

EXTRACT FROM THE
DIÁRIO DA REPÚBLICA

I - A SERIES No. 146

Decree-Law no. 129/2003 of June 27

Summary: Alters the Charter of the Serralves Foundation, approved by Decree-Law n.º 240-A/89, July 27

14 years after the creation of the Serralves Foundation, and almost 10 years since the end of its initial experimental period, it is now both possible and necessary to reflect upon several conclusions gathered from the mode of operation of its statutory bodies.

In terms of the Board of Directors, the Charter's original provisions were drawn up in order to guarantee regular renewal of its members, by means of a system of rotation.

The experience of the past years has demonstrated, however, that it is convenient to temper this objective with the interest of stability in terms of planning and executing the activities pursued by the Foundation.

The present legal diploma aims to achieve a harmonious balance between the two aforementioned goals - introducing greater suavity in the current regime of rotation, in all circumstances where this does not collide with the interest of renewal. In particular, the present diploma stipulates that the regular substitution of older-serving directors – 2, instead of the present 3 -- shall not take place in cases where, during the duration of each mandate, there has been early cessation of the functions of other directors. In fact, it is understood that in such cases the necessary level of renewal will already have been duly attained, thus making it unnecessary to introduce a new change in such a short space of time.

It is also convenient to guarantee to persons entering the Board of Directors, that they may exercise at least 2 mandates.

This possibility is considered to encourage dedication and availability, in particular in a model wherein directors are not remunerated as a rule. In all circumstances, the present diploma clearly establishes that the members of the Board of Directors may not exercise more than three mandates.

Experience has also shown, on the other hand, that the same model of administration confers special responsibilities on the respective Chairman, who is also Chairman of the Foundation. The need for stability is most apparent in

relation to the person who for all purposes acts as the Foundation's public face, at the risk that overly frequent changes might seriously disturb the institution's functioning. As a result, the present diploma intends to adopt a new rule by means of which the Chairman of the Board is guaranteed the possibility to exercise two consecutive mandates, independently of the time during which he has exercised functions as a member of the board, or as Deputy Chairman.

Finally, the opportunity has also been taken to classify the mode whereby the mandates of directors shall be counted, wherein it is expressly defined that each mandate initiates on January 1 of the first year and terminates on December 31 of the third year of the respective period.

Obviously, these modifications aim to preserve and foster the goals pursued by the Foundation, in light of the remarkable manner, on all fronts, in which the institution has pursued its multifaceted actions, by means of an innovative model of cooperation between public and private entities, thereby attaining a renowned level of national and international esteem.

Hence:

Under the terms paragraph a) of no. 1 of article 198 of the Portuguese constitution, the government decrees the following:

Article 1

Alteration to the Charter of the Serralves Foundation

Articles 11, 12, 13, 14, 26 and 27 of the Charter of the Serralves Foundation, approved by Decree-Law no. 240-A/89, of July 27, altered by Decree-Law no. 256/94, of October 22, and Decree-Law no. 163/2001, of May 22 shall now have the following wording:

«Article 11

1 - The mandate of the members of the Board of Directors shall be of a three-year duration, starting on January 1 and ending on December 30 of the third year, without prejudice to cases in which the present Charter stipulates provisions to the contrary.

2 - No director may exercise more than three consecutive mandates, except under the provisions of no. 3 of article 14.

Article 12

1 - In the month of December of the last year of each mandate, the Board of Directors shall designate, by secret ballot and an absolute majority of its members, two new directors in order to substitute, from January 1 of the following year, the two oldest serving members, or the two oldest members, in the event of coinciding periods of service.

2 - The substitution specified in the previous point shall not be totally or partially carried out, in the following circumstances:

- a) When the members to be substituted have been unable to exercise two consecutive mandates, in the same position or in different positions;
- b) If, in the present mandate, early election of new members has taken place, under the terms of the following article.

3 - (Former no. 2.)

Article 13

1 - Without prejudice to the provisions of no. 4 of the following article, in the event that a vacancy occurs in the Board of Directors, the latter shall ensure that the vacancy is filled via a decision taken by an absolute majority of the remaining members, voted in a secret ballot.

2 - The new Director shall be subject in general terms to the substitution rule specified in the previous article, and the mandate in progress shall not count for the purposes of his antiquity of service, if more than six months of the mandate in progress has already expired.

3 - If, at any one time, the unfilled vacancies are equal to or higher than five, the respective vacancies shall be filled in accordance with the provisions of paragraph b) of no. 1 of article 27

Article 14

1 - ...

2 - ...

3 - The Chairman may exercise two mandates in this capacity, independently of the time during which he has exercised functions as a member of the Board of Directors or as Deputy Chairman.

4 - In the event of early cessation of functions by the Chairman, the new election shall be carried out under the terms of nos. 1 and 2 of the present article, and the mandate in progress shall not be counted for the purposes of calculating the antiquity of the new Chairman, if more than 18 months of the mandate in progress has already expired.

