted to other corporate bodies;
- Representing the company in and out of court, actively and passively, being able to waive, transact and confess in any lawsuit, as well as conclude arbitration conventions;
- Acquiring in any form and divesting or encumbering rights or assets, movable or immovable, whenever the respective unit value does not exceed one million euros or has received the favourable opinion of the General and Supervisory Board;
- Incorporating companies and underwriting, acquiring, in an ordinary or derivative capacity, encumbering and divesting shares, after having obtained the favourable opinion of the General and Supervisory Board or decision of the General Meeting, provided that the respective value exceeds 2% of the share capital;
- Deliberating on the issue of bonds or other securities, within the limits established annually for this purpose by the general meeting, under the terms of subparagraph e) of number 2 of article 8;
- Establishing the company's technical and administrative organisation and internal operating standards concerning the staff and their remuneration, without prejudice to the provisions in article 23;
- Constituting authorised agents empowered as deemed appropriate, including substitution;
- Appointing the company's secretary and respective alternate;
- Establishing the company's objectives and management policies;
- Preparing the annual activity plans and budgets, including the operating, investment and financial components, as well as promoting the participation of the Company's services in the preparation of the sustainability report;
- Preparing the company's Strategic Plan and its updates;
- Performing any other duties entrusted by the law, memorandum of association or general meeting.

The executive board of directors may, within the legal limits, delegate some of its duties to one or more of its members, with or without the entitlement of sub-delegation, without prejudice to number 3 of article 16 of the Statutes of TAP, SGPS.

The executive board of directors should inform the general and supervisory board:

- At least once a year, the Group's main challenges and management objectives, as well as the circumstantial and/or structural constraints underlying them;
- Quarterly, for review at the next meeting of the general and supervisory board, the company's situation and evolution of business, as well as the most important management aspects in economic, financial and operating spheres;
- At the time determined by the law, the full report of the management, overview and accounts relative to the previous year.

The company's strategic plan, activity plan and annual budget and the accomplishment of the participated company or companies of TAP SGPS of the operations indicated below will be subject, for opinion and approval, to prior knowledge of the General and Supervisory Board:

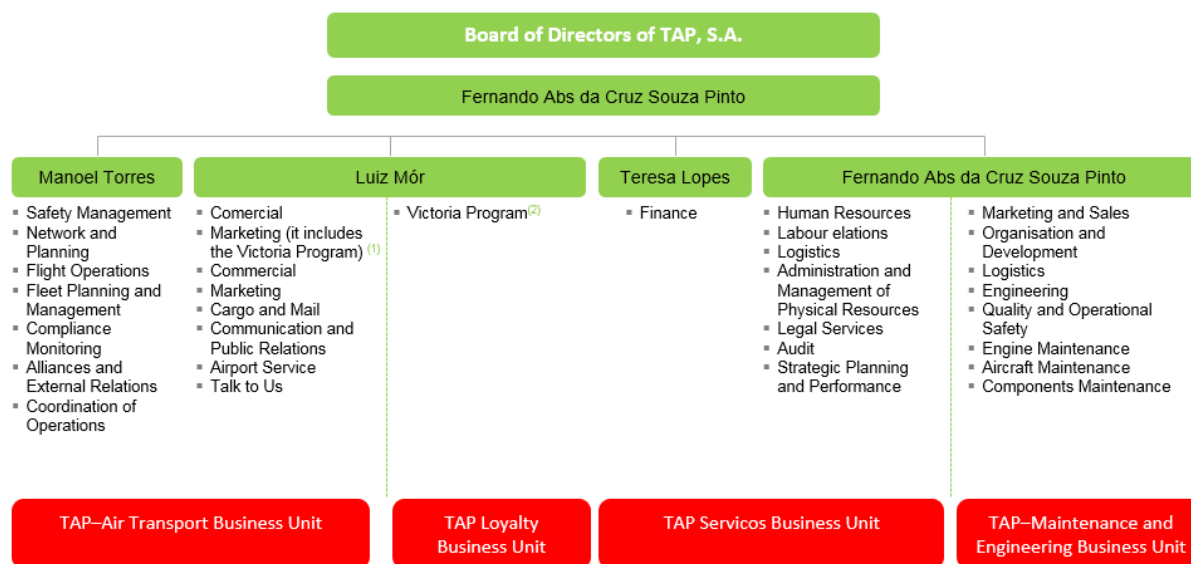
- Acquisitions and divestment of assets, rights or shares and contracting of loans whose economic value is higher than one million euros, provided that they are not foreseen in the strategic plan, activity plan or annual budget;
- Opening or closure of establishments referred to in number 3 of article 2 of the Statutes, which implies important extensions or reductions of activity;
- Merger, demerger or transformation, and strategic partnership projects which alter the company's context of action;
- Amendment of the company's statutes, including change of head office and increased share capital, when of the initiative of the executive board of directors.

Under the terms of article 18 of the Statutes, the Chairman of the Executive Board of Directors is entrusted with the following duties:

- Representing the executive board of directors;
- Coordinating the activity of the board and calling and chairing the respective meetings;
- Striving for the correct execution of the board's deliberations.

The chairman of the executive board of directors shall attend, without the right to vote, the meetings of the general and supervisory board, whenever invited or requested from the chairman of the general and supervisory board, and may, in the event of his impediment, indicate his representative, under the terms and for the effect of number 3 of article 18 of the Statutes.

Apart from positions held simultaneously in other companies within the TAP Group, as referred to in item IV.B.9. b), up to 13 November 2015, the Executive Board of Directors of TAP, S.A. was organized according to the following management areas.



Caption: (1) Until 1 April 2015; (2) Since 1 April 2015

The Executive Board of Directors is responsible for the definition of the organisational model and definition of the allocation of duties among the different Business Units. The mission of TAP Serviços is the development of activity in the provision of support and management services to the Executive Board of Directors and to all other Business Units and companies of the TAP Group, contributing to the improvement of overall profitability.

After 12 November 2015, date of the transfer to Atlantic Gateway of the shares representing 61% of the share capital of TAP–Transportes Aéreos Portugueses, SGPS, S.A.

Under article 8 of the Statutes of the TAP Group, the company's social bodies are the General Meeting, the Board of Directors, the Supervisory Board, the Statutory Auditor or the Auditor firm.

Competencies of the General Meeting

The General Meeting deliberates on all issues for which it is attributed competence by the law and statutes of the TAP Group, as well as on any others that are not included in the sphere of competence of other corporate bodies.

Under the terms of article 10 of the Statutes of TAP SGPS, the General Meeting is responsible in particular for the following:

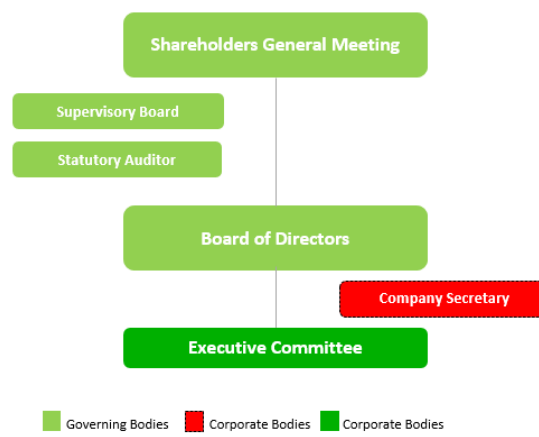
- To review and take a decision on the report of the Board of Directors, to discuss and vote on the balance sheet, accounts and opinions of the supervisory board, and to decide on the application of the year's results;
- To elect and dismiss the members of the General Meeting, the Board of Directors, the Supervisory Board as well as the respective chairmen and vice-chairmen, if any, and the Statutory Auditor or Auditor firm, in this case under the proposal of the Supervisory Board;
- To decide on any changes to the statutes, including increases and reductions of capital, mergers, demergers, transformation and/or dissolution of the Company;
- To decide on the salaries of the members of the governing bodies and to define the remuneration policy of the members of the management bodies, including the performance evaluation criteria and parameters used to measure the variable component of remuneration in the case of executive directors, for which a remuneration committee may be appointed;
- To establish the annual ceiling for the issuance of bonds or other securities;
- To decide on the implementation and reimbursement of ancillary services, including in the form of supplies, and any conditions related thereto;
- To decide on matters related to the management of the Company, where required by the Board of Directors;
- To decide on any other matter for which it has been convened.

Competencies of the Board of Directors

The Board of Directors is composed of 11 (eleven) members, all elected by the General Meeting, which is also responsible for designating the respective chairman.

Pursuant to article 15 of the Statutes of TAP SGPS the Board of Directors is assigned the following powers:

- To manage the social businesses and perform all acts and operations relating to the corporate purpose that do not fall under the authority granted to other bodies of the Company;
- To represent the Company in and out of court, actively and passively, to concede, acquiesce and plead in any legal proceedings and to make arbitration agreements;
- To acquire in any way and dispose of or encumber rights or property, movable or immovable;
- To incorporate companies and subscribe, acquire, as a primary or secondary position, encumber and transfer shareholdings;
- To contract loans in the domestic or foreign financial market;
- To take a decision on the issuance of bonds or other securities within the limits for both fixed annually by the General Meeting, pursuant to the provisions of number 2 e) of article 10, and within the legal limits;
- To establish the technical and administrative organisation of the Company and the internal rules, particularly as regards employees and their remuneration;
- To establish proxies with the powers deemed appropriate, including those of appointing substitutes;
- To appoint the Company Secretary and respective alternate;
- To establish the company's goals and management policies;
- To draw up activity plans and annual budgets, including the operating, investment and financial components, and to promote the participation of company's services in the preparation of the sustainability report;



- To prepare the company's strategic plan and its updates;
- To perform other duties as assigned by law, statutes or General Meeting.

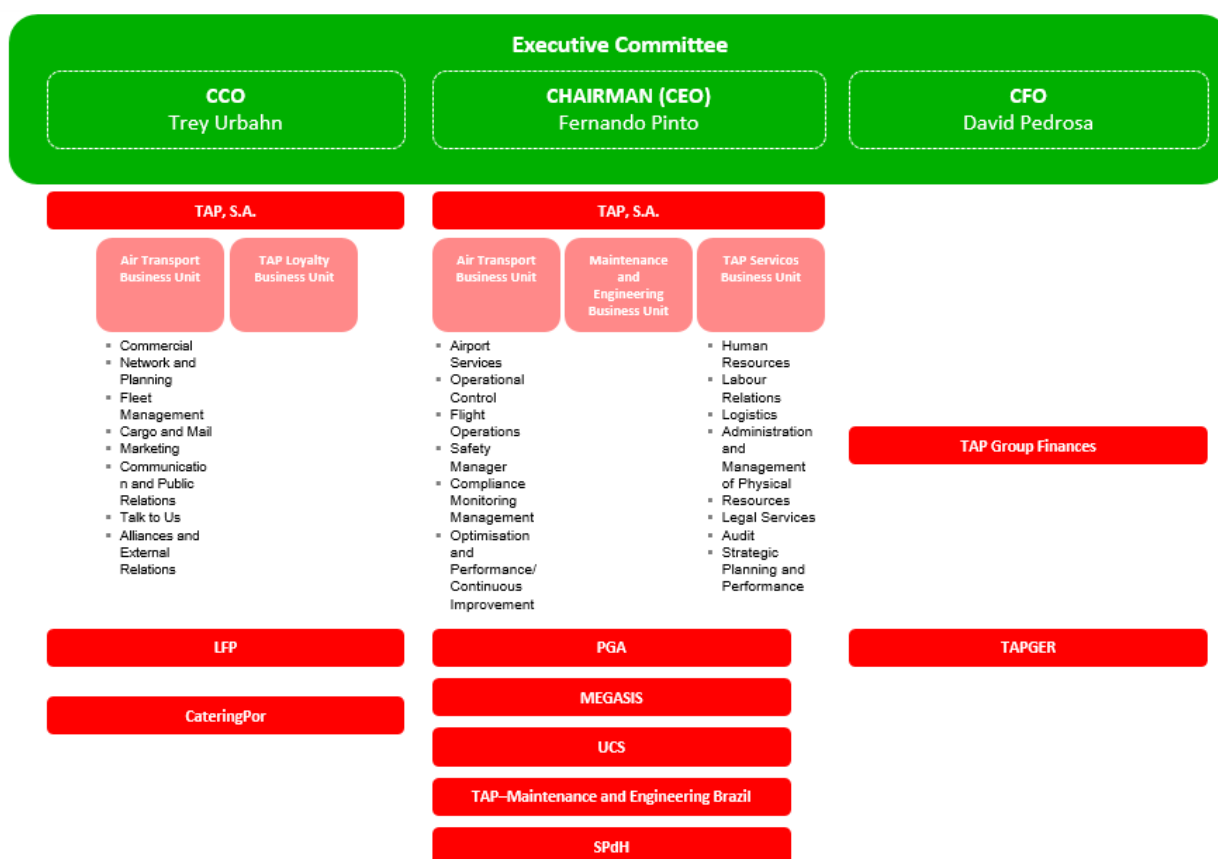
According to the provisions of number 1 of article 19 of the Statutes of TAP SGPS, with regard to the delegation of powers, *“The Board of Directors may delegate, within the limits established by law, the current management of the Company on one or more managing directors or on an Executive Committee.”*

The Board of Directors may not deliberate without the majority of its members being present or duly represented. Notwithstanding this rule, directors may participate in and speak during the meetings of the Board of Directors through media such as video conferencing and teleconferencing, to ensure real-time transmission and reception of voice and image.

Also in accordance with number 16 of the Statutes, the Chairman of the Board of Directors is assigned the following powers:

- To represent the Board of Directors;
- To convene and chair its meetings;
- To ensure the proper execution of the decisions taken by the Board of Directors.

In addition to positions held simultaneously in other companies within the TAP Group, as referred to in item IV. B. 9. b), following the decision of the Board of Directors to delegate management powers to the Executive Committee (see Minutes transcribing separate minutes No. 1 of the Board of Directors of TAP SGPS of 13 November 2015), the Executive Committee decided to define the assignment of responsibilities to each of its members, according to the following breakdown of management responsibility for the areas of TAP, S.A. and other companies of TAP Group.



Note: Executive Committee – Responsibilities are merely indicative. Decisions are taken in a collegial way.

Competence of the divisions currently existing at TAP, S.A.

Business Unit TAP–Air Transport	Business Unit TAP–Maintenance and Engineering	Business Unit TAP Serviços	Business Unit TAP Loyalty
<p>// The main mission of the Safety Management area is to provide specialised knowledge to all the operating departments of TAP Portugal, contributing to the achievement of the operational safety objectives (in the Safety area) defined by the Executive Board and act as a centralising element for issues in this area.</p> <p>// The main mission of the Network and Planning area is to coordinate and define the Network of routes to be operated by TAP, the respective operating programmes and to control their execution, ensuring the availability of the means necessary and the constant adaptation to the market in order to maximise results. Define the pricing policy and carry out the management of flights in order to maximise route revenue. Participate in the preparation of the Strategic Air Transport Plan and coordinate the performance of the business, as well as produce management information.</p> <p>// The main mission of the Flight Operations area is to offer a quality flight service, with a high operational safety standard, according to the policies and directives defined by TAP.</p> <p>// The main mission of the Planning and Fleet Management area is to define the TAP/PGA Fleet Management policies and promote their updating, including the actions relative to the definition, acquisition and/or leasing of aircraft according to the commercial strategy of the company and market developments, guaranteeing high standards of safety, reliability, quality and economy.</p> <p>// The main mission of the Compliance Monitoring Management area is to guarantee that the TAP Portugal operator complies with the legal requirements of applicable Aeronautical Legislation and with best practice of the Civil Aviation Industry applicable to Air Transport.</p> <p>// The main mission of the Alliances and External Relations area is to coordinate and control the activities of commercial cooperation – namely with respect to relations with counterparts, negotiation of commercial agreements, partnerships and strategic alliances –, as well as external relations of the company at the institutional level (with official/governmental supervisory regulators and entities) and with associations of the sector.</p> <p>// The main mission of the Commercial area is to make the passenger transport activity profitable through the promotion and sale of the TAP product and the implementation of promotional and sale policies adjusted to the reality of each market/segment, in order to maximise the quality of the service provided to the customer</p>	<p>// The mission of the Marketing and Sales area is to define the commercial strategic objectives of the Business Unit (Portugal and Brazil), coordinating the sales activities of the aircraft, engine and component maintenance and engineering services, implementing the marketing and communication strategy, boosting the exploration of new business opportunities, the definition and negotiation of commercial proposals, monitoring the commercial relationship and market analysis, in order to meet the revenue, receipt and margin objectives established in the budget.</p> <p>// The main mission of the Organisation and Development area is to support the activity of the Business Unit (Portugal), as well as ensure and develop the transversal connections of the Business Unit to the corporate services of TAP (TAP Services), as well as to the other Group companies (Megasis and UCS).</p> <p>This area includes the following sub-areas: Finance and Accounting, Processes and Continuous Improvement, Human Resources, Information Technologies and Equipment and Facilities.</p> <p>// The mission of the Engineering area is to define the TAP fleet and Customer maintenance policy through the design of the flight material maintenance programmes, guarantee the control of the process of continuity of its aeronavigability, ensure the implementation of the corrective actions deemed necessary to improve operational reliability, carry out modifications and repairs under the DOA certification and manage the information and inherent technical documentation, according to the national and international rules and procedures.</p> <p>// The main mission of the Quality and Operational Safety area is to manage the Quality, Operational Safety and Environment systems of the Business Unit, manage the continuity of the aeronavigability of the TAP Portugal operator, and manage the businesses of calibrations, non-destructive tests and physical/chemical tests, through the definition of plans, policies and targets, in articulation with the aeronautical authorities and the accreditation organisations, respecting the applicable legal impositions and the strategic guidelines.</p> <p>// The main mission of the Aircraft Maintenance area is to manage and execute the provision of Aircraft Maintenance and Engineering services to the fleet of TAP Group and of Customers, maintaining a high degree of quality, meeting the objectives in terms of deadlines, costs and quality, fully respecting national and international legislation as applicable, in order to guarantee the achievement of the production objectives, contributing towards the maintenance of the high levels of safety of the aeronautical industry, the safeguard of the conditions of safety of people and goods and towards environmental protection, in order to maximise Customer satisfaction and the profitability of the Business Unit.</p> <p>// The main mission of the Engine Maintenance area is to manage and execute the provision of inspection, repair and overhaul services to fleet engines of TAP Group and of other Customer airline companies, maintaining a high degree of quality, meeting the objectives in terms of deadlines, costs and quality, fully respecting national and international legislation as applicable, in order to guarantee the achievement of the production objectives,</p>	<p>// The main mission of the Finance area is to define a financial and accounting management model and adopt procedures that assure the integrity and availability of the information to the entire organisation, as well as compliance with the legal obligations.</p> <p>// The Human Resources department's main mission is to safeguard that business survival depends largely on its employees and the manner in which they contribute to the creation of value. The Human Resources model is based on the optimisation of resources, innovation, the use of synergies and the search for coherence and continuity in practice. The alignment of Human Resources management with the value chain also requires constantly looking at the outside and adapting to new market paradigms. The Human Resources Business Partners of the various TAP Business Units guarantee the proximity to the day to day business and its respective leaders, on the one hand, and a cross-link to the strategies of the Company as a whole, on the other hand, acting in closely cooperation with the HR Operations and the Talent Management.</p> <p>// The main mission of the Labour Relations area is: to assure the TAP Group's institutional relations in the labour sphere, particularly with bodies of the Labour Administration, Syndicates and Workers Commissions; assure legal and labour advisory services to TAP Group companies; Assure the representation of TAP Group companies at Labour Courts and Collective Labour Agreements, as well as the preparatory inquiry, including legal counsel, in all judicial or administrative offense proceedings in which Group companies are involved; assure compliance with the legal and conventional rules on labour matters, preparing and disseminating regulations and guidelines on these issues and assure the preparatory inquiry of investigative and disciplinary procedures.</p> <p>// The main mission of the Logistics area is to conduct the procurement process, providing products and services to the entire TAP Group, with the best cost-quality ratio.</p> <p>// The main mission of the Administration and Management of Physical Resources area is to define and ensure the provision of support</p>	<p>// The Business Unit TAP Loyalty main mission is to establish itself as a benchmark in the Industry in terms of the management and growth of loyalty programs for airline customers and non-airline partners, developing partnerships focused on the needs of TAP Group and other partners.</p>

Business Unit TAP–Air Transport	Business Unit TAP–Maintenance and Engineering	Business Unit TAP Serviços	Business Unit TAP Loyalty
<p>and the market share in the different markets.</p> <p>// The main mission of the Marketing area is to reinforce Customer orientation, focusing on innovation and service quality and creating factors of differentiation relative to the competition.</p> <p>Focus on the communication and digital relations with the Customer, attracting new customers and building customer loyalty in all segments, with particular emphasis on <i>premium</i> customers.</p> <p>// The main mission of the Cargo and Mail area is to provide a reliable service of collection, transport and delivery of goods and parcels on TAP's aircraft and that of its partners, in a timely and appropriate manner for its Customers' needs and at competitive prices, maximising the contributory margin of the business.</p> <p>// The main mission of the Communication and Public Relations area is to define, coordinate and execute the activities within the scope of the communication and institutional relations of TAP Group, defining and implementing the internal and external communication plans, in accordance with the strategic orientations of the Group.</p> <p>// The mission of the Customer Service area is to ensure the provision of ground handling services, in all airports of the TAP network, with high commercial and operational quality standards, in order to ensure Customer satisfaction.</p> <p>// The mission of the Talk to Us area is to facilitate communication between Customers and TAP, making it closer, quicker, more direct and effective with regards to complaints, suggestions and clarification requests.</p> <p>// The main mission of the Coordination of Operations area is to control the Air Transport operation during the defined intervention period (72 hours prior to the operation), ensuring its execution, reliability and stability defined in the commercial planning of TAP, in terms of regularity and punctuality, anticipating and minimising the number of irregularities and its impacts, coordinating the operational support structure, equipment and human resources allocated and the reformulation of the network when necessary, in order to optimise the operation, contributing towards the safeguarding of the good image of the Group.</p>	<p>contributing towards the maintenance of the high levels of safety of the aeronautical industry, the safeguard of the conditions of safety of people and goods and towards environmental protection, in order to maximise Customer satisfaction and the profitability of the Business Unit.</p> <p>// The main mission of the Component Maintenance area is to manage and execute the provision of aircraft component maintenance services to the fleet of TAP and to external customers, maintaining a high degree of quality, meeting the objectives in terms of deadlines, availability of stock, costs and quality, fully respecting national and international legislation as applicable, in order to guarantee the achievement of the production objectives, contributing towards the maintenance of the high levels of safety of the aeronautical industry, the safeguard of the conditions of safety of people and goods and towards environmental protection, in order to maximise Customer satisfaction and the profitability of the Business Unit.</p> <p>// The main mission of the Logistics area is to define, negotiate, plan, coordinate and control the acquisition, reception, storage, distribution and availability of consumption material, rotational components, products, equipment, tools and raw materials, necessary for the aeronautical maintenance activity (maintenance of engines, components and aircraft), according to the maintenance plans and stocks, systems and components policy,, in order to guarantee the availability of the products at the lowest cost, and at the quality and safety standards in the periods established, for both the TAP fleet and for Customers.</p>	<p>services to the governing bodies; ensure effective management of facilities and equipment, security of Campus TAP (security), environment, insurance, documentation and general support services necessary to the Group's activity, ensuring their profitability in compliance with legal and business requirements.</p> <p>// The main mission of the Legal Services area is to assure the study, follow-up and legal counsel of legal issues, in line with the legal framework and guideline principles of the Organisation.</p> <p>// The main mission of the Audit area is to care for the Group's business through an approach of systematic and disciplined auditing, involving the planning, development and implementation of activities that assure the good operation of the internal control systems and promote the compliance of the Group's management and governance.</p> <p>// The main mission of the Strategic Planning and Performance area is: to provide support in the definition of the Group's business strategy and guidelines, participating in the preparation of the Strategic Plan; support TAP Serviços, managing its Customer relations, developing the Performance measurement system and Costing Model/System, Pricing and Invoicing, and collaborating in the functional analysis of projects to change processes and systems.</p>	

9. OPERATION OF THE GENERAL AND SUPERVISORY BOARD AND THE EXECUTIVE BOARD OF DIRECTORS

a) Meetings and attendance level of the members of the Corporate Governing Bodies

Corporate Governance Bodies in office until 12 November 2015

The General and Supervisory Board meet ordinarily at least six times a year and extraordinarily whenever convened by its Chairman, on his own initiative or at the request of any of its members or the Executive Board of Directors, pursuant to the provisions of number 2 of article 24 of the Statutes of TAP SGPS. Pursuant to number 3 of article 19 of the Statutes of TAP, S.A., under the General and Supervisory Board, the Specialised Audit Committee will have at least two formal meetings per quarter, and the Specialised Committee of Sustainability and Corporate Governance will have at least one formal meeting per quarter, without prejudice, in both cases, to the meetings necessary to meet the respective objectives and responsibilities.

In 2015, the General and Supervisory Board held 14 meetings at TAP SGPS and 11 meetings at TAP, S.A., with the respective minutes having been drawn up at all meetings. The information concerning the degree of attendance of each member of this body is described in Annex II of this Report.

Under the provisions of number 1 of article 20 of the Statutes of TAP SGPS and number 1 of article 14 of the Statutes of TAP, S.A., the Executive Board of Directors determines the frequency of its ordinary meetings. A monthly meeting is however required and it meets extraordinarily whenever convened by its Chairman, by two directors or at the request of the supervisory board.

In 2015, the Executive Board of Directors held 33 meetings at TAP SGPS and 35 meetings at TAP, S.A., with the respective minutes having been drawn up. The information concerning the degree of attendance of the members of this body is described in Annex II of this Report.

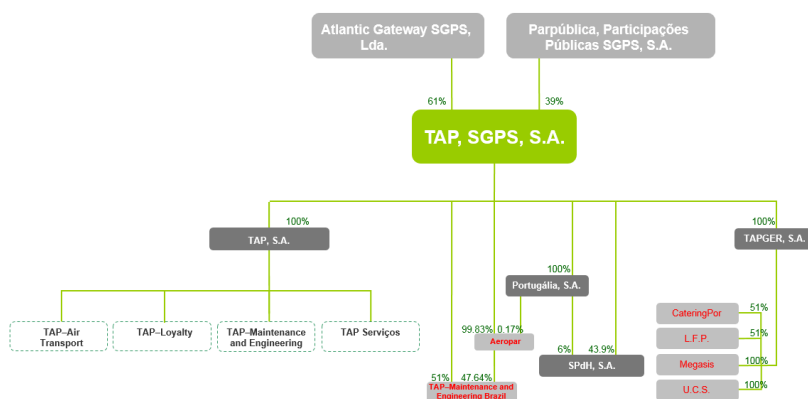
Corporate Governance Bodies in office after 12 November 2015

Under the provisions of number 1 of article 18 of the Statutes of TAP SGPS and number 1 of article 14 of the Statutes of TAP, S.A., the Board of Directors determines the frequency of its ordinary meetings. It shall, however, meet at least once every quarter and extraordinarily whenever convened by its Chairman, by two directors or at the request of the supervisory board.

In 2015, the Board of Directors held two meetings at TAP SGPS and 3 meetings at TAP, S.A., with the respective minutes having been drawn up. The information concerning the degree of attendance of the members of this body is described in Annex II of this Report.

b) Positions held by members of the Executive Board of Directors and by members of the General and Supervisory Board

The Group of companies that were part of the consolidation perimeter of the TAP holding at the end of 2015 was composed of TAP—Transportes Aéreos Portugueses, SGPS, S.A. and its subsidiaries, according to the organisation represented in the diagram, where the members of the Board of Directors held the following positions.



Positions in other companies by members of the Executive Board of Directors in office until 12 November 2015

Positions held by members of the Executive Board of Directors

12 november 2015	Fernando Abs da Cruz Souza Pinto	Luiz da Gama Mór	Manoel José Fontes Torres	Maria Teresa Lopes
TAP, S.A.	PCA	AE	AE	AE
TAPGER–Sociedade de Gestão e Serviços, S.A.	PCA	-	-	ANE
Portugália–Companhia Portuguesa de Transportes Aéreos, S.A. (PGA)	PCA	-	ANE	-
TAP–Manutenção e Engenharia Brasil, S.A.	-	-	-	ANE
Cateringpor–Catering de Portugal, S.A.	-	PCA	-	-
L.F.P.–Lojas Francas de Portugal, S.A.	-	PCA	-	-
U.C.S.–Cuidados Integrados de Saúde, S.A.	PCA	-	-	-
MEGASIS–Sociedade de Serviços e Engenharia Informática, S.A.	PCA	-	-	-
Positions held in other companies outside the TAP Group			-	-
LIDE, Portugal	-	MCGEST	-	-
Confederação do Turismo Português	-	MCD	-	-
Turismo de Lisboa	-	MD	-	-
Conselho Setorial do Turismo Português da CIP	-	VP	-	-
ELO – Associação Portuguesa para o Desenvolvimento Económico e a Cooperação	-	MCG	-	-

PCA – Chairman of the Executive Board of Directors; AE – Executive Director; ANE – Non-Executive Director

MCGEST – Member of the Management Committee; MCD – Member of the Governing Board; MD – Member of the Board; VP – Vice-Chairman; MCG – Member of the General Board

Positions in other companies by members of the Board of Directors, in office after 12 November 2015

Positions held by members of the Board of Directors at TAP Group Companies

31 december 2015	Humberto Manuel dos Santos Pedrosa	Fernando Abs da Cruz Souza Pinto	David Humberto Canas Pedrosa	Maximilian Otto Urbahn	David Gary Neeleman	Francisco Maria Freitas de Moraes Sarmiento Ramalho	Henri Courpron	Philippe Calixte Albert Delmas	Robert Aaron Milton	Sydney John Isaacs	Tiago Gonçalves de Aires Mateus
TAP, S.A.	PCA	Member of CA and PCE	Member of CA and Member of CE	Member of CA and Member of CE	Member of CA	-	-	-	-	-	-
TAPGER–Sociedade de Gestão e Serviços, S.A.	-	PCA	-	-	-	-	-	-	-	-	-
Portugália–Companhia Portuguesa de Transportes Aéreos, S.A. (PGA)	PCA	Member of CA and PCE	Member of CA and Member of CE	Member of CA and Member of CE	Member of CA	-	-	-	-	-	-
U.C.S.–Cuidados Integrados de Saúde, S.A.	-	PCA	-	-	-	-	-	-	-	-	-
MEGASIS–Sociedade de Serviços e Engenharia Informática, S.A.	-	PCA	-	-	-	-	-	-	-	-	-

PCA – Chairman of the Board of Directors; PCE – Chairman of the Executive Committee; CA – Board of Directors; CE – Executive Committee

c) Corporate bodies competent to conduct the assessment of performance of executive directors

Corporate bodies competent to conduct the assessment of performance of executive directors, in office until 12 November 2015

Under the terms of article 23 of the Statutes of TAP SGPS, the General and Supervisory Board is responsible for submitting, to the annual general meeting, a report on the application of the remuneration policy, including the assessment of management performance according to the criteria and parameters that have been approved by this body.

Under the terms of article 11 of the Statutes of TAP SGPS, the General Meeting is responsible for defining the remuneration policy for the members of the administration body, including the performance assessment criteria and parameters for calculation of the variable component of remuneration, in the case of directors with administrative duties.

Corporate bodies competent to conduct the assessment of performance of executive directors, in office after 12 November 2015

Pursuant to article 10 of the Statutes of TAP SGPS, the General Meeting is responsible for deciding on the remuneration of board members and for defining the remuneration policy of the members of the management bodies. This includes the performance evaluation criteria and parameters used to measure the variable component of the remuneration, in the case of executive directors. A remuneration committee may be appointed to this end.

Under article 11 of the Statutes of TAP, S.A., the General Meeting is responsible for deciding on the remuneration of the members of the governing bodies. To this end, a remuneration committee may be appointed.

Pursuant to article 20 of the Statutes of TAP, S.A., the Remuneration Committee is responsible for designing a compensation model (fixed, variable and incentives) to serve as a reference for the annual fixing of remuneration for the members of the Board of Directors.

The remuneration committee is also responsible for:

- Liaising with the Board of Directors in relation to the selection of benchmark indicators and their correspondence to the annual performance of directors;
- Defining the annual indicators that will serve to evaluate the performance of the management team and that will affect their incentives;
- Periodically encouraging the development of comparative analysis (benchmarks) at both national and international level to determine appropriate levels of remuneration and structure of the remuneration package for members of the Board of Directors;
- Reporting the remuneration policy of the members of the Board of Directors to stakeholders;
- Establishing the amounts due to the other members elected or appointed for the exercise of duties in corporate bodies or in specialised committees, where so entitled.

d) Commissions, composition and competence of existing commissions in the supervisory body

Commissions, composition and competence of existing commissions in the supervisory body, in office until 12 November 2015

Through deliberation of the General and Supervisory Board, at the meeting of 26 June 2009.

Specialised Audit Commission

Manuel Soares Pinto Barbosa

João Luís Traça Borges de Assunção

Rui Manuel de Azevedo Pereira da Silva

Competence

Under the terms of article 25 of the Statutes of TAP SGPS, the Specialised Audit Commission is responsible in particular for the following:

- a) Providing support to the General and Supervisory Board and the Executive Board of Directors regarding:
 - aa) Quality and integrity of the financial information shown in the documents presenting the accounts;
 - bb) Qualification and independence of the external auditors, namely regarding their contracting and authorisation of other external services;
 - cc) Discussion with the external auditors on the disclosure of annual and quarterly, financial and market information and with analysts in general, including the policies on accounting and presentation of financial statements;
 - dd) Quality, integrity and effectiveness of the internal control system;
 - ee) Duties performed by the External Auditors and internal audit of the company, namely regarding their composition, responsibilities, budget, annual activity plan and appointment of the director responsible for internal audits;
 - ff) Compliance with the legal and regulatory provisions, recommendations and guidelines issued by the competent entities;
 - gg) Contracting of people to work with the external auditors.
- b) Preparing reports, providing support in the definition of policies and guidelines and in the implementation of procedures, producing recommendations and carrying out measures that, under their duties, are deemed necessary for their good operation;

- c) Meeting, whenever necessary, but at least once a quarter, with the certified accountant and external auditor, to appraise their activity and monitoring of the company's activity under their attributed duties;
- d) Providing the general and supervisory board and the executive board of directors, through regular communication, advice and/or assistance under their attributed duties, as well as performing any other duties or responsibilities that are entrusted to them;
- e) Identifying significant potential risks of financial, operational, safety and security related, legal and/or social nature that could produce relevant direct or indirect losses. Also being entrusted to define measures and mechanisms that might mitigate these losses, which should be disclosed to the General and Supervisory Board and, through this body, the Executive Board of Directors, for implementation;
- f) Issuing an opinion on the company's risk manual and respective updates, upon proposal of the executive board of directors which is responsible for its preparation.

Through deliberation of the General and Supervisory Board, at the meeting of 26 June 2009.

Specialised Sustainability and Corporate Governance Commission

Manuel Soares Pinto Barbosa

Carlos Alberto Veiga Anjos

João Luís Traça Borges de Assunção

Luís Manuel dos Santos Silva Patrão

Maria do Rosário Miranda Andrade Ribeiro Vítor

Rui Manuel de Azevedo Pereira da Silva

Vítor José Cabrita Neto

Competence

Under the terms of article 26 of the Statutes of TAP SGPS, the Specialised Sustainability and Corporate Governance Commission is responsible in particular for the following:

- a) Assuring that the executive board of directors creates the necessary conditions for the sustained growth of the Company, in the economic, environmental and social areas (triple bottom line);
- b) Supervising the strategy of sustained development and social responsibility as well as its correct implementation by the executive board of directors;
- c) Supervising the preparation and submitting the company's corporate governance and sustainability reports to the general and supervisory board;
- d) Assuring the application, at least annually, of national and international benchmarks on the company's corporate governance policy;
- e) Supervising the identification of the real needs of measures to be implemented, assuring the existence of a correct corporate governance model;
- f) Actively ensuring the correct implementation of the corporate governance model established by the executive body;
- g) Promoting the implementation of all the practices defined in the corporate governance model;
- h) Providing support to the supervisory body in the definition of conflicts of interests and business conduct policies;
- i) Assessing/controlling the existence of conflict of interests in conformity with the business conduct code and other relevant policies;
- j) Identifying and resolving situations of conflict of interests, as they arise;
- l) Assuring the implementation of the company's code of ethics and good conduct

Commissions, composition and competence of existing commissions in the supervisory body, in office after 12 November 2015

The current governance model does not incorporate a supervisory body.

C. SUPERVISION

1. IDENTIFICATION OF THE SUPERVISORY BODY

Pursuant to article 20 of the Statutes of TAP SGPS, the supervision of social business fall under the responsibility of a Supervisory Board and an auditor or auditor firm (see Chapter IV. D.) that is not a member of the Supervisory Board. The statutory auditor or firm of auditors and the respective alternate are elected by the general meeting upon the proposal of the Supervisory Board. The company's Supervisory Board consists of three permanent members and one alternate, elected by the General Meeting for three-year terms.

Supervisory Board of TAP SGPS elected by the General Meeting of 12 November 2015 for the period 2015-2017

TAP, SGPS, S.A.

Mandate (Start - End)	Position	Name	Appointment Doc.	Mandates held	
				Number	Date of 1 st appointment
2015-2017	Supervisory Board	Sérgio Sambade Nunes Rodrigues	General Meeting 12.nov.2015	1	12.Nov.2015
		Baker Tilly, PG & Associados, Sroc, S.A.	General Meeting 12.nov.2015	1	12.Nov.2015
		Maria Susana da Mota Furtado e Almeida Rodrigues	General Meeting 12.nov.2015	1	12.Nov.2015

Supervisory Board of TAP, S.A. elected by the General Meeting of 13 November 2015 for the period 2015-2017

TAP, S.A.

Mandate (Start - End)	Position	Name	Appointment Doc.	Mandates held	
				Number	Date of 1 st appointment
2015-2017	Supervisory Board	Sérgio Sambade Nunes Rodrigues	General Meeting 13.nov.2015	1	13.Nov.2015
		Baker Tilly, PG & Associados, Sroc, S.A.	General Meeting 13.nov.2015	1	13.Nov.2015
		Maria Susana da Mota Furtado e Almeida Rodrigues	General Meeting 13.nov.2015	1	13.Nov.2015

D. CERTIFIED ACCOUNTANT (ROC)

1. ROC, SROC

Until 12 November 2015, the Statutory Auditor in office at TAP SGPS, appointed by the General Meeting on 2 June 2009 for the period 2009-2011 was the company Oliveira Reis & Associados, SROC, represented by José Vieira dos Reis as statutory auditor, registered with the Association of Chartered Certified Accounts under No. 359, and alternate Fernando Marques Oliveira, registered with the Association of Chartered Certified Accounts under No. 207, also appointed by the General Meeting of TAP SGPS of 2 June 2009.

On 12 November 2015, at the General Meeting of TAP SGPS, S.A. the Statutory Auditor appointed for the period 2015-2017 was the company Oliveira Reis & Associados, SROC, Lda., represented by José Vieira dos Reis as statutory auditor, registered with the Association of Chartered Certified Accounts under No. 359, with alternate Joaquim Oliveira de Jesus, registered with the Association of Chartered Certified Accounts under No. 1056, also appointed by the General Meeting of TAP, SGPS, S.A. on 12 November 2015.

Until 12 November 2015, the Statutory Auditor in office at TAP, S.A. appointed at the General Meeting on 2 June 2009 for the period 2009-2011 was the company Oliveira Reis & Associados, SROC, represented after 5 December 2013, by Joaquim Oliveira de Jesus, as statutory auditor registered with the Association of Chartered Certified Accounts under No. 1056, with alternate Fernando Marques Oliveira, registered with the Association of Chartered Certified Accounts under No. 207, also appointed by the General Meeting of TAP, S.A. of 2 June 2009.

On 13 November 2015, at the General Meeting of TAP, S.A., the company Oliveira Reis & Associados, SROC, Lda. was appointed as for the period 2015-2017, represented by José Vieira dos Reis, registered with the Association of Chartered Certified Accounts under No. 359, with alternate Joaquim Oliveira de Jesus, registered with the

Association of Chartered Certified Accounts under No. 1056, also appointed by the General Meeting of TAP, S.A. of 13 November 2015.

2. LEGAL LIMITATIONS

In compliance with the provisions in Decree-Law 487/99, of 16 November, as drawn up by Decree-Law 224/2008, of 20 November, and under the terms of number 2 of article 54 of the latter, for entities of public interest (pursuant to subparagraph I) of article 2 of Decree-Law 225/2008, of 20 November), the maximum period for performance of audit duties by the partner responsible for the direction or direct implementation of the legal review of accounts is seven years, counted as of his appointment, where he may be newly appointed after a minimum period of two years.

TAP, SGPS, S.A.

Mandate (Start - End)	Position	Name	Legal Appointment of the Current Term of Office	Number of Mandates held in the Company
2009-2011 ^(*)	Certified Accountant	Oliveira, Reis & Associados, represented by José Vieira dos Reis	General Meeting of 2.jun.2009	2
2015-2017	Certified Accountant	Oliveira, Reis & Associados, represented by José Vieira dos Reis	General Meeting of 12.nov.2015	3

Mandate (Start - End)	Position	Name	Annual Remuneration	
			Fixed ^{(1) (3)}	Gross Paid ^{(2) (3)}
2009-2011 ^(*)	Certified Accountant	Oliveira, Reis & Associados, represented by José Vieira dos Reis	13.800,00 €	12.788,00 €
2015-2017	Certified Accountant	Oliveira, Reis & Associados, represented by José Vieira dos Reis		

Caption: (*) see number 4 of article 391 of the Companies Code; (1) value set, before remuneration cuts; (2) Includes salary reduction pursuant to the law, applied from January to November 2015; (3) Includes VAT at the legal rate in force

TAP, S.A.

Mandate (Início - Fim)	Position	Name	Legal Appointment of the Current Term of Office	Number of Mandates held in the Company
2009-2011 ^(*)	Certified Accountant	Oliveira, Reis & Associados, represented by Joaquim Oliveira de Jesus (as of 5.dec.2013)	General Meeting of 2.jun.2009	2
2015-2017	Certified Accountant	Oliveira, Reis & Associados, represented by José Vieira dos Reis	General Meeting of 13.nov.2015	3

Mandate (Start - End)	Position	Name	Annual Remuneration	
			Fixed ^{(1) (3)}	Gross Paid ^{(2) (3)}
2009-2011 ^(*)	Certified Accountant	Oliveira, Reis & Associados, represented by Joaquim Oliveira de Jesus (as of 5.dec.2013)	32.100,00 €	29.746,00 €
2015-2017	Certified Accountant	Oliveira, Reis & Associados, represented by José Vieira dos Reis		

Caption: (*) see number 4 of article 391 of the Companies Code; (1) value set, before remuneration cuts; (2) Includes salary reduction pursuant to the law, applied from January to November 2015; (3) Includes VAT at the legal rate in force

E. EXTERNAL AUDITOR

1. IDENTIFICATION OF THE EXTERNAL AUDITOR AND ITS REPRESENTATIVE ROC MEMBER

External auditor – PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., registered in the list of audit firms (SCROC) under number 183 and at the Portuguese Security Market Commission (CMVM) under number 20161485, has performed duties for the TAP Group since 2008, represented by José Pereira Alves since 2011.

2. POLICY AND FREQUENCY OF ROTATION OF THE EXTERNAL AUDITOR AND RESPECTIVE ROC MEMBER

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., registered in the list of audit firms (SCROC) under number 183 and at the Portuguese Security Market Commission (CMVM) under number 20161485, has performed duties for the TAP Group since 2008, having been represented by Ricardo Filipe de Frias Pinheiro, (ROC) until 2010, and by José Pereira Alves (ROC) since 2011.

3. ANNUAL REMUNERATION

Remuneration paid to the External Auditor (includes individual and consolidated accounts)		
Value of the Audit services	11,220 €	100.0%
Value of the tax advisory services	0 €	0.0%
Value of services other than review of accounts	0 €	0.0%
Total paid by the company to the External Auditor	11,220 €	100.0%
By entities of the Group (TAP, S.A.)		
Value of the Audit services	70,430 €	100.0%
Value of the tax advisory services	0 €	0.0%
Value of services other than review of accounts	0 €	0.0%
Total paid by the company to the External Auditor	70,430 €	100.0%

Note: Value of the fees involved received for the work and percentage of total fees invoiced by the Company to the External Auditor.

V. INTERNAL ORGANISATION

A. STATUTES AND COMMUNICATIONS

1. AMENDMENT OF THE COMPANY'S STATUTES

The General Meeting is responsible for deliberating on any amendments to the Statutes, see respectively, subparagraph c) of number 2 of article 10 of the Statutes of TAP SGPS and subparagraph c) of article 11 of the Statutes of TAP, S.A..

2. COMMUNICATION OF IRREGULARITIES

Within the Safety Management System Data Collation Tool (SMS DCT), with the addition of the Training Safety Report (TSR) in 2015, the implementation of the Operator's Self Reporting system was completed, which enables the communication of irregularities by filling in customised/available forms to the respective areas, namely:

- VHR (Voluntary Hazard Report) – all employees;
- HFCRS (Human Factors Confidential Reporting System) – operational employees;
- ASR (Air Safety Report) – PNT (Fight Deck Crew);
- CSR (Cabin Safety Report) – PNC (Flight Attendants);
- DSR (Dispatch Safety Report) – OOVs (Flight Operation Officials);
- G&CSR (Ground and Cargo Safety Report) – employees of DAS (Airport Services Direction);
- TSR (Training Safety Report) – employees and trainees of ATO (Approved Training Organization).

Also important is the form called OSR (Operational Security Report), available to all employees through the company intranet.

Through this system, all employees have the opportunity to report situations to which they have direct or indirectly access with potential impact on Safety and Security (hazards, deviations, irregularities, errors or omissions) and monitor the follow-up of corrective measures. The implementation of these reporting channels, based on a non-punitive disciplinary policy that guarantees the confidentiality of the reporter, creates the confidence necessary so that all of the organisation's employees have the means and are motivated to report the issues deemed to affect the company's security (both in terms of safety and security), contributing to the continuous monitoring/evaluation of the operational hazards and respective contributing factors, with a view to reducing operational risk and consequent increase in security levels.

The following are further means of communication of irregularities occurring in the company:

- Reporting to the direct superior;
- Reporting to the person responsible for the respective area;
- Reporting to Internal Audit;
- Reporting to the Executive Board of Directors and to the Audit Committee (General Supervisory Board). This body (see number 1 w) of article 23 of the Statutes of TAP SGPS) receives, reports of irregularities submitted by shareholders, company employees or others until 12 November 2015. As from 12 November 2015, reports to the Executive Committee directly to the CEO.

3. ANTI-FRAUD POLICIES

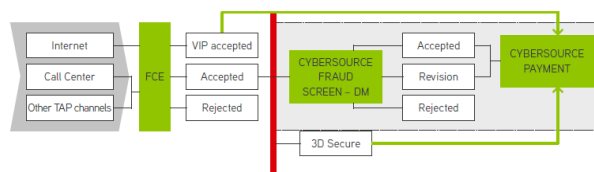
The TAP Group has progressively implemented and developed a risk management model focused on prevention and based on the following *Three Lines of Defence*: (1) management control and the operational manager; (2) the different supervision and control functions; (3) assessment and monitoring developed by the Internal Audit area. Each of these three lines plays a specific role within the greater structure of the organisation's management, as recommended by international best practices and the IIA (Institute of Internal Auditors).

The Code of Ethics, as a statement of the principles, ideals and charter of intentions, is embodied in a document where the Company establishes objectives concerning ethics and conduct in business with its stakeholders, i.e., with its suppliers, workers and/or customers, financial institutions, the local community and national economy, among others. The following should also be noted: the System of Incompatibilities of the TAP Group and the Maintenance and Engineering Regulations for the Sale of Scrap – *Normas Técnicas de Manutenção* (NTM 08-23 of 15 March 2012).

The Manual of Good Business Conduct and the Compliance Manual were implemented in the TAP Group in 2015 and have strengthened existing policies conducive to the existence of good business practices.

The Manual of Good Business Conduct establishes principles and rules of conduct that are an integral part of good management of the Company (TAP Group) and translates the values of ethics and integrity that must be reflected in all the resulting actions and interactions of TAP's business activity. The Global Compliance Manual clarifies and aligns all of the organisation's processes in order to ensure compliance with rules and procedures, integrating best practices in the culture of the Company, based on a responsible and conscious attitude of all of the organisation's stakeholders.

Concerning Action Plans to prevent external fraud, since 2007 TAP has a fraud prevention system (FCE – Fraud Control Engine), composed of a broad range of risk indicators which enable the Company to filter, in a sequential process, the information supplied by the acquiring passenger (see flowchart described in the figure) and rigorously validate the data



provided by this passenger to the Company regarding the payment of airline tickets through the website www.flytap.com and Contact Centre via telephone. This system thus enables maintaining the integrity of the payment, with a view to safeguarding the interests of TAP and its customers.

B. INTERNAL CONTROL AND RISK MANAGEMENT

1. INTERNAL CONTROL SYSTEM (SCI)

In TAP Group, the internal control and risk management process has been duly supervised by management and coordinated with the activities of Internal Audit. In terms of best practices, the company has implemented an operating risk management and control system that permits anticipating and minimising the risks inherent to the activity carried out. The transversal risk monitoring and analysis process is currently under development.

With the objective of an effective management of risk, it is crucial to align the exposure to risk within the organisation and the perception of risks to which the Company is exposed. For this reason, the definition of the exposure to risk of the organisation and the approval of a risk policy by senior management are critical factors for the successful implementation of the risk management process.

The clarification of the roles and responsibilities of each function involved in the risk management process is essential to ensure that the process is effective. The Board of Directors of the Company has been defining the guidelines for the establishment of the Company's risk profile, approving and deciding on the implementation of risk management policies and high level controls to be observed.

Internal Audit of TAP Group is organised according to the 3 Lines of Defence model: Operating Management; Risk Management and Compliance Functions; Internal Audit.

The 1st and 2nd Lines of Defence are responsible for internal risk control, according to the rules and procedures defined internally and/or legislation and regulations of the external environment.

The purpose of the 3rd Line of Defence is to identify potential deficiencies/improvement opportunities in implemented controls and issue recommendations with a view to their correction/improvement of processes, thus assisting the Board of Directors in the definition, review, monitoring and constant improvement of the Internal Control System.

The Risk Management and Compliance process ensures the comprehension of the nature and materiality of overall risks, and the Compliance plan ensures the fulfilment of the obligations and duties that the Company is subject to, namely conformity to the laws, regulations, professional rules, and applicable codes of ethics and conduct.

2. RESPONSIBILITY FOR THE INTERNAL AUDIT AND INTERNAL CONTROL SYSTEM

In TAP Group, the Internal Audit has been active in perceiving and recommending actions in line with the organisation's policy and initiatives and the identified and related risks. The Audit Activities Plan stems from a vertical assessment of risks, based on the contributions of different interlocutors, from heads of Group companies to managers of Business Units and members of the Board of Directors, seeking to remain aligned with stakeholders' expectations.

The Internal Audit contributes, in a coordinated manner, to the risk management efforts, using the outputs of the 2nd line of defence, providing ideas for the general risk management process and directing its audit process and procedure efforts to the areas with the highest risk levels, thus contributing through its actions to the mitigation of those risks.

The communications and meetings with stakeholders and the functional dependence of the Audit Commission play an important role in the alignment of the procedures of Internal Audit and the relevance of their actions in areas of risk and of more significant importance for the core business of the Group.

With the objective of emphasising the most relevant conclusions for senior management, the Internal Audit reports contain concise executive summaries, related to the corresponding business risks, identifying topics and trends common to the whole organisation in order to permit the mitigation of the risk of the identified non-conformities.

3. MAIN MEASURES ADOPTED IN RISK POLICY

In TAP Group the importance given to risk management is increasingly important. The constant dialogue between stakeholders and audit is essential to guarantee the alignment and articulation of the internal audit activities.

The Internal Audit of TAP Group uses the information provided by the first and second line of defence, conducting risk assessments and monitoring. The process requires commitment and dedication to cover the shortcomings related to the viewpoints of stakeholders and obtain alignment, but the result is an audit plan that directs resources to the areas of greatest risk and highest return for the organisation.

In the 2nd half of 2015, was initiated the process of implementing the Corporate Risk Management (CRM). This process applies to all companies of the TAP Group involved in the operation and maintenance of air transport activity. The Internal Audit Direction was given responsibility for the monitoring, control and centralised report of the CRM, which will carry out the processing and monitoring of the company's Corporate Risk Management in a coordinated and structured manner, in accordance with the Corporate Risk Management Manual, using the COSO evaluation model and the FERMA analytical tool.

The CRM, which embodies one of the pillars of the three lines of defence model, together with the area managers and the Internal Audit area, articulate and complement each other in order to identify, analyse and mitigate the risks encountered, by developing a policy to prevent said risks.

Through the CRM, an interesting dynamic was developed within the TAP Group, where each area ceased to be exclusively focused on their own processes and on the respective associated risks, preferring instead an overview across the board of risks that interact directly. In this joint and articulated endeavour, extensive to different areas, business units and companies of the Group, a process was developed with the aim of managing these risks, mitigating and minimising their interaction with the different areas.

4. RELATIONS OF HIERARCHICAL AND/OR FUNCTIONAL DEPENDENCE

Model of Three Lines of Defence

1st Line of Defence: Operational Management

2nd Line of Defence: Risk Management and Compliance Functions

3rd Line of Defence: Internal Audit



Adaptation of Guidance on the 8th EU Company Law Directive of ECIA/FERMA, article 41

5. OTHER FUNCTIONAL AREAS WITH COMPETENCE IN RISK CONTROL

The conceptual model used at the Company of *Three Lines of Defence*, assures successive controls and has capacity for direct interaction with the operation (1st line) and the management bodies (2nd and 3rd lines).

1 st Line of Defence	2 nd Line of Defence	3 rd Line of Defence
Head of Risk Management	Risk Control and Compliance	Risk Assessment
<ul style="list-style-type: none"> operational management 	<ul style="list-style-type: none"> limited independence reports primarily to the management 	<ul style="list-style-type: none"> internal auditing reports to the management body and to the General and Supervisory Board until 12 November. As from 12 November, it reports to the Executive Committee, directly to the CEO independence of action

6. PRINCIPAL TYPES OF RISKS

Type of Risk

External Risks – Event that occurs due to external factors; the Company does not have any type of control and has to adapt to the new realities.

Internal Risks – Risk that is based on internal factors with which the company can interact in order to define a mitigation, acceptance, transfer or refusal strategy.



INTERNAL RISKS						EXTERNAL RISKS	
ORGANISATIONAL	SUBSIDIARY PROCESSES	ISOLATED	CONTRACTUAL	FINANCIAL	OPERATIONAL	EXTERNAL	MARKET
<ul style="list-style-type: none"> Human Resources Suppliers Customers Organisation Commercial Own brands Products Security Marketing Facilities 	<ul style="list-style-type: none"> IT Infrastructures Certifications Technical Factors Security Indemnities Mergers/acquisitions 	<ul style="list-style-type: none"> Projects Subsidiaries Institutional Commitments Internal Control Social Responsibilities Fraud Corruption 	<ul style="list-style-type: none"> Buying Commitments Payment Guarantees Fraud Corruption 	<ul style="list-style-type: none"> Financial Assets Liquidity Interest Rates Exchange Rates Fuel Price Mergers/acquisitions Indemnities Treasury 	<ul style="list-style-type: none"> Operational Risk Maintenance and Engineering Risk IT risk Fires and Prevention Health and Safety at Work 	<ul style="list-style-type: none"> Economic Environment Social Environment Interest Rates Exchange Rates Taxes Catastrophes Political Partnerships Epidemics 	<ul style="list-style-type: none"> Attractiveness of the Market Developments in the Sector Competition Distribution Commercial Organisation New Products New Technologies Legal Requirements
Risks in the Company's organisation (people and services) and in the interactions between the Company and suppliers/customers	Risks found in the processes/ activities supporting the Company's activity	Events that do not have a frequent routine in the Company's activity	Existing risks with the commitment between the Company and suppliers/ customers and existing mitigations	Systems and actions to monitor and control economic and financial risks; monitoring of economic and geopolitical developments, namely in countries with high social and political instability, and internal auditing procedures, contracting and transactions	Risk of financial losses or negative impacts on the business and/or on the organisation's image/reputation, caused by faults or failures in governance and business processes, in people, in the systems or resulting from external events that may be triggered by countless events	Risks related to the economic, environmental and social environments that are not directly related to the Company's activity	All events that may be translated as a risk to the Company's activity and that are directly related to its activity

Risks of economic and financial nature

Systems and actions of monitoring and control of economic and financial risk, follow-up of economic and geopolitical development, particularly in countries showing high social and political instability, and internal audit of procedures, contracting and transactions.

Operational risk (Security | Safety)

Model of action whereby the possibility of damage to people and assets is minimised or eliminated, through a continuous process of identification of situations of potential danger and management of the respective associated risk.

Information technology risk

Systems used by organisations to identify weaknesses and threats.

Fire risk–prevention

Risk management system for fire, explosion and spillage of chemical products. The system includes the Internal Safety Plans, the Training of Employees, the Manuals for Protection against Explosive Atmospheres (ATEX Manuals), the Emergency Drill Exercises (fire, spillage of chemical products and earthquake) for the training of Employees and Emergency Support Teams (Safety, Surveillance and Fire Brigade Station), and an Internal Audit Plan.

Maintenance and Engineering risk

At TAP–Maintenance and Engineering, risk management is inherent and integrated in the responsibilities defined in the context of the aeronautical certifications and accreditations held [EASA Parte 145 (Maintenance Organisations); EASA Part M (Continued Aeronavigability); NP EN ISO 9001:2008 (Quality Management Systems), among others] which are compulsory to guarantee the continuity of its activity.

Occupational health and safety risk

Risk management system supported by the identification, assessment and control of professional risks, with repercussions on health and safety, aimed at improving health and the quality of life of individuals and of society, fostering productivity, through the involvement of the entire Company in a Risk Prevention Culture.

7. PROCESS OF IDENTIFICATION, ASSESSMENT, MONITORING, CONTROL, MANAGEMENT AND MITIGATION OF RISKS

Model used at the Company – *Three Lines of Defence*

1st Line of Defence: Operational Management – Operational management is responsible in the Group for maintaining effective internal control operational and for conducting risk mitigation procedures and their efficient management. Operational management identifies, assesses, controls and mitigates risks, directing the development, implementation of internal policies and procedures and assuring that the activities are in accordance with the goals and objectives defined for the Company and respective organic units. Operational management serves as the first line of defence, since the controls, developed as systems and processes under its direct guidance, should assure compliance with the regulations and prevent inappropriate and unexpected events.

2nd Line of Defence: Risk Management and Compliance Functions – The management establishes various risk management and compliance functions, in order to develop and/or monitor the controls of the first line of defence. In the capacity of management functions, it is able to intervene directly, in order to modify and develop the internal control and risk management systems. The responsibilities of these functions vary regarding their specific nature, seeking, namely, to:

- Support the management policies, define roles and responsibilities and establish goals for implementation;
- Provide risk management structures;
- Identify current and emerging issues;
- Identify changes to the implicit risk of the organisation;
- Assist the management to develop processes and controls to administer risks;
- Provide guidelines and training on risk management processes;
- Facilitate and monitor the implementation of effective risk management practices by the operational management;
- Advise the operational management of emerging issues and changes in the regulatory and risk environment;
- Monitor the adequacy and efficacy of the internal control, reporting accuracy and integrity, compliance with laws and regulations and the timely resolution of any failings.

3rd Line of Defence: Internal Audit – Internal Audit, in its action until November 12 with the management and supervisory bodies (General and Supervisory Board and Specialised Audit Commission), and from November 12 with the Executive Committee, directly to the CEO, conveys the results arising from the monitoring of the installed controls and their effectiveness, risk management processes and internal control environment. The scope of this monitoring and follow-up is entirely transversal across the Company, covering all business units, associate companies, operation units and different functions. This analysis includes the different business processes such as

sales, production, marketing, functions directed at the customer and operations, as well as support functions – accounting of revenue and expenses, human resources, procurement, payroll, budgets, management of infrastructure and assets, inventories and information technology, among others.

8. ELEMENTS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IMPLEMENTED IN THE COMPANY

The main elements of the Company's internal control system are at a first stage based on automatic procedures developed by the different areas, followed up, monitored and audited by the Internal Audit area, covering:

Management of audit actions

Planning

The planning of audit actions is based on the definition of an audit strategy, considering:

- Definition of the objectives and scope of the audit action;
- Collection of information;
- Consultation of the risk management process in force or, when non-existent, identification and assessment of the risks inherent to the processes to be audited;
- Preparation of the specific work programmes of the audit action;
- Definition of the format of the final report.

The documentation of the audit action plan establishes the objectives of the audit and the scope of the work.

There are essentially two types of audit objectives: (1) Audit of compliance (internal control, contracts, processes, among others); (2) Audit of the financial statements/data.

According to the intended objective to be achieved, a suitable work programme is established, adjusting the nature and extent of the tests (control or substantive) to be carried out.

The scope of the audit consists of the identification of the process(es) or financial statements/data to be audited, as well as the period under review.

The information is then collected where the Internal Audit compiles, confirms and extends all the knowledge to the Organisation and Sector, in its various aspects, namely, through studying the appropriate documentation and assessing the quality of the information, accounting and internal control systems in force. Baseline information on the activities to be audited should be collected and analysed in order to verify potential impacts in the audit, where this information covers the following aspects:

- Policies, plans, procedures, laws, regulations and contracts which could have a relevant impact on operations and reports;
- Organisational information, namely the organisational chart with the names of employees and senior staff, description of duties/tasks and process flowchart;
- Minutes of the Board of Directors;
- Details on recent modifications in the Organisation, including changes to systems;
- Budget information, net operating income and financial data of the activity to be audited;
- Working papers of previous and third party audits, namely Official Review of Accounts, Court of Auditors and Finance Inspection, among others;
- Results of other audits that have already been conducted;
- Correspondence files for verification of potentially relevant audit facts;
- Preparation of the specific assessment check-list of the internal control;
- Assessment of key points of control installed in the different processes and their efficacy.

C. REGULATIONS AND CODES

1. APPLICABLE INTERNAL REGULATIONS AND EXTERNAL REGULATIONS

Company internal regulations

The Company continues to apply and update all the Internal Regulations, in order to maintain the Best practice parameters, in accordance with the Codes of Ethics. The highlights of major importance are the following:

- *The Code of Ethics* – As a statement of the principles, ideals and charter of intentions, the Code of Ethics is a document where the Company establishes objectives of an ethical and behavioural character for business with its stakeholders, that is, with its suppliers, workers and/or customers, financial institutions, the local community and national economy, amongst others. This Code contains a statement of objectives – the mission of the Company –, the fundamental ethical principles and the implementation of this mission and these objectives in specific areas of particular interest, seeking to safeguard the principles of transparency and independence in the businesses on the part of the different participants in these businesses;
- *Manual of Procurement and Sales* – The procurement areas, as the services responsible for the provisioning process, must endeavour to ensure compliance with the applicable legislation and directives in force at TAP, in their respective areas of intervention. The regulation establishes the delegation of duties, so as to ensure the implementation of the different responsibilities in the procurement areas within the Company;
- *The Financial Directives (Head Office and Representations)* – The Company has produced internal regulations for the purpose of guaranteeing effective internal control in the context of the action of the financial function, as well as regarding the action and delegation of duties in this area;
- *The Contracting Regulation* – Through the establishment of Exchange Agreements, the Company has composed a Regulation for the establishment of contracts by which the parties undertake to exchange services between one another. All services which are tradable may be exchanged, with situations of goods of different utility and/or value being assessed through criteria;
- *The Plan Anti-Corruption and Related Offences* – Especially highlighting the Regulation of Incompatibilities and Conflicts of Interest;
- *The Security Manual* – In order to assure high safety and security standards in its operation and follow the best practices and procedures of the Industry, the Company ensures the permanent monitoring and ongoing review of its Security Manual, which defines the standards, rules and procedures on security issues so as to guarantee the application of national and international standards. This Manual is approved by the National Civil Aviation Institute for application on national territory and all destinations operated by the Company;
- *Corporate Risk Management Manual* – The CRM is aimed at processing and monitoring the Company's Corporate Risk Management in a coordinated and structured manner, in accordance with that stipulated in the Corporate Risk Management Manual;
- *Compliance Manual* – The purpose of this manual is to convey the principles, concepts and rules that simultaneously make it possible to manage the compliance risk as well as to grasp and disseminate a compliance culture in TAPs' day-to-day business;
- *Manual of Good Business Conduct* – This manual establishes principles and rules of conduct that are an integral part of the good management of the Company (TAP Group) and translates the values of ethics and integrity that must be reflected in all of the actions and interactions resulting from TAP's business activity.

Internal Auditing, as an activity subject to the international rules governing the profession, complies with the standards of the IIA (Institute of Internal Auditors), regarding recommended Attribution Standards:

- Standard 1000 – Purpose, Authority and Responsibility
- Standard 1100 – Independence and Objectivity
- Standard 1200 – Proficiency and Professional Dedication
- Standard 1300 – Quality Guarantee and Improvement Programmes

Likewise, in coordination with IPAI (Instituto Português de Auditores Internos), promotes the benchmarking of the best practices of the profession, and stimulates the training and updating of the knowledge of its professionals.

It should be noted that after the signing of the final contract on 12 November 2015 changes may be made to the rules resulting from the change in the shareholder composition of the TAP Group.

External regulations

From the viewpoint of external regulations, the Company's activity is developed within a framework defined by regulatory entities empowered to ensure compliance with the rules, sanction anti-competitive practices and offenses and correct certain behaviour. Its functions are performed by entities that are independent of Governments or, at least, with some degree of freedom in relation to the administration on which it directly or indirectly depends. The following entities regulate Markets and Commercial Relations in the Commercial Civil Aviation Sector:

- Competition Authority – Its main mission is to ensure compliance with the legislation defending competition, encourage the adoption of practices promoting competition and contribute to the dissemination of a competition culture and policy (Ministry of Economics);
- European Commission (EC) – As the primary executive institution of the EU, the EC is empowered to propose legislation and ensures that EU policies are adequately applied;
- EASA (European Aviation Safety Agency) – Its mission consists of promoting the highest common rules on safety and environmental protection in the civil aviation sector;
- ECAC (European Civil Aviation Conference) – An intergovernmental organisation, whose mission is the promotion of sustained, safe and efficient development of the European air transport system. This entity operates in close coordination with ICAO and actively cooperates with other institutions of the European Union;
- ICAO (International Civil Aviation Organization) – This is a specialised institution of the United Nations, with the objective of promoting international cooperation in civil aviation;
- ANAC (Autoridade Nacional da Aviação Civil) – Its mission is to license, certify, authorize and approve the activities and procedures, entities, personnel, aircraft, infrastructure, equipment, systems and other affections means to civil aviation;
- Other Civil Aviation National Authorities (community and of third countries) – Their mission, as is the case of the Portuguese aeronautical authority, is to regulate and supervise the civil aviation sector.

2. CODE OF ETHICS

The Company ensures that its conduct complies with its Code of Ethics and is committed to the culture of values upheld by this code. The Code of Ethics is present in all the internal regulations and instruments regulating its external relations with customers, suppliers and other legitimate stakeholders, in order to assure that equitable treatment and transparency are safeguarded in all processes. Its updating and adaptation to new requirements and practices assume the constant review of the principles inscribed in the Code of Ethics. Hence, since this is a dynamic process, the text of the TAP Group's Code of Ethics was adjusted to a very significant reality, in terms of internal and external relations, represented by the use of the Internet and social networks by the Group's employees. A new Chapter (Chapter IV) was thus included in the Code of Ethics, which defines the general principles for the correct use of these resources, ensuring accountability and, simultaneously, stimulating their potential growth, in a responsible and rigorous fashion. Furthermore, in compliance with the principles laid down in the Code of Ethics, note should be made of the Company's support and encouragement, among its employees and the Community in general, of social and environmental values, the reconciliation of family and work, transparency and respect for the rules governing good commercial conduct, as well as relations with shareholders and stakeholders.

The Procurement and Sales Manual was revised and updated according to the new external regulatory requirements and internal organisation. The adoption of best practices was thus continued, through the transparency and standardisation of criteria, through the efficiency and rationalisation of resources, respecting in every phase of the processes the compliance with strict ethical and professional criteria, seeking to establish a solid relationship of confidence with the external agents and the promotion of the identity of TAP.

The Code of Ethics is available for viewing at TAP's official website www.flytap.com and on the Company's intranet, being, in this way, widely disclosed to the public, employees, customers and suppliers.

3. PREVENTION OF INTERNAL AND EXTERNAL FRAUDS

The Company remains concerned with the actions of its employees, regulating what it considers to be appropriate practices and disclosing said practices. A Code of Ethics is available on the Company's intranet site. Within the scope of its Audit Plan, the Internal Audit verifies compliance with the applicable internal and external regulations and rules. The regulations set out, which play a key role in daily operations, represent a reference in the undertaking of Conformity Audits, such as procedures to prevent the practice of non-conforming actions and/or frauds. Whenever these practices are detected, the procedures defined by senior management are followed, with the initiation of investigatory procedures and possible disciplinary proceedings. If applicable, the Competent Bodies –

Audit Commission until 12 November 2015, and Board of Directors – determine whether or not said practices are to be communicated to the competent external investigatory bodies.

In 2015, and in order to prevent and avoid the violation of the rules and shift behaviors that entail negative consequences for the Company and for society, it was created in TAP Group, the Compliance division, part of the TAP Group Audit Area. In order to strengthen the management, monitoring and evaluation of compliance risk the Company elaborated the Manual of Compliance Manual, reinforcing the areas to be monitored preferably on this aspect, in the various audits carried out throughout the year and members of the Annual Audit Plan.

Following the publication of the Manual of Good Corporate Conduct, which establishes principles and rules of conduct that are an integral part of good management of the Company (TAP Group) and translate the values of ethics and integrity that must be reflected in all actions and interactions resulting from the business activity of TAP, the Company has developed a collection and compilation of national and international law applicable to the subject of Compliance, culminating in the internal dissemination of the Global Manual of Compliance, which clarifies and want to align all processes of the organization, to ensure compliance with rules and procedures, integrating the Company's culture, anti-corruption practices and ethics, based on a responsible and conscious attitude of all stakeholders of the organization.

The Manual of Good Business Conduct has come to define, establish and implement the guiding principles of conduct and performance of the employees of TAP Group companies, fostering a culture of integrity, transparency, and equal opportunities, promoting an ethical and responsible trade policy, and a culture of rigor, ensuring compliance with laws, regulations, standards and guidelines applicable to its activities in all countries where it operates, and to ensure the clarification and harmonization of benchmarks in the exercise of the activity, aiding decision making face ethical dilemmas, promoting the development of best practices of corporate governance and ethical conduct.

D. SPECIAL INFORMATION DUTIES

Law number 91/2001 – Budgetary Framework Law, defines the universe of entities included in the State Budget.

As of 2015, under the European System of National and Regional Accounts, TAP SGPS is considered a Reclassified Public Entity and is included in the last sectorial accounts published by the national statistics authority (INE).

The Reclassified Public Entities are treated as Autonomous Funds and Services, according to the Budgetary Framework Law, being included in the universe of the State Budget, in the competent Ministry.

This integration has consequences, particularly in terms of budget preparation and reporting obligations to the Directorate-General of the Budget (*Direção Geral do Orçamento* - DGO). These reporting obligations of TAP SGPS began in 2014 for information relative to subsequent years, in accordance with Circular No. 1376 (Instructions for preparing the State budget for 2015) published in the DGO website (www.dgo.pt).

In 2015, the special information duties of TAP SGPS, as an entity belonging to the perimeter of the Public Administration, are those set out in Circular 1377 of the DGO (Complementary Instructions to the Decree-Law of budget implementation for 2015). These duties ceased on 12 November 2015, date on which the privatization of TAP SGPS was concluded, through the sale of shares representing 61% of the respective share capital.

E. WEBSITE

The following information is available on the TAP Group's website www.flytap.com:

- a) Head office and other elements mentioned in article 171 of the Companies Code (<http://www.tapportugal.com/Info/en/about-tap/our-company/institutional-information>);
- b) Statutes (<http://www.tapportugal.com/Info/en/about-tap/our-company/institutional-information>);
- c) Identification of the members of the governing bodies (<http://www.tapportugal.com/Info/en/about-tap/our-company/institutional-information>);
- d) Documents presenting the annual accounts relating to the last five years (<http://www.tapportugal.com/Info/en/about-tap/tap-group/annual-reports>);
- e) Public service obligations that the company is subject to and the contractual terms of the public service provision (<http://www.tapportugal.com/Info/en/about-tap/tap-group/annual-reports>);
- f) Underlying financing model and the financial support received from the State over the last three financial years (<http://www.tapportugal.com/Info/en/about-tap/tap-group/annual-reports>).

F. PUBLIC SERVICE OR GENERAL INTEREST SERVICE PROVISION

1. CONTRACT CELEBRATED WITH THE PUBLIC ENTITY

The provision by TAP of public service obligations legally established by the State and reflected in Commission Communication 2010/C 283/06, is formalised through the presentation – by TAP to INAC (*Instituto Nacional de Aviação Civil*, I. P.) – of a proposal containing the annual operating programme of the routes in conformity with the established obligations, and approval of the mentioned proposal by INAC. The operating costs arising from the provision of the mentioned public service obligations by TAP are compensated through the provision of compensatory allowances whose appropriations are included in the State Budget for the year under consideration.

2. PROPOSALS FOR THE CONTRACTING OF PUBLIC SERVICE PROVISION

The provision by TAP as an operator of services offered within the public service obligations legally established by the Portuguese Government, reflected in Commission Communication 2010/C 283/06, ceased on 28 March 2015.

VI. REMUNERATIONS

This chapter applies only to Governing Bodies in office until 12 November 2015.

A. COMPETENCE FOR DETERMINATION

1. COMPETENT BODY TO SET REMUNERATION

The remunerations of the Governing Bodies of TAP are set by the General Meeting (see article 11 of the Statutes of TAP, SGPS, in effect until 12 November 2015).

The members of the Executive Board of Directors and the General and Supervisory Board are remunerated exclusively for positions held at TAP, S.A., and do not earn any remuneration for positions held at TAP, SGPS or at any other TAP Group company.

The remunerations earned were established for the three-year period 2006-2008, in Minutes number 1/2007 of the Remunerations Commission of TAP, S.A.. The single shareholder Parpública issued a Unanimous Shareholder Decision in Writing on 29 July 2009, which determined that "(...) for the three year period 2006-2011 there shall be no alteration of the remunerative status (...)".

The defined remuneration status was affected by reductions arising from the application of Law number 12-A/2010 of 30 June and Law 75/2014 of 12 September.

2. PREVENTION OF THE EXISTENCE OF CONFLICTS OF INTEREST

The members of the Governing Bodies are committed to the principles defined in the Statutes (articles 9 and 10) of TAP, SGPS, in the Code of Ethics and in Procurement and Sales Manual of the TAP Group, thus pursuing values of independence, equitable treatment and transparency. The instruments referred to above assure the values established in the Public Manager Statute, namely in articles 36 and 37 of Decree-Law 71/2007 of 27 March, as drawn up by Decree-Law 8/2012 of 18 January. The existence of a dual corporate governance model, where the members of the General and Supervisory Board are independent members, under the terms of article 9 of the company's Statutes, also contributes to preventing the existence of conflicts of interest. This Body is also entrusted (stipulated in article 23 of the Statutes) with competence regarding the duties of surveillance, monitoring and supervision, in compliance with the law and memorandum of association.

B. STRUCTURE OF REMUNERATIONS

As indicated in point VI. A. above, the remunerative status and the remunerations earned by the members of the governing bodies of TAP were established for the three-year period 2006-2008, in Minutes number 1/2007 of the Remunerations Commission of TAP, S.A., with the single shareholder Parpública having issued a Unanimous Shareholder Decision in Writing on 29 July 2009, which determined that "(...) for the three year period 2006-2011 there shall be no alteration of the remunerative status (...)".

Thus, the remuneration status applicable to TAP's Governing Bodies during 2015, to which the amendments of Law number 12-A/2010 of 30 June, Law 83-C/2013 of 31 December and Law 75/2014 of 12 September were enforced, is disclosed in point VI. C. of this Report.

C. DISCLOSURE OF REMUNERATIONS

Remuneration of the Governing Bodies of TAP in office until 12 November 2015

Board of the General Meeting

Mandate (Start - End)	Position	Name	Annual Remuneration	
			Fixed ⁽¹⁾	Gross ⁽²⁾
2009-2011 ^(*)	Chairman	Paulo Manuel Marques Fernandes	640 €	1,280 €
	Vice-Chairman	António Lorena de Sêves	400 €	800 €
	Secretary	Orlanda do Céu Silva Sampaio Pimenta d'Aguair	330 €	660 €

Caption: (*) See number 4 of article 391 of the Companies Code; (1) Established value of the attendance voucher; (2) Value corresponds to a General Meeting at TAP SGPS and a General Meeting at TAP, S.A.

General and Supervisory Board

Mandate (Start - End)	Position	Name	Appointment	
			Doc.	Date
2009-2011 ^(*)	Chairman	Manuel Pinto Barbosa	General Meeting	02.Jun.2009
	Member of GSB	Carlos Veiga Anjos	General Meeting	02.Jun.2009
	Member of GSB	João Borges de Assunção	General Meeting	02.Jun.2009
	Member of GSB	Luís Patrão	General Meeting	02.Jun.2009
	Member of GSB	Maria do Rosário Vítor	General Meeting	02.Jun.2009
	Member of GSB	Rui Azevedo Silva	General Meeting	02.Jun.2009
	Member of GSB	Vítor Cabrita Neto	General Meeting	02.Jun.2009

Caption: (*) See number 4 of article 391 of the Companies Code

Name	Remuneration (until 12.Nov.2015)					
	Variable	Fixed ^(*)	Other	Reduction Law 12-A/2010	Reduction Law 75/2014	Gross after Reductions
Manuel Pinto Barbosa	n.a.	116,235.61 €	–	4,950.00 €	8,959.36 €	102,326.25 €
Carlos Veiga Anjos	n.a.	90,405.47 €	–	3,850.00 €	6,968.39 €	79,587.08 €
João Borges de Assunção	n.a.	90,405.47 €	–	3,850.00 €	6,968.39 €	79,587.08 €
Luís Patrão	n.a.	90,405.47 €	–	3,850.00 €	6,968.39 €	79,587.08 €
Maria do Rosário Vítor	n.a.	90,405.47 €	–	3,850.00 €	6,968.39 €	79,587.08 €
Rui Azevedo Silva	n.a.	90,405.47 €	–	3,850.00 €	6,968.39 €	79,587.08 €
Vítor Cabrita Neto	n.a.	90,405.47 €	–	3,850.00 €	6,968.39 €	79,587.08 €

Caption: (*) Only for remuneration, with there being no entitlement to representation expenses

Name	Meal Allowance	Social Benefits (until 12.Nov.2015)				
		Social Protection Scheme		Health Insurance	Life Insurance	Personal Accident Insurance
		Identify	Value			
Manuel Pinto Barbosa	n.a.	Social Security	12,161.83 €	n.a.	n.a.	n.a.
Carlos Veiga Anjos	n.a.	(*)	–	n.a.	n.a.	n.a.
João Borges de Assunção	n.a.	Social Security	9,459.19 €	n.a.	n.a.	n.a.
Luís Patrão	n.a.	Social Security	9,459.19 €	n.a.	n.a.	n.a.
Maria do Rosário Vítor	n.a.	Lawyers and Solicitors Welfare Fund		n.a.	n.a.	n.a.
Rui Azevedo Silva	n.a.	Social Security	9,459.19 €	n.a.	n.a.	n.a.
Vítor Cabrita Neto	n.a.	Social Security	9,459.19 €	n.a.	n.a.	n.a.

Caption: (*) Retired

Board of Directors

Mandate (Start - End)	Position	Name	Appointment	
			Doc.	Date
2009-2011 ^(*)	Executive Chairman	Fernando Pinto	General Meeting	02.Jun.2009
	Executive Director	Luiz Mór	General Meeting	02.Jun.2009
	Executive Director	Manoel Torres	General Meeting	02.Jun.2009
	Executive Director	Maria Teresa Lopes	Cooptation	03.Dec.2014

Caption: (*) See number 4 of article 391 of the Companies Code

Name	EGP				OPRLO	
	Fixed [Y/N]	Classification [A/B/C]	Salary Value (monthly)	Representation Expenses Value (monthly)	Identify Entity [identified/n.a.]	Payer [O/D]
Fernando Pinto	Y	Exempt ⁽¹⁾	–	–	–	–
Luiz Mór	Y	Exempt ⁽¹⁾	–	–	–	–
Manoel Torres	Y	Exempt ⁽¹⁾	–	–	–	–
Maria Teresa Lopes	Y	Exempt ⁽¹⁾	–	–	–	–

Caption: (1) Under the terms of RCM 36/2012 of 15 March 2012

Note: EGP – Public Manager Status; OPRLO – Option for Remuneration of Place of Origin; O/D: Origin/Destination

Name	Remuneration (until 12.Nov.2015)					
	Variable	Fixed ^(*)	Other	Reduction Law 12-A/2010	Reduction Law 75/2014	Gross after Reductions
Fernando Pinto	–	367,972.62 €	–	15,600.00 €	29,128.25 €	323,244.37 €
Luiz Mór	–	245,315.09 €	–	10,400.00 €	19,418.86 €	215,496.23 €
Manoel Torres	–	245,315.09 €	–	10,400.00 €	19,418.86 €	215,496.23 €
Maria Teresa Lopes	–	245,315.09 €	–	10,400.00 €	19,418.86 €	215,496.23 €

Caption: (*) Only for remuneration, with there being no entitlement to representation expenses

Name	Meal Allowance (until 12.Nov.2015)	Social Benefits				Other		
		Social Protection Scheme Identify	Value (until 12.Nov.2015)	Health Insurance (Annual)	Life Insurance (Annual)	Personal Accident Insurance (Annual)	Identify	Value (until 12.Nov.2015)
Fernando Pinto	1,067.04 €	Social Security	43,663.76 €	1,026.00 €	22,018.00 €	976.00 €	Accommodation expenses in Portugal – gross value	73,844.99 €
Luiz Mór	917.28 €	Social Security	31,830.99 €	1,026.00 €	16,577.00 €	976.00 €	Accommodation expenses in Portugal – gross value	73,844.99 €
Manoel Torres	1,057.68 €	Social Security	31,642.77 €	1,026.00 €	33,255.00 €	976.00 €	Accommodation expenses in Portugal – gross value	73,844.99 €
Maria Teresa Lopes	1,076.40 €	Social Security	23,670.61 €	1,026.00 €	6,039.00 €	976.00 €	–	–

Name	Mobile Communication Expenses			Comments
	Defined Annual Ceiling	Value (until 12.Nov.2015)		
Fernando Pinto	9,000.00 €	2,991.80 €		includes expenses related to internet
Luiz Mór	9,000.00 €	3,687.52 €		
Manoel Torres	9,000.00 €	385.83 €		
Maria Teresa Lopes	9,000.00 €	1,035.07 €		

Costs related to Vehicles									
Vehicle fleet for use by the Executive Board of Directors and general support services of the Governing Bodies	Conclusion of individual contracts for use of vehicles	Reference value of the vehicle	Mode	Starting Year	End Year	No. of Instalments	Value of the Monthly Rent ^(a)	Annual Value ^(a)	
12-ND-38	N	53,899.53 €	Renting	2012	2016	48	1,059.44 €	12,713.40 €	
88-NC-57	N	53,899.53 €	Renting	2012	2016	48	1,145.22 €	13,742.64 €	
21-EM-43	N	51,027.65 €	Acquisition	2007	n.a.	n.a.	n.a.	n.a.	
68-EJ-82	N	51,027.65 €	Acquisition	2007	n.a.	n.a.	n.a.	n.a.	

Caption: (a) Value of insurance € 98.62/month, included in the monthly instalment

Name	Defined annual Plafond for fuel of the vehicle fleet allocated to the Governing Bodies	Costs of the vehicle fleet allocated to the Governing Bodies		
		Fuel (until 12.Nov.2015)	Tolls (until 12.Nov.2015)	Annual Insurance
Fernando Pinto				
Luiz Mór				
Manoel Torres	16,000.00 €	9,845.73 €	3,513.40 €	1,183.44 € for rented vehicles (value included in the rent);
Maria Teresa Lopes				414 € for vehicles owned by TAP

Name	Costs related to Work Travel (until 12.Nov.2015)				
	Accommodation cost	Daily allowances	Other		Total travel cost (Σ)
			Identify	Value	
Fernando Pinto	4,109.13 €	6,594.10 €	Transport	620.49 €	11,323.72 €
Luiz Mór	0.00 €	1,673.40 €	Transport	61.10 €	1,734.50 €
Manoel Torres	0.00 €	0.00 €	–	0.00 €	0.00 €
Maria Teresa Lopes	185.50 €	2,486.81 €	Transport	278.69 €	2,951.00 €

Supervision and Audit

TAP, SGPS, S.A.

Mandate (Start – End)	Position	SROC identification		Appointment		Remuneration		No. of mandates held in the company
		Name	Number	Doc	Date	Fixed ^{(1) (3)}	Gross Paid ^{(2) (3)}	
2009-2011 ^(*)	Certified Accountant	Oliveira, Reis & Associados, represented by José Vieira dos Reis	359	General Meeting	2.Jun.2009			2
2015-2017	Certified Accountant	Oliveira, Reis & Associados, represented by José Vieira dos Reis	359	General Meeting	12.Nov.2015	13,800.00 €	12,788.00 €	3
2009-2011 ^(*)	Certified Accountant Alternate	Fernando Marques Oliveira	207	General Meeting	2.Jun.2009			2
2015-2017	Certified Accountant Alternate	Joaquim Oliveira de Jesus	1056	General Meeting	12.Nov.2015	-	-	1

Caption: (*) See number 4 of article 391 of the Companies Code; (1) Value set, before remuneration cuts; (2) It includes remunerative reduction, under the Law, applied from January to November 2015; (3) Subject to VAT at the legal rate in force

TAP, S.A.

Mandate (Start – End)	Position	SROC identification		Appointment		Remuneration		No. of mandates held in the company
		Name	Number	Doc	Date	Fixed ^{(1) (3)}	Gross Paid ^{(2) (3)}	
2009-2011 ^(*)	Certified Accountant	Oliveira, Reis & Associados, represented by Joaquim Oliveira de Jesus (as of 5.Dec.2013)	1056	General Meeting	2.Jun.2009			2
2015-2017	Certified Accountant	Oliveira, Reis & Associados, represented by José Vieira dos Reis	359	General Meeting	13.Nov.2015	32,100.00 €	29,746.00 €	3
2009-2011 ^(*)	Certified Accountant Alternate	Fernando Marques Oliveira	207	General Meeting	2.Jun.2009			2
2015-2017	Certified Accountant Alternate	Joaquim Oliveira de Jesus	1056	General Meeting	13.Nov.2015	-	-	1

Caption: (*) See number 4 of article 391 of the Companies Code; (1) Value set, before remuneration cuts; (2) It includes remunerative reduction, under the Law, applied from January to November 2015; (3) Subject to VAT at the legal rate in force

Remuneration of the Governing Bodies of TAP, in office after 12 November 2015

With regard to corporate bodies elected at 12 (TAP SGPS) and 13 (TAP, SA) November 2015 for the period 2015-2017 until 31 December 2015 there was no resolution of the Remuneration Committee on the remuneration statute, by which waiting for this decision, there was no information to be provided for the period 13 November 2015 to 31 December 2015.

VII. TRANSACTIONS WITH RELATED PARTIES AND OTHERS

1. MECHANISMS IMPLEMENTED TO CONTROL TRANSACTIONS WITH RELATED PARTIES

In order to identify the mechanisms implemented for the effect of control of transactions with related parties, see description number 3 of point V. of this document. At TAP–Maintenance and Engineering, the implemented control mechanisms involve the auditing of the acquisition process. In general, the processes are analysed, verifying, in some cases/transactions, whether the implemented process was accomplished/assured, with the audits being classified under three categories:

- Internal audits to the Business Unit, conducted by the Quality area, with an annual frequency;
- External audits to the Business Unit, although still within the TAP Group, conducted by the Audit area of TAP Serviços;
- External audits to the TAP Group, conducted by *Bureau Veritas*, normally with an annual frequency.

2. INFORMATION ON OTHER TRANSACTIONS:

a) Procedures adopted in relation to the acquisition of goods and services

The Company is always concerned with the action of its employees, regulating what it considers best practices and disclosing them, and upholding the use of a Code of Conduct and the observance of procedures in its internal regulations. The regulations referred to above, determinant in daily action, represent a reference in the conduct of Compliance Audits, thus assuring the development of effective control. The following documents are listed as being of most relevance:

- Manual of Procurement and Sales;
- Manual of Financial Guidelines (Head Office and Representations);
- Resolution 2574.04 – Delegation of Powers, taken at a meeting of the Executive Board of Directors of TAP, S.A. on 24 April 2007, in force until 12 November 2015;
- Supporting information systems (Central Information System/LOG, SAP, SCORPIUS and DENEb);
- Procedures for monitoring of contractual practices, within the scope of Continuous Audit;
- Manual of Compliance;
- Manual of Good Corporate Conduct.

Purchase duty

The commitment that guides the relationship of TAP with its suppliers, service providers and customers was based on the criteria in force set out and dealt with in the Purchasing and Sales Manual of the companies held in their entirety by the TAP Group, which is supported by a set of general principles based on accuracy, efficiency and professionalism.

In order to promote credibility, loyalty, ethics and transparency as well as the duty to favour stable and reliable relationships with suppliers and service providers that adopt similar principles, TAP's purchasing and sales model creates a symbiosis between the adoption of best management practices, continuous improvement, focus on results and synergy with economies of scale gains.

As a result, in all procurement and purchasing processes, the principles of competition, transparency, loyalty, responsibility and confidentiality are safeguarded.

Likewise, the relationships with all suppliers and service providers are based on principles of good faith, ethics, treatment based on equality and fairness and correct provision of information.

At TAP–Maintenance and Engineering, in a general manner, the implemented procedures enable the procurement process to assure the acquisition of materials, products and services, striving to obtain the best relationship possible between acquisition costs, periods of availability and presented quality. In most cases, there is a procurement phase during which market research is conducted to find suitable/qualified suppliers in accordance with the criteria defined by the Quality area (NTM 08-17), so as to access the necessary material, product or service at the best price, quality and delivery deadline. This excludes the need for pre-selection/research of all products, services or contract works for which there is only one supplier or manufacturer, a previously established contract (which assumes that market research and respective negotiation has already been carried out) or upon customer request.

b) Universe of transactions that did not take place on market terms

All transactions that occurred observe the market conditions, procedures and rules.

c) List of suppliers representing more than 5% of the total external supplies and services of TAP, S.A.

SUPPLIERS		
PETROGAL-PETRÓLEOS DE PORTUGAL	229,714,789 €	13.10%
ANA-AEROPORTOS DE PORTUGAL, S.A.	145,444,382 €	8.29%
EUROCONTROL-UE	106,701,515 €	6.08%

VIII. ASSESSMENT OF CORPORATE GOVERNANCE

Compliance with Recommendations

The present report is organised in conformity with the provisions in Annex II of Circular Letter number 832 of the Directorate-General for the Treasury and Finance, and does not include mention of sections that are not applicable to the corporate governance model in force at TAP.

The table below lists the recommendations on matters of corporate governance, including their identification and disclosure, or not, by TAP, as well as the place where more detailed information can be consulted, on the adoption of each recommendation, in the present report.

Corporate Governance Report	Identification		Disclosure		Page	Comments
	Yes	No	Yes	No		
I. MISSION, OBJECTIVES AND POLICIES						
I.1.	Indication of the mission and how it is pursued, as well as the vision and values that guide the company.	X		X	4	I.1.
I.2.	Policies and lines of action developed under the defined strategy.	X		X	4	I.2.
I.2.a) I.2.b)	Indication of the objectives and their compliance level, as well as justification of any deviations observed and correction measures which have, or will be, applied.	X		X		The financial objectives of the Group and its participated companies are approved in the context of the Annual Activity Plan approved by the Company's Governing Bodies, which is disclosed to the Shareholder. The Sustainability Report contains a table presenting the level of compliance with the objectives in a triple bottom line perspective.
I.3.	Indication of the key factors underlying the company's results.	X		X	4	I.2.
I.4.	Guidelines laid down by the sectorial ministries	X		X		See Annual Report for 2015 (in preparation)
II. CAPITAL STRUCTURE						
II.1.	Capital structure.	X		X	6	II.1.
II.2.	Any limitations to the holding and/or transfer of shares.	X		X	6	II.2.
II.3.	Shareholders' agreements.					Not available
III. SHARES AND BONDS HELD						
III.1.	Identification of natural persons (governing bodies) and/or legal persons (Company) which, directly or indirectly, hold stakes in other entities, with detailed indication of the percentage share capital and voting rights.	X		X	7	III.1.
III.2.	The acquisition and divestment of shareholdings, as well as holdings in any associations, foundations or similar entities.	X		X	7	III.2.
III.3.	Indication of the number of shares and bonds held by members of the administration and supervisory bodies.					Not applicable
III.4.	Information on the existence of significant business relations between holders of shares and the company.					Not applicable
IV. GOVERNING BODIES AND COMMISSIONS						
IV.A. Board of the General Meeting						
IV.A.1.	Composition of the board of the general meeting, mandate and remuneration.	X		X	8	IV.A.
IV.A.2.	Identification of shareholder deliberations.					Not applicable
IV.B. Administration and Supervision						
IV.B.1.	Adopted governance model.	X		X	8	IV.B.1.

Corporate Governance Report		Identification		Disclosure		Page	Comments
		Yes	No	Yes	No		
IV.B.2.	Statutory rules on procedures applicable to the appointment and replacement of members	X		X		8	IV.B.2.
IV.B.3.	Composition, duration of the mandate and number of permanent members	X		X		9	IV.B.3.
IV.B.4.	Identification of the executive and non-executive members of the Board of Directors and independent members of the General and Supervisory board.	X		X		11	IV.B.4.
IV.B.5.	Relevant curricular data of each member	X		X		11;48	IV.B.5.; Annex I
IV.B.6.	Statement from each member of the management body of shareholdings they hold in the company, as well as any relations with suppliers, customers, financial institutions or other business partners.	X		X		11	IV.B.6.
IV.B.7.	Habitual and significant family, professional or business relations of members with shareholders to whom a qualifying stake above 2% of the voting rights is imputable.	X		X		11	IV.B.7.
IV.B.8.	Organisational charts relative to the distribution of duties among the different governing bodies.	X		X		12	IV.B.8.
IV.B.9.	Operation of the Board of Directors, the General and Supervisory Board and the Executive Board of Directors.	X		X		20; 57	IV.B.9.; Annex II
IV.C.	Supervision						
IV.C.1.	Identification of the supervisory body corresponding to the adopted model and composition, indication of the minimum and maximum statutory number of members, duration of the mandate and number of permanent and alternate members.	X		X		25	IV.C.1.
IV.C.2.	Identification of members of the supervisory body.						Not applicable
IV.C.3.	Relevant curricular data of each member.	X		X		11; 48	IV.B.5.; Annex I
IV.C.4.	Operation of the supervision.	X		X		20	IV.B.9.
IV.D.	Certified Accountant						
IV.D.1.	Identification of the certified accountant (ROC) and/or audit firm (SROC).	X		X		24	IV.D.1.
IV.D.2.	Indication of legal limitations.	X		X		25	IV.D.2.
IV.D.3.	Indication of the number of years that the audit firm (SROC) and/or certified accountant (ROC) has performed duties consecutively at the company/group.	X		X		24	IV.D.1.
IV.D.4.	Description of other services provided by the audit firm (SROC) to the company.						
IV.E.	External Auditor						
IV.E.1.	Identification.	X		X		26	IV.E.1.
IV.E.2.	Rotation policy and frequency.	X		X		26	IV.E.2.
IV.E.3.	Identification of work conducted, other than related to audit.						Not applicable
IV.E.4.	Indication of the amount of the annual remuneration paid.	X		X		26	IV.E.3.
V.	INTERNAL ORGANISATION						
V.A.	Statutes and Communications						
V.A.1.	Amendment of the company's statutes – applicable rules.	X		X		27	V.A.1.
V.A.2.	Communication of irregularities.	X		X		27	V.A.2.
V.A.3.	Indication of anti-fraud policies.	X		X		27	V.A.3.
V.B.	Internal control and risk management						
V.B.1.	Information on the existence of an internal control system (SCI).	X		X		28	V.B.1.
V.B.2.	People, bodies or commissions responsible for the internal audit and/or internal control system.	X		X		28	V.B.2.
V.B.3.	Main measures adopted in risk policy.	X		X		29	V.B.3.

Corporate Governance Report		Identification		Disclosure		Page	Comments
		Yes	No	Yes	No		
V.B.4.	Relations of hierarchical and/or functional dependence.	X		X		29	V.B.4.
V.B.5.	Other functional areas with competence in risk control.	X		X		30	V.B.5.
V.B.6.	Identification of the main types of risks.	X		X		30	V.B.6.
V.B.7.	Description of the process of identification, assessment, monitoring, control, management and mitigation of risks.	X		X		31	V.B.7.
V.B.8.	Elements of the internal control and risk management systems implemented in the company.	X		X		32	V.B.8.
V.C.	Regulations and Codes						
V.C.1.	Applicable internal regulations and external regulations.	X		X		33	V.C.1.
V.C.2.	Codes of Conduct and Ethics.	X		X		34	V.C.2.
V.C.3.	Prevention of internal and external frauds.	X		X		34	V.C.3.
V.D.	Special Information Duties						
V.D.1	Economic and financial information.	X		X		35	V.D.
V.D.2	Mission, level of achievement, objectives, social responsibility policy and sustainable development.	X		X		35	V.D.
V.E.	Website						
V.E.	Indication of address(es) and disclosure of information provided.	X		X		36	V.E.
V.F.	Public Service or General Interest Service Provision						
V.F.1	Contract celebrated with the public entity.	X		X		36	V.F.1
V.F.2	Proposals for the contracting of public service provision.	X		X		36	V.F.2
VI.	REMUNERATIONS						
VI.A.	Competence for Determination						
VI.A.1	Indication of the competent body to establish remuneration.	X		X		37	VI.A.1
VI.A.2	Identification of mechanisms adopted to prevent the existence of conflicts of interest.	X		X		37	VI.A.2
VI.A.3	Statement of the members of the management body of non-interference in decisions involving their own interests.	X		X		37	VI.A.2
VI.B.	Remunerations Commission						
VI.B.	Composition. Not applicable						Not applicable
VI.C.	Structure of Remunerations						
VI.C.1.	Remuneration policy for the administration and supervisory bodies.	X		X		37	VI.B.
VI.C.2.	Information on how the remuneration is structured.	X		X		37	VI.B.
VI.C.3.	Variable component of remuneration and attribution criteria.	X		X		37	VI.B.
VI.C.4.	Deferral of payment of the variable component.						Not applicable
VI.C.5.	Parameters and grounds for bonus attribution.	X		X		37	VI.B.
VI.C.6.	Supplementary pensions schemes.						Not applicable
VI.D.	Disclosure of Remunerations						
VI.D.1.	Indication of the annual amount of the remuneration earned.	X		X		38	VI.C.
VI.D.2.	Amounts paid by other companies in controlling or group relations.	X		X		38	VI.C.
VI.D.3.	Remuneration in the form of profit-sharing and/or bonuses.	X		X		38	VI.C.
VI.D.4.	Indemnities paid to former executive directors.	X		X		38	VI.C.
VI.D.5.	Indication of the annual amount of the remuneration earned by members of the company's supervisory body.	X		X		38	VI.C.
VI.D.6.	Indication of the annual remuneration of the board of the general meeting.	X		X		38	VI.C.
VII.	TRANSACTIONS WITH RELATED PARTIES AND OTHERS						
VII.1.	Mechanisms implemented to control transactions with related parties.	X		X		41	VII.1.

Corporate Governance Report	Identification		Disclosure		Page	Comments
	Yes	No	Yes	No		
VII.2.	Information on other transactions.	X		X	41	VII.2.
VIII.	ANALYSIS OF THE COMPANY'S SUSTAINABILITY IN THE ECONOMIC, SOCIAL AND ENVIRONMENTAL AREAS					
VIII.1.	Strategies adopted and level of achievement of the established goals.	X		X		See Sustainability Report for 2015 (in preparation)
VIII.2.	Policies pursued.	X		X		See Sustainability Report for 2015 (in preparation)
VIII.3.	Form of compliance with the principles inherent to appropriate business.	X		X		See Sustainability Report for 2015 (in preparation)
IX.	ASSESSMENT OF CORPORATE GOVERNANCE					
IX.1.	Compliance with recommendations.	X		X	43	VIII.
IX.2.	Other information					Not applicable

ANNEXES

ANNEX I RELEVANT CURRICULAR ELEMENTS OF THE MEMBERS OF THE GENERAL AND SUPERVISORY BOARD AND THE EXECUTIVE BOARD OF DIRECTORS

ANNEX II
MEETINGS OF THE CORPORATE GOVERNING BODIES

ANNEX I - RELEVANT CURRICULAR ELEMENTS OF THE MEMBERS OF THE GENERAL AND SUPERVISORY BOARD AND THE EXECUTIVE BOARD OF DIRECTORS

RELEVANT CURRICULAR INFORMATION ON THE MEMBERS OF THE GOVERNANCE AND MANAGEMENT BODIES

Manuel Pinto Barbosa

Nationality: Portuguese | Date of birth: May 1944

Board of Directors of TAP, SGPS, S.A. and TAP, S.A. (2004-06) and Chairman of the General and Supervisory Board of TAP, SGPS, S.A. and TAP, S.A., Chairman of the Specialised Auditing and Sustainability and Corporate Governance Commissions (since 2006).

Professional Activity: Chairman of the Board of Directors, Nova Forum (2005-) | Non-executive Director, PTII (2002-06) | Member of the Advisors Committee, Barclays Bank (1996-99) | Non-executive Director, Portucel Industrial (1995-98) | Member, Executive Council of the Luso-American Foundation (1994-2006) | Vice-Chairman, Economic and Social Board (1992-93) | Member, Expert Commission of the ACE programme (EEC) (1990) | Member, Expert Commission of the Tinker Foundation (1989) | Member, Expert Commission of the SPES programme (EEC) (1989) | Member, Commission in charge of the negotiation of the Portugal-USA Defence Agreement (1981-84) | Founding shareholder, Association for the Study of International Relations (1978-83) | Consultant, Portuguese Industrial Association (1970-72) | Officer of the Naval Reserve, Portuguese Armada (1967-69).

University Positions: Member of the Installing Commission, Faculdade de Economia of the Universidade Nova de Lisboa (FEUNL) | Acting-Director, FEUNL | Full Professor, FEUNL | Deputy Head, Universidade Nova de Lisboa (UNL) | Chancellor, UNL | Vice-Chairman, UNICA, network of universities from European capitals | Member, Installing Commission of the Faculty of Law of the UNL.

Other Activities: Teaching and scientific research – Director of graduation and post-graduation courses and seminars (in the areas of Macroeconomics, Monetary Theory and Policy, Commerce and International Finance) at UNL and other universities | Coordinator of applied research projects, in the areas of External Relations of Portugal, Asset Market and Financial Systems, Macroeconomic Stabilisation.

| Holds a degree, Universidade Técnica de Lisboa | Masters, Yale University | PhD, Yale University | Recognition, UNL.

| Licenciatura, Universidade Técnica de Lisboa | Mestrado, Yale University | Doutoramento, Yale University | Agregação, UNL.

Carlos Alberto Veiga Anjos

Nationality: Portuguese | Date of birth: September 1942

Appointed Member of the General and Supervisory Board of TAP, SGPS, S.A. and TAP, S.A., Member of the Specialised Sustainability and Corporate Governance Commission (since December 2006), Member of the Specialised Auditing Commission of TAP, SGPS, S.A. (December 2006-June 09).

Professional Activity: Chairman of the Board of Directors, Hidroelétrica de Cahora Bassa, S.A. (1999-2003) | Chairman of the Board of Directors and Director, Siderurgia Nacional, SGPS and Group Companies (1994-99) | Due to being inherent to the functions, representative of Portugal in the Consulting Committee of the ECSC–European Coal and Steel Community and at the IISI–International Iron and Steel Institute | Chief Executive Officer, SOPONATA– Sociedade Portuguesa de Navios Tanques, S.A.; Director, CIVE–Companhia Industrial de Vidros de Embalagem, S.A., in representation of IPE (1992-93) | Chief Executive Officer, Companhia de Celulose do Caima, S.A. | Due to being inherent to the functions, Chairman, ACEL–Associação Portuguesa dos Produtores de Celulose; representative of Portugal on the board of CEPI–Confederation of European Paper Industry (1988-91) | Director, EDM–Empresa de Desenvolvimento Mineiro, S.A. (1985-88) | Director, Ferrominas, E.P. (1977-85) | Director, Financial Director and Head of Services, Lusalite–Sociedade Produtora de Fibrocimento, S.A. (1968-77).

| Holds a degree in Finance from ISCEF, Universidade Técnica de Lisboa.

João Borges de Assunção

Nationality: Portuguese | Date of birth: July 1962

Appointed Member of the Board of Directors of TAP, SGPS, S.A. and TAP, S.A. (between September 2004 and December 2006) and Member of the General and Supervisory Board of TAP, S.A. and TAP, SGPS, S.A., Member of the Specialised Auditing and of the Sustainability and Corporate Governance Commissions (since December 2006).

Professional Activity: Professor, CLSBE, UCP (since 1993) | Economic Consultant of the President of the Republic, Staff Office of the President of the Republic (since 2006) | Economic Adviser of the Prime Minister of Portugal, Office of the Prime Minister of Portugal (2002-04) | CEO, Telecel Vodafone Foundation (2001-02) | Director, CLSBE

(at the time FCEE, 1996-2001) | Assistant Professor, Columbia University (1990-94) | Chairman, Supervisory Board of Eurocash Sp. z.o.o., Poland (since October 2004) | Coordinator, Portuguese Economic Research Centre, CLSBE of UCP (since 2005).

Other Activities: Member, Strategic Steering Board of the CLSBE, UCP (since 2005) | Member, Board of Governors of the UCP (1996-2001) | Member, Scientific Council of the Bank Training Institute (1993-2004) | Advisor, Group on Societal Policy Analysis (GSPA), BEPA, Presidency of the European Commission (2005-09) | Research Assistant and doctoral student, UCLA (1986-90) | Member, Economic and Social Council (2003-04) | *Jornal de Negócios* Columnist (since 2005) | Research, lecturing and professional interests – Strategy, Marketing, Forecasting Models, Pricing, Promotions, Segmentation, Internationalisation, Dynamic Optimisation Models, Individual Decision-Taking, Game Theory, Political Economy, Development and Economic Growth.

| Holds a degree in Business Administration and Management from the CLSBE, Universidade Católica Portuguesa | MBA in Management from UNL | Ph.D. in Management from the Anderson Graduate School of Management, UCLA.

Luís Manuel dos Santos Silva Patrão

Nationality: Portuguese | Data of birth: December 1954

Appointed Member of the General and Supervisory Board of TAP, SGPS, S.A. and TAP, S.A., Member of the Specialised Sustainability and Corporate Governance Commission (since December 2006).

Professional Activity: Lawyer Consumer Directorate-General (since 2011) | Chairman, Executive Council of Turismo Portugal, I.P. (2006-11) | Chairman, Board of Directors of Turismo Fundos, SGFII (2009-11) | Member, Board of Directors of ENATUR – Empresa Nacional de Turismo, S.A. (2006-11) | Chief of the Office of the Prime-Minister of the XVII Government (2005-06) | Main Advisor, Head of Division, Director of Services, Coordinator of the POSI/IC Project Team and Manager of the *Telematic Network of Information to the Consumer and Consumers' Portal Projects*, Institute of the Consumer (1986/89 – 2001/04) | Chairman and Non-executive Director, Board of Directors of SÍTIOS, Serviços de Informação Turística (2001-04) | State Secretary for the Interior of the XIV Government (1999-2000) | Chief of the Office of the Prime-Minister of the XIII Government (1995-99) | Vice-Chairman and Chairman of the Executive Commission of DECO–Portuguese Consumer Rights Association (1989-95) | Chairman of the Executive Commission of Youth Hostels (1984-87) | Director of Services of the Support Fund for Youth Organisations (1978/80 – 1983/86).

Other Activities: Invited Trainer of the Universidade Católica (Braga and Lisbon) on Tourism themes (2012-13) | Arbitration Judge, Arbitration Centre of the Automotive Sector (2004) | Chief of the Office and Advisor, Parliamentary Group of the Socialist Party (1989/95 – 2004/05) | Deputy to the Assembly of the Republic by the Voting District of Faro (1999-2001) and Lisbon (1981-83) | Member, Parliamentary Commissions of National Defence, of Education and Science, of Youth and Labour.

| Holds a degree in Law from the University of Coimbra.

Maria do Rosário Mattos

Nationality: Portuguese | Data of birth: October 1960

Appointed Member of the General and Supervisory Board of TAP, SGPS, S.A. and TAP, S.A., Member of the Specialised Sustainability and Corporate Governance Commission (since December 2006).

Professional Activity: Law practice (1985-2014) | Member, Boards of Directors of several companies, namely from the tourism sector (2002-14) | Directress, RTP–Radiotevisão Portuguesa, S.A.; Chairman, Board of Directors, EBS 2004; Member, Executive Council of the Emmy Awards; Member, Executive Council of OTI–Organización de las Televisiones Ibero-Americanas, RTP–Radiotevisão Portuguesa, S.A. (1998-2002) | Vice-Chairman, General Meeting Committee of Auto-Leasing (1994-99) | Directress, SMP–Semicondutores de Portugal, S.A.; Directress, Tronitec–Componentes Eléctricos, S.A., Companhia Portuguesa Rádio Marconi (1992-95) | Chief Executive Officer and, subsequently, Chairman of the Board of Directors, IRENA, Investimentos e Participações em Recursos Naturais, SGPS, S.A.; Directress, Argitécnica, S.A.; Manageress, Empresa Águas de S. Lourenço, Lda.; Manageress, Empresa Fonte das Avencas, Lda.; Manageress, Ortes–Ornamental Resources, Lda., Amorim Group (1991-97) | Legal Consultant of a large company in the civil construction and public works sector, in the areas of Commercial and Corporate Law (1991-94) | Legal Advisor to the Governor of Macau; Member, Audit Board, CAM–Companhia do Aeroporto Internacional de Macau, S.A.R.L.; Legal Consultant, TDM–Televisão de Macau, E.P., Macau (1987-91) | Member, Board of Directors of several companies, namely, Expandindústria, S.A., Comisamar Norte, Lda. And Ecassos, Lda. (1985-87) | Law internship, focusing essentially on Commercial Law, Labour Law, Civil Law and Administrative Law.

| Holds a degree in Law from the Universidade Católica Portuguesa (UCP) | Post-Graduation in Management from the UCP | Post-Graduation in Turnaround Management and Bankruptcy, from the UCP | Post-Graduation in Commercial Law from the UCP | Attending degree in philosophy from the UCP | Course on Law Making | Course on Competencies Delegation | Languages: English, French and Spanish.

Rui Manuel de Azevedo Pereira da Silva

Nationality: Portuguese | Date of birth: June 1956

Appointed Member of the General and Supervisory Board of TAP, SGPS, S.A. and TAP, S.A., Member of the Specialised Sustainability and Corporate Governance Commission (since December 2006), Member of the Specialised Auditing Commission (since June 2009).

Professional Activity: Executive Director, Oceano XXI, Cluster of Knowledge and Economics of the SEA | Member of the Management of the Marques da Silva Institute Foundation (non-executive functions) | Member, Board of Directors of Quaternaire Portugal, S.A. (non-executive functions) (2010-14) | Consultant, Conference on the Maritime Peripheral Regions of Europe (2007-14) | Consultant, Coordination Commission of the North Region (2007-12) | Coordinator, State Secretariat and of Local Administration (2001-08) | Director, Prospective Cell of the Conference on the Maritime Peripheral Regions of Europe (1999-2007) | Founding shareholder (1990), General Director (1991-93); Chief Executive Officer (1994-95); Chairman of the Board of Directors (1996-99), Quaternaire Portugal, S.A. | Vice-Chairman, Commission of Coordination and Development of the North Region (1989-91) | Advance Technician, Commission of Coordination and Development of the North Region (1981-89).

Other Activities: Academic experience – Invited Auxiliary Professor at the Faculty of Engineering of the University of Porto (since 1996) | Member of the Strategic Council of Porto Lusófona University (since 2013) | Member, General Council of the Instituto Politécnico de Viana do Castelo (since 2013).

| Holds a degree in Economics from the Faculty of Economics of the University of Porto | Course of Technician in Cooperative Development of the United Nations Programme for the Development of the Instituto António Sérgio do Sector Cooperativo | General Management Course from the Instituto Superior de Estudos Empresariais of the University of Porto (completion) | Languages: English, French and Spanish.

Vítor José Cabrita Neto

Nationality: Portuguese | Date of birth: July 1943

Appointed Member of the General and Supervisory Board of TAP, SGPS, S.A. and TAP, S.A., Member of the Specialised Sustainability and Corporate Governance Commission (since December 2006).

Professional Activity: Chairman, Board of Directors of the Group TEÓFILO FONTAINHAS NETO (Algarve) – agro-industrial, distribution, real estate and tourism sectors | Chairman, Corporate Association of the Algarve (NERA) | Vice-Chairman, Portuguese Industrial Association | Member, of the Direction of CIP-CEP (Confederação Empresarial de Portugal) | Held the position of State Secretary for Tourism in the XIII and XIV constitutional governments (1997 and 2002) | Deputy to the Assembly of the Republic.

Other Activities: Chairman, Organising Commission of the International Fair of Tourism of Lisbon (BTL) | Columnist and lecturer in the Tourism area.

| Holds academic background in Management.

MAIN CURRICULAR ELEMENTS AND PROFESSIONAL ACTIVITIES UNDERTAKEN BY THE MEMBERS OF THE MANAGEMENT BODY EXECUTIVE BOARD OF DIRECTORS UNTIL 12 NOVEMBER 2015

Fernando Abs da Cruz Souza Pinto

Nationality: Portuguese and Brazilian | Date of birth: June 1949

Appointed Executive Chairman/CEO, at TAP (October 2000-December 2006); President of the Executive Board of Directors of TAP, SGPS, S.A. and TAP, S.A. (December 2006). Also performs duties as the Chairman of the Board of Directors of the following Companies of the TAP Group: Portugália– Companhia Portuguesa de Transportes Aéreos, S.A. and TAPGER–Sociedade de Gestão e Serviços, S.A. and (since 3 December 2014) Chairman of the Board of Directors in the following TAP Group companies: MEGASIS–Sociedade de Serviços e Engenharia Informática, S.A. and U.C.S.–Cuidados Integrados de Saúde, S.A..

Management duties (since 3 December 2014) in the following areas: TAP Services Business Unit; Responsibilities in TAP Group: Human Resources, Labour Relations, Logistics, Legal Services, Administration and Management of Physical Resources, Planning/Business Portfolio and Performance, Audit, Information Technologies (IT).

Professional Activity: Chairman of the Council of IATA (June 2007-June 2008) | Chairman of AEA–Association of European Airlines (2005) | President of VARIG, S.A. (Viação Aérea Rio-Grandense) (1996-2000) | President (1992-96) and Technical Manager (1988-92) of RIO-SUL, Serviços Aéreos Regionais | Head of the Workshops and Maintenance Sub-department (1982-88); In-house engineer at Airbus Industries (Toulouse-France) (1981-82); Head of Motors Division (1976-81); Coordinating engineer of the Motors Test-Bench, responsible for coordinating the various phases of the project and the construction of a turbine test system in the industrial area of the International Airport of Rio de Janeiro (1973-76); Engineering trainee (Wheels and Brakes Workshop) (1972-73) at VARIG S.A. (Viação Aérea Rio-Grandense).

Other Activities: Private Pilot | Glider Pilot | Sports Pilot of Ultra-light Aircraft.

| Holds a degree in Mechanical Engineering from the Universidade Federal do Rio de Janeiro. As his final year graduation project he presented a prototype of the first hovercraft manufactured in Brazil, with technology introduced from England, following several internships in British manufacturing plants (Isle of Wight) | Machines and Motors Technical Course (Escola Técnica Federal do Rio de Janeiro) | Post-graduation Course in Management (Fundação Getúlio Vargas – Rio de Janeiro) | Several Technical Courses in the Aeronautics area | Languages: English and French.

Luiz da Gama Mór

Nationality: Portuguese and Brazilian | Date of birth: April 1952

Appointed Vice-Executive Chairman of Air Transport of TAP Portugal, of TAP, S.A. (October 2000-December 2006); Member of the Executive Board of Directors of TAP, SGPS, S.A and TAP, S.A. (December 2006). Also performs duties as the Chairman of the Board of Directors in the following Companies of the TAP Group: Cateringpor–Catering de Portugal, S.A. and L.F.P.–Lojas Francas de Portugal, S.A..

Management Duties in the following areas: TAP Air Transport Business Unit: Marketing, Communications and Public Relations, Commercial, Cargo and Mail and, also (since 1 April 2014) Customer Service and Talk to Us.

Professional Activity: Chairman of the Board of Directors of Cateringpor (aviation catering company) | Chairman of the Board of Directors of LFP (airport and on-board duty free company) | Member of the Board of Directors of Groundforce (passenger and cargo ground handling company) | Vice-Chairman of Sales and Marketing; Commercial Director; Operational Logistics Director; Commercial Manager of RGS; Manager of EVAER–Escola VARIG de Aeronáutica of VARIG, S.A. (March 1990-June 2000) | Marketing Director; Administrative and Commercial Manager; Maintenance Manager of AEROMOT, S.A. (September 1977-February 1990).

Other Activities: Professor of *O Piloto e o Mercado* at the Faculty of Aeronautical Sciences of PUC/RS (1995) | Professor of *Estudo dos Problemas do Turismo no Brasil* at the Faculty of Tourism of PUC/RS (1994) | Marketing Professor at the Management School of ULBRA/RS (1989) | Organization and Methods Professor at the Management School of ULBRA/RS (1984) | Member of the Commission that developed the Aeronautical Sciences Course of PUC/RS | Director (Adviser) of Pluna Linhas Aéreas Uruguaias S.A. | Member of the Executive Council of the Amadeus Brazil Company.

| Holds a degree in Mechanical Engineering from the UFRGS | Post-graduation in Management (PPGA/ UFRGS) | Completion of the following specialization courses, among others: Airline Business (London Business School); Advanced Management Programme (INSEAD–France).

Qualifications: Executive with 30 years of experience in Operations, Sales, Marketing and Top Management of medium-sized and large aviation and associated companies | Market diagnostic capability, construction of a vision of the future and elaboration of competition strategies in highly competitive environments | Experience in turnaround of companies operating in high pressure environments, including state-owned | Experience in managing large teams in international operations. Skilled in coordinating cultural changes, in motivational and recognition programmes seeking strategy alignment | Experience in rebranding, product development and building client loyalty | Coordination of corporate projects with consultancy companies with the aim of increasing efficiency, reducing costs and increasing revenues.

Manoel José Fontes Torres

Nationality: Portuguese and Brazilian | Date of birth: June 1947

Appointed Vice-Executive Chairman of Air Transport of TAP Portugal, of TAP, S.A. (October 2000-December 2006); Member of the Executive Board of Directors of TAP, SGPS, S.A. and TAP, S.A. (December 2006). Also performs duties as a Non-Executive Director at the Company of the TAP Group, Portugalía–Companhia Portuguesa de Transportes Aéreos, S.A..

Management Duties in the following areas: TAP Air Transport Business Unit: Flight Operations, Fleet Planning, Network and Planning, Operational Control, International Relations and Alliances, Information Technologies (up to 31 January 2014), Compliance, Safety Management System, and Emergency Planning.

Professional Activity: Chairman of the Board of Directors of White Airways, S.A. | Vice-Executive Chairman–Corporate Planning and Route Network of VARIG, S.A. (Viação Aérea Rio-Grandense) | Member of the Board of Directors of PLUNA, S.A. (Uruguay) | General Director of ITAP–Indústria Técnica de Artefactos Plásticos (solid packages) | Manager of the Manufacturing Division of TOGA–Indústria de Papéis | Consultant for PLANASA (in the Planning and Systems areas).

Other Activities: Member of the Management Board of STAR Alliance | Member of the Industry Affairs Committee of IATA.

| Holds a degree in Mechanical Engineering from the University of Sao Paulo | Post-graduation in Management (Escola de Administração de Empresas de Sao Paulo of the Fundação Getúlio Vargas) | Completion of the following specialization courses, among others: Management (INSEAD–France); Aircraft Fleet Planning–Cranfield College of Aeronautics (England); Aircraft System and Performance (The Boeing Commercial Airplane Company – USA).

Maria Teresa Silva Lopes

Nationality: Portuguese | Date of birth: November 1962

Appointed Member of the Executive Board of Directors of TAP, SGPS, S.A. and TAP, S.A. (December 2014). She also performs duties in the following TAP Group companies: at the company TAP–Maintenance and Engineering Brazil as Member of the Board of Directors and (since 3 December 2014) at the company TAPGER–Sociedade de Gestão e Serviços, S.A. as Non-executive Director.

Management Duties in the following area: Responsibilities in TAP Group: Finance (since 3 December 2014).

Professional Activity: General Director of Finance (July 1999-December 2014) at TAP, S.A., with a few months break in 2010 | Assistant General Director of Finance (1997-99) at TAP, S.A. | Director of Treasury Management (1991-97) at TAP, S.A. | Responsible for the area of Studies of the Studies Office and Financial Planning (1991-93) at TAP, S.A. | Economist holding functions in the Financial Department (1986-91) at TAP, S.A., after a brief stint in an audit firm.

| Licentiate's Degree in Business Organisation and Management from ISCTE (Instituto de Ciências do Trabalho e da Empresa) | Languages: Portuguese, English and French.

MAIN CURRICULAR INFORMATION AND PROFESSIONAL ACTIVITIES CARRIED OUT BY THE MEMBERS OF THE MANAGEMENT BODY BOARD OF DIRECTORS AFTER 12 NOVEMBER 2015

Humberto Manuel dos Santos Pedrosa

Nationality: Portuguese | Date of birth: October 1947

Appointed Chairman of the Board of Directors of TAP, SGPS, S.A. and Chairman of the Board of Directors of TAP, S.A. for the period 2015-17, as well as President of the Board of Directors of Portugália–Companhia Portuguesa de Transportes Aéreos, S.A. (a company of the TAP Group), in November 2015.

Shareholder, in partnership with businessman David Gary Neeleman, through the consortium Atlantic Gateway SGPS, Lda., within the scope of the reprivatization of the share capital of TAP, SGPS, S.A. (2015).

Chairman and main shareholder of Barraqueiro, SGPS, S.A. – Grupo Barraqueiro.

Professional Activity: Entry in the Brazilian and Angolan markets, with a shareholding in a road passenger company in Brazil, and the creation of a company dedicated to the road transport of goods in Angola (2011) | Start of the operation of the Oporto Underground (2010) | Assignment of the sub-licence of the Oporto Underground to the company Prometro, as a result of an international competition (2009) | Start of the operation of the Underground Network for the area South of the Tagus River (2007) | Founding member of the international group EPTO that brings together the 10 largest passenger transport business groups in Europe (2006) | Assignment of the design, construction and operation of Underground Network for the area South of the Tagus River to the company Metro Transportes do Sul, as a result of the international competition (2002) | Assumed the position of main shareholder of the passenger transport company Rodoviária do Tejo (2000) | Start of the railway operation of the north-south axis (1999) | Assignment of the concession of the north-south railway axis to the company Fertagus, as a result of an international competition (1998) | Official transportation of visitors to Expo 98 through the company Rodoviária de Lisboa (1998) | Acquisition and management of the road transport companies Rodocargo, Transporta and Atlantic Cargo (1993-97) | Acquisition and management of passenger bus companies Rodoviária do Algarve, Rodoviária do Alentejo, Rodoviária da Estremadura, Rodoviária do Sul do Tejo and Rodoviária de Lisboa, as a result of the privatisation process of Rodoviária Nacional (1992-95) | Participation in the reprivatization process of Rodoviária Nacional (1992-95) | Entry in the Algarve market through the acquisition and management of a passenger road transport company (1990) | Creation of the Tourism company – Frota Azul, Lda. (1981) | Acquisition and management of various tourism and passenger transport companies (1973-81) | Acquisition and management of the company Joaquim Jerónimo, Lda. with activity in the road transport of passengers in the Lisbon region (1967).

| Commander of the Business Order of Merit (awarded by the President of the Republic on 10 June 2013) | Development forty-eight years of professional career, with strong ability to lead cross-functional work teams | 2nd Cycle of Secondary School | Languages: French and Spanish.

Fernando Abs da Cruz Souza Pinto

Nationality: Portuguese and Brazilian | Date of birth: June 1949

Appointed Member of the Board of Directors and Chairman of the Executive Committee of TAP, SGPS, S.A. and Member of the Board of Directors and Chairman of the Executive Committee of TAP, S.A. for the period 2015-17, as well as Member of the Board of Directors and Chairman of the Executive Committee of Portugália–Companhia Portuguesa de Transportes Aéreos, S.A. (a company of the TAP Group), in November 2015 and Chairman of the Board of Directors in the following companies of the TAP Group: MEGASIS–Sociedade de Serviços e Engenharia Informática, S.A.; U.C.S.–Cuidados Integrados de Saúde, S.A. and TAPGER–Sociedade de Gestão e Serviços, S.A..

Management skills in the following areas: Within the TAP Group: Chief Executive Officer (CEO); Air Transport Business Unit (Airport Services; Operational Control; Flight Operations; Safety Manager; *Compliance Monitoring Management*; Optimisation and Performance/Continuous Improvement); Maintenance and Engineering Business

Unit; TAP Services Business Unit (Human Resources; Labour Relations; Internal Audit; Legal Department; Logistics; Administration and Management of Physical Resources; Planning/Business Portfolio and Performance); Portugal—Companhia Portuguesa de Transportes Aéreos, S.A.; MEGASIS—Sociedade de Serviços e Engenharia Informática, S.A.; U.C.S.—Cuidados Integrados de Saúde, S.A.; TAP—Maintenance and Engineering Brazil, S.A. and SPdH—Serviços Portugueses de Handling, S.A..

Professional activity: Chairman of the Executive Board of Directors of TAP, SGPS, S.A. and of TAP, S.A. (December 2006–November 2015), also carrying out duties as Chairman of Board of Directors of the following companies of the TAP Group: MEGASIS—Sociedade de Serviços e Engenharia Informática, S.A. and U.C.S.—Cuidados Integrados de Saúde, S.A. (since 3 December 2014), Portugal—Companhia Portuguesa de Transportes Aéreos, S.A. (July 2007–November 2015), TAPGER—Sociedade de Gestão e Serviços, S.A. (since 2005); Executive Chairman/CEO, at TAP (October 2000–December 2006) | Chairman of the Board of IATA (June 2007–June 2008) | Chairman of AEA—Association of European Airlines (2005) | President of VARIG, S.A. (Viação Aérea Rio-Grandense) (1996-2000) | President (1992-96) and Technical Manager (1988-92) of RIO-SUL, Serviços Aéreos Regionais | Head of the Workshops and Maintenance Sub-department (1982-88); In-house engineer at Airbus Industries (Toulouse-France) (1981-82); Head of Motors Division (1976-81); Coordinating engineer of the Motors Test-Bench, responsible for coordinating the various phases of the project and the construction of a turbine test system in the industrial area of the International Airport of Rio de Janeiro (1973-76); Engineering trainee (Wheels and Brakes Workshop) (1972-73) at VARIG S.A. (Viação Aérea Rio-Grandense).

Other Activities: Private Pilot | Glider Pilot | Sports Pilot of Ultra-light Aircraft.

| Holds a degree in Mechanical Engineering from the Universidade Federal do Rio de Janeiro. As his final year graduation project he presented a prototype of the first hovercraft manufactured in Brazil, with technology introduced from England, following several internships in British manufacturing plants (Isle of Wight) | Machines and Motors Technical Course (Escola Técnica Federal do Rio de Janeiro) | Post-graduation Course in Management (Fundação Getúlio Vargas – Rio de Janeiro) | Several Technical Courses in the Aeronautics area | Languages: English and French.

David Humberto Canas Pedrosa

Nationality: Portuguese | Date of birth: February 1977

Appointed Member of the Board of Directors and Member of the Executive Committee of TAP, SGPS, S.A. and Member of the Board of Directors and Member of the Executive Committee of TAP, S.A. for the period 2015-17, further carrying out duties as Member of the Board of Directors and Member of the Executive Committee of Portugal—Companhia Portuguesa de Transportes Aéreos, S.A., (a company belonging to the TAP Group), in November 2015.

Management Skills in the following areas: Chief Financial Officer (CFO) of the TAP Group and TAPGER—Sociedade de Gestão e Serviços, S.A..

Professional Activity: Director responsible for the financial and management control area and the development of new projects in the road transport sector and in particular in the monitoring of the group companies operating in the Algarve region, Grupo Barraqueiro (since 2007) | Director, responsible for restructuring the transport network of Rodoviária de Lisboa, which resulted from the extension of the underground line from Lisbon to Odivelas, Grupo Barraqueiro (2003-07) | Auditor, Deloitte (2001-03).

| Degree in Economics by the Portuguese Catholic University (UCP) | Languages: English and Spanish.

Maximilian Otto Urbahn

Nationality: American | Date of birth: April 1958

Appointed Member of the Board of Directors and Member of the Executive Committee of TAP, SGPS, S.A. and Member of the Board of Directors and Member of the Executive Committee of TAP, S.A. for the period 2015-17, also acting as Member of the Board of Directors and Member of the Executive Committee at Portugal—Companhia Portuguesa de Transportes Aéreos, S.A. (a company of the TAP Group), in November 2015.

Management skills in the following areas: Chief Commercial Officer (CCO) of the TAP Group; Air Transport Business Unit (Commercial; Network and Planning; Fleet Management; Cargo and Mail; Marketing; Communication and Public Relations; *Fale Connosco* (Speak to Us); External Relations and Alliances; TAP Fidelização Business Unit (TAP Loyalty Business Unit); L.F.P.—Lojas Francas de Portugal, S.A. and Cateringpor—Catering de Portugal, S.A..

Professional Activity: Director of Strategy (since 2013); Director of Revenue (2007-13); Collaborated in the constitution along with David Neeleman, Azul Linhas Aéreas Brasileiras (2008) nominated one of the top 100 global brands worldwide (Advertising Age) and the best low cost airline in Latin America (*Skytrax*) | Executive Vice-Chairman, Director of Revenue, JetBlue Airways (2005-November 2007) | Chairman, OneSky Jet Network (January 2005-January 2010). OneSky.com is positioned as the first and only e-commerce solution in private on-demand air transport | Chairman and Investor, TheatreSpecials LLC (November 2004-May 2006). TheatreSpecials.com, Pack of theatre tickets and dinner in New York | Director (CEO) of the online travel industry company FareChase, Inc. (January 2003-October 2004) that was sold to Yahoo! in 2004 | Chairman – Travel Service, responsible for strategic positioning (January 2002-December 2003); Chairman – Airlines, where he helped to design, build and introduce

air and hotel products on the market Priceline (January 2000-December 2001); Founder of priceline.com (1998) | Partner, consultant of practical strategy focused on air transport and travel Airline Planning Group (1996-97) | Executive Director of Market Planning, Director of fleet planning, marketing analysis and product development, Alamo Rent a Car (1996-97) | Senior Director, Results Development, US Airways (November 1992-December 1995) | Director of Revenue Analysis, Northwest Airlines (February 1991-November 1992) | Manager, Price Fixing and Analysis System (1988-91); System Resource Manager, Booking and Planning of workers and connectivity Telecom (1986-88); Senior Analyst, Automated Planning Marketing, United Airlines (1984-86).

| MBA from Harvard Business School | BA in Architecture and History from Yale University | Languages: English, Portuguese and German.

David Gary Neeleman

Nationality: Brazilian and American | Date of birth: October 1959

Appointed Member of the Board of Directors of TAP, SGPS, S.A. and Member of the Board of Directors of TAP, S.A. for the period 2015-17, as well as Member of the Board of Directors of Portugal-Companhia Portuguesa de Transportes Aéreos, S.A. (a company of the TAP Group), in November 2015.

Professional Activity: Shareholder, in partnership with Portuguese businessman Humberto Manuel dos Santos Pedrosa, through the consortium Atlantic Gateway SGPS, Lda., within the scope of the reprivatisation of the share capital of TAP, SGPS, S.A. (2015) | Chairman (since 2013); Founder of the company supplying systems and services to residential and commercial monitoring Vigzul (2013) | Director (since 2008); Founder of the company Azul Linhas Aéreas Brasileiras (2008) | Chairman (2002-08); Chief Executive Officer (CEO) (1998-2007); Founder of the American company JetBlue Airways (1998) | Consultor (1996-99); Co-founder of the low-fare Canadian company WestJet Airlines (1996) | Sale of the company Open Skies to Hewlett Packard (1999); CEO of the company responsible for reservation and check-in systems of airlines Open Skies that he developed from the ticketing electronic system of Morris Air (1994-99) | Member, Executive Planning Committee, Southwest Airlines (1993) | Sale of Morris Air to Southwest Airlines (1993); Chairman, (1988-93); Executive Vice-Chairman (1984-88); Co-founder of the charter low-fare company Morris Air (1984).

| Higher Education, University of Utah | Brighton High School (Utah) | As Chairman of Morris Air, he implemented the industry's first electronic tickets system and pioneered the establishment of a reservation system, with a call center located in the homes of the service agents. Azul Linhas Aéreas Brasileiras, just like JetBlue in the US, was the first airline in Latin America to offer satellite television programming on board LiveTV | Languages: Portuguese and English.

Francisco Maria Freitas de Moraes Sarmiento Ramalho

Nationality: Portuguese | Date of birth: January 1966

Appointed Member of the Board of Directors of TAP, SGPS, S.A. for the period 2015-17, in November de 2015.

Professional Activity: Executive Director, Finangeste-Empresa Financeira de Gestão e Desenvolvimento, S.A. (2006-15); member, Steering Committee responsible for preparing and conducting the sale process, Finangeste-Empresa Financeira de Gestão e Desenvolvimento, S.A. | Executive Director, Sociedade Imobiliária Solreis, S.A. and INTURVAL-Sociedade de Desenvolvimento Urbanístico, S.A., subsidiaries of Finangeste (2006-15) | General Director, Directorate-General of State Property, Ministry of Finance (2003-06); Member, Board of Directors, SAGESTAMO-Sociedade Gestora de Participações Sociais Imobiliárias, S.A., real-estate holding integrated in the business world of PARPÚBLICA-Participações Publicas SGPS, S.A. (2003-06) | Member, Governing Board, Ricardo Espírito Santo Silva Foundation (2003-06) | Senior Consultant, senior management consultant originating from the US, Diamondcluster International (2001-03) | Member, Board of Management, Telecabine Lisboa Lda. (Grupo Parque EXPO 98, S.A.) (1999-2000) | External consultant (2000); Director of Litigation (1999-2000); Senior Expert, Project Director and Director of Services (1993-98), Director of Legal Services, Parque EXPO 98 | Office manager/research assistant (1991-92), research officer (1990-91), Australian Embassy in Lisbon | Freelance lawyer (1992-93) | Attorney traineeship, with patron Tomaz Andrade Rocha (1989-91).

Other Activities: Vice-Chairman of the General Meeting of CTT (current term of office, which began in 2013) | Member of the Supervisory Board of APBA-Associação Portuguesa de Business Angels (current term of office, which began in 2012) | Member of the Management Board of BUS-Bens de Utilidade Social, Private Institution of Social Solidarity (current term of office, since 2010) | Associate Founder and Chairman of the General Meeting of BUS-Bens de Utilidade Social, Instituição Particular de Solidariedade Social (2006-10) | Associate Founder and Chairman of the General Meeting of Pé-Leve-Associação Desportiva e Cultural | Vice-Chairman of the General Meeting of CLIMAESPAÇO-Sociedade de Produção e Distribuição Urbana de Energia Térmica, S.A. (1996-2000) | Vice-Chairman of the General Meeting of Gare Intermodal de Lisboa, S.A. (1995-99) | Vice-Chairman of the General Meeting of Oceanário de Lisboa, S.A. (1995-99).

| Degree in Law by the Lisbon Faculty of Law (FDL) | Post-Graduation in European Studies (FDL) | Languages: English and French.

Henri Courpron

Nationality: French | Date of birth: March 1963

Appointed Member of the Board of Directors of TAP, SGPS, S.A. for the period 2015-17, in November 2015.

Professional Activity: Chairman and founder of Plane View Partners, LLC | Chairman and CEO, International Lease Finance Corporation (since 2010) | Chairman of the Aerospace Division, Regional Head for Europe, Middle East and Africa, Seabury Group (until 2010) | Executive Vice-Chairman of Procurement, Airbus SAS (July 2005-March 2007) | Chairman and CEO, Airbus North America Holdings, Inc. | Chairman and Chief Operating Officer (COO), Senior Vice-Chairman of Sales and Marketing (1998), Vice-Chairman of Sales (1996), Vice-Chairman of Contracts (1994), Director of Contracts, Airbus Industrie North America (AINA) (1992), Contracts Manager, Airbus Industrie (1989-1992) | Started his professional career, Aerospatiale currently EADS (1987).

| Masters in Computer Sciences, École Nationale Supérieure d'Electrotechnique d'Electronique d'Informatique et d'Hydraulique (ENSEEIH) in Toulouse, where he specialised in Artificial Intelligence. | Languages: English and Portuguese.

Philippe Calixte Albert Delmas

Nationality: French | Date of birth: January 1954

Appointed Member of the Board of Directors of TAP, SGPS, S.A. for the period 2015-17, in November 2015.

Professional Activity: Executive Vice-Chairman, Government Relations, Communication and International Relations, Airbus S.A.S., (since 1998) | Member, *Cour des Comptes* (Court of Auditors) (since 1982) | Senior Vice-Chairman, Strategy (1996), Director, International Affairs (1994), Matra Marconi Space | Advisor, National Security, Ministry of Foreign Affairs (1991-93) | Senior Research Fellow, X Polytechnique (School of Engineering) Paris (1989) | Advisor, Ministry of Defence for the affairs of the Far East and in the management of technology (1989) | Planning Officer, trade issues and cooperation in the field of European high technology, Ministry of Foreign Affairs (1984) | Assistant of the French Administrator, as early career, International Monetary Fund | Member of Strategic Orientation Committee, *Fonds Strategique d'Investissement* S.A..

Other Activities: Member of the first French team to climb the north face of Mount Cho-Oyo (26,900 feet / 8,201 m) | Co-leader of the French expedition to the unscaled Tibetan peak of Mount Everest (29,025 feet / 8,848 m).

| PhD, Economics (1982) and Mathematics (1979) by Université Paris-Sud, Paris XI | Degree by ENA - *Ecole Nationale Française d'Administration Publique* (1982) | Languages: English and Portuguese.

Robert Aaron Milton

Nationality: American | Date of birth: March 1961

Appointed Member of the Board of Directors of TAP, SGPS, S.A. for the period 2015-17, in November 2015.

Professional Activity: Chairman of the Board of Governors, IATA—International Air Transport Association (2005-06) | Chairman, President and CEO of ACE Aviation Holdings, the parent company that owns the restructured Air Canada and other reorganised separate entities including Aeroplan, Air Canada Jazz, Air Canada Technical Services, Air Canada Cargo, Air Canada Groundhandling, Destina.ca and Touram (Air Canada Vacations) (2004-12) | Leadership in a significant restructuring process after a hostile takeover bid launched by American Airlines and Onex, which he helped to successfully defeat, Air Canada (after being appointed as CEO) | Chairman and CEO (1999), Executive Vice-Chairman and CEO (1996), Consultant, as early career (1992), Air Canada | Founding partner, Air Eagle Holdings Inc. (after graduation) and later, independent consultant for commercial aviation, British Aerospace Limited.

| Bachelor Degree in Industrial Management by Georgia Institute of Technology | Languages: Portuguese and French.

Sydney John Isaacs

Nationality: German and Canadian | Date of birth: July 1956

Appointed Member of the Board of Directors of TAP, SGPS, S.A. for the period 2015-17, in November 2015.

Professional Activity: Director, Jazz Air Income Fund (May 2008–January 2011) | Director, Jazz Air Holding GP Inc. (January 2008 to January 2011) | Independent Director, Chorus Aviation Inc. (since January 2008) | Partner, Stikeman Elliott LLP | Senior Director of Mergers and Acquisitions and Chief Restructuring Senior Director (2003-04), Commercial and organizational development consultant (2000-02), Employee, Air Canada (2000) | Senior Vice-Chairman of Organizational Development and Senior Legal Officer, ACE Aviation Holdings Inc. (since November 2004).

| Bachelor Degree by McGill University (Montreal) [Arts (Political Science); Common Law; Civil Law] and Masters of Law by London School of Economics (London) | Languages: Portuguese, English and French.

Tiago Gonçalves de Aires Mateus

Nationality: Portuguese | Date of birth: April 1980

Appointed Member of the Board of Directors of TAP, SGPS, S.A. for the period 2015-17, in November 2015.

Professional Activity: Non-Executive Director, Board of Directors of the management company of the Red Cross Hospital, CVP–Sociedade de Gestão Hospitalar, S.A. (since 2015) | Legal Officer, exercising duties as Director of the legal department and as Chairman of the General Meeting of SAGESTAMO–SGPS, S.A. until its extinction (July 2015), PARPÚBLICA–SGPS, S.A. (since 2014) | Member, having served as Chief of Staff, Office of the Secretary of State for Energy (SEE); Advisor, providing legal advice, Ministry of Economy and Employment/Ministry of Environment, Territorial Planning and Energy (2013-14) | Legal Director, exercising functions as director of the legal department, and as Chairman of the General Meeting in five Portuguese companies, Grupo IMG (2010-13) | Associate Attorney, Linklaters LLP (2006-10) | Trainee Lawyer, PLMJ (2004-06).

| Degree in Law (Legal and Economic Sciences) from the Faculty of Law of Lisbon | Attended the Postgraduate Course in Territorial Planning, Urbanism and Tourism Law by the Lisbon Faculty of Law | Global Associate Induction Course; Negotiation Skills Course; Advanced Legal Drafting Skills Course (exemplifying sample), Linklaters LLP (London/Madrid) | Accounting and Finance Program for Non-Financial Students, the Catholic Lisbon School of Business & Economics | Intensive Management Program by the New School of Business and Economics | Languages: English, Spanish and French.

ANNEX II - MEETINGS OF THE CORPORATE GOVERNING BODIES

OPERATION OF THE BOARD OF DIRECTORS

MEETINGS AND ATTENDANCE LEVEL OF THE MEMBERS OF THE CORPORATE GOVERNING BODIES

As composition of the Executive Board of Directors and of the General and Supervisory Board, in office until 12 November 2015

TAP, SGPS, S.A.

Corporate Governing Bodies	No. of Meetings	N.º of Attendance							
		PF	LS	OS					
Members ^(*)									
General Meeting	1	1	1	1					
Unanimous Board Decision in Writing	2	-	-	-					
Members ^(*)		FP	MT	LM	TL				
Executive Board of Directors	33	27	32	31	32				
Members ^(*)		PB	BA	VA	LP	RV	RA	CN	
General and Supervisory Board	14	13	14	13	14	8	14	12	
Members ^(*)		PB	BA	VA	LP	RV	RA	CN	
Specialised Sustainability and Corporate Governance Commission	7	7	7	6	7	5	7	6	
Members ^(*)		PB	BA	RA					
Specialised Audit Commission	7	7	7	7					

Meetings held at the head office of the Company.

TAP, S.A.

Corporate Governing Bodies	No. of Meetings	N.º of Attendance							
		PF	LS	OS					
Members ^(*)									
General Meeting	1	1	1	1					
Members ^(*)		FP	MT	LM	TL				
Executive Board of Directors	35	32	34	34	34				
Members ^(*)		PB	BA	VA	LP	RV	RA	CN	
General and Supervisory Board	11	10	11	10	11	7	11	9	
Members ^(*)		PB	BA	VA	LP	RV	RA	CN	
Specialised Sustainability and Corporate Governance Commission	7	7	7	6	7	5	7	6	
Members ^(*)		PB	BA	RA					
Specialised Audit Commission	6	6	6	6					

Meetings held at the head office of the Company.

^(*)Caption

Members of the Board of the General Meeting

PF	Chairman – Paulo Manuel Marques Fernandes
LS	Vice-Chairman – António Lorena de Sêves
OS	Secretary – Orlanda do Céu Silva Sampaio Pimenta d'Aguiar

Members of the Executive Board of Directors

FP	Fernando Abs da Cruz Souza Pinto
LM	Luiz da Gama Mór
MT	Manoel José Fontes Torres
TL	Maria Teresa Silva Lopes

Members of the General and Supervisory Board

Members of the Specialised Audit Commission (only those marked with (**))

Members of the Specialised Sustainability and Corporate Governance Commission

PB	Manuel Soares Pinto Barbosa (**)
VA	Carlos Alberto Veiga Anjos
BA	João Luís Traça Borges de Assunção (**)
LP	Luís Manuel dos Santos Silva Patrão
RV	Maria do Rosário Miranda Andrade Ribeiro Vítor
RA	Rui Manuel de Azevedo Pereira da Silva (**)
CN	Vítor José Cabrita Neto

As composition of the Board of Directors and of the Executive Committee, in office after 12 November 2015

TAP, SGPS, S.A.

Corporate Governing Bodies	No. of Meetings	N.º of Attendance										
Members ^(*)		see Note 1										
General Meeting	1											
Members ^(*)		HP	FP	DP	MU	DN	FR	HC	PD	RM	SI	TM
Board of Directors	2	2	2	2	2	2	2	2	2	2	2	2
Members ^(*)		FP	DP	MU								
Executive Committee	3	3	3	3								

TAP, S.A.

Corporate Governing Bodies	No. of Meetings	N.º of Attendance				
Members ^(*)		see Note 2				
General Meeting	1					
Members ^(*)		HP	FP	DP	MU	DN
Board of Directors	3	3	3	3	3	3
Members ^(*)		FP	DP	MU		
Executive Committee	3	3	3	3		

^(*)Caption

Members of the Board of the General Meeting

TAP, SGPS, S.A.

Note 1: As the members of the Chair of the General Meeting had not yet been elected, the representative of shareholder Atlantic Gateway David Humberto Canas Pedrosa chaired the meeting, with the representative of shareholder Parpública, Cláudia Cruz Almeida, acting as secretary.

TAP, S.A.

Note 2: As the members of the Chair of the General Meeting had not yet been elected, the representative of the single shareholder Fernando Abs da Cruz Souza Pinto chaired the meeting, with David Humberto Canas Pedrosa acting as secretary.

Members of the Board of Directors

TAP, SGPS, S.A.

HP	Humberto Manuel dos Santos Pedrosa
FP	Fernando Abs da Cruz Souza Pinto
DP	David Humberto Canas Pedrosa
MU	Maximilian Otto Urbahn
DN	David Gary Neeleman
FR	Francisco Maria Freitas de Moraes Sarmento Ramalho
HC	Henri Courpron
PD	Philippe Calixte Albert Delmas
RM	Robert Aaron Milton
SI	Sydney John Isaacs
TM	Tiago Gonçalves de Aires Mateus

TAP, S.A.

HP	Humberto Manuel dos Santos Pedrosa
FP	Fernando Abs da Cruz Souza Pinto
DP	David Humberto Canas Pedrosa
MU	Maximilian Otto Urbahn
DN	David Gary Neeleman

Members of the Executive Committee

TAP, SGPS, S.A.

TAP, S.A.

FP	Fernando Abs da Cruz Souza Pinto
DP	David Humberto Canas Pedrosa
MU	Maximilian Otto Urbahn

APPROVAL OF THE CORPORATE GOVERNANCE REPORT

Approved by the Board of Directors of TAP
SGPS, at a meeting of 17 March 2016.

BOARD OF DIRECTORS

Chairman Humberto Manuel dos Santos Pedrosa
Member Fernando Abs da Cruz Souza Pinto
Member David Humberto Canas Pedrosa
Member Maximilian Otto Urbahn
Member David Gary Neeleman
Member Francisco Maria Freitas de Moraes Sarmiento Ramalho
Member Henri Courpron
Member Philippe Calixte Albert Delmas
Member Robert Aaron Milton
Member Sydney John Isaacs
Member Tiago Gonçalves de Aires Mateus

CREDITS

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Legal Deposit

~~482.801/16~~