Article 26

1 - ...

2 - Once the new Board of Directors has been constituted, under the terms of the previous point, the respective mandate shall be of three full calendar years, not counting the year in which the board was designated, if more than six months of that calendar year has expired.

Article 27

1 - ...

2 - The members of the Board of Directors designated under the terms of the previous point shall be subject to the provisions of no. 2 of article 13»

Article 2

Republication

The full version of the Charter of the Serralves Foundation, approved by Decree-Law no. 240-A/89, of July 27, altered by Decree-Law no. 256/94, of October 22 and Decree-Law no. 163/2001, of May 22, with the alterations introduced by the present diploma, is republished in the Annex.

Checked and approved in the Council of Ministers on May 27, 2003. - José Manuel Durão Barroso - Maria Manuela Dias Ferreira Leite - Pedro Manuel da Cruz Roseta.

Proclaimed on June 20, 2003.

Let this be published.

The President of the Republic, JORGE SAMPAIO.

Counter-signed on June 23, 2003.

The Prime Minister, José Manuel Durão Barroso.

ANNEX

CHARTER OF THE SERRALVES FOUNDATION

CHAPTER I

Designation, duration, registered office and objectives

Article 1

The Foundation adopts the designation of the Serralves Foundation.

Article 2

The Foundation shall exist for an unlimited duration.

Article 3

1 - The registered office of the Foundation is in the city of Oporto, in the Serralves Estate.

2 - The Foundation may also pursue its activities in any other part of the country.

Article 4

1 - The Foundation aims to promote cultural activities in the field of all the arts.

2 - In pursuit of its objectives, the Foundation shall create and maintain in the Serralves Estate:

a) A Museum of Modern Art, that will keep in its collection, modern art works owned by the State, works from other entities that have been assigned to it on a deposit basis, and works included within its own patrimony

b) An auditorium used to hold concepts and dance and theatre performances;;

c) Any other ventures that are compatible with its objectives.

CHAPTER II

Patrimony

Article 5

The Foundation's patrimony is constituted by the following:

a) The property designated as the Serralves Estate, which constitutes the State's entry into the project, in its capacity as Founder;

- b) The cash amount corresponding to the sum of all the endowments provided by the other Founders, in the amount of 10 million escudos each, deposited in the name of the Foundation;
- c) Any assets that the Foundation acquires under the terms specified in the law, by means of the earnings generated from its patrimony;
- d) The goods that it obtains on a free all charge basis;
- e) Other subsidies that are attributed to it, on an ordinary or extraordinary basis, by the State or by other public bodies.

Article 6

The Foundation may practice any acts necessary for pursuit of its objectives and management of its patrimony, acquiring, encumbering and disposing any kind of assets, under the terms specified in the law.

CHAPTER III Governing Bodies

Article 7

1 - The Foundation has the following governing bodies:

- a) The Board of Directors;
- b) The Board of Founders;
- c) The statutory audit committee.

2 - The Chairman of the Foundation is the Chairman of the Board of Directors.

SECTION I Board of directors

Article 8

The Board of Directors is constituted by nine members, including one Chairman, three Deputy-Chairmen and five members.

Article 9

The members of the Board of Directors are initially designated in the transitory provisions of this Charter and in the future shall be chosen by the Board itself, by co-option, under the terms all articles 12 and 34, with the exception of two members, who will always be nominated by the State.

Article 10

1 - The majority of members of the Board of Directors will always be constituted by members of the Board of Founders.

2 - The members of the Board of Directors will always be natural persons.

Article 11

1 - The mandate of the members of the Board of Directors shall be of a three-year duration, starting on January 1 and ending on December 30 of the third year, without prejudice to cases in which the present Charter stipulates provisions to the contrary.

2 - No director may exercise more than three consecutive mandates, except under the provisions of no. 3 of article 14.

Article 12

1 - In the month of December of the last year of each mandate, the Board of Directors shall designate, by secret ballot and an absolute majority of its members, two new directors in order to substitute, from January 1 of the following year, the two oldest serving members, or the two oldest members, in the event of coinciding periods of service.

2 - The substitution specified in the previous point shall not be totally or partially carried out, in the following circumstances:

a) When the members to be substituted have been unable to exercise two consecutive mandates, in the same position or in different positions;

b) If, in the present mandate, early election of new members has taken place, under the terms of the following article.

3 - The other members of all the Board of Directors shall continue to exercise their functions for an additional period of three years.

Article 13

1 - Without prejudice to the provisions of no. 4 of the following article, in the event that a vacancy occurs in the Board of Directors, the latter shall ensure that the vacancy is filled via a decision taken by an absolute majority of the remaining members, voted in a secret ballot.

2 - The new Director shall be subject in general terms to the substitution rule specified in the previous article, and the mandate in progress shall not count for the purposes of his antiquity of service, if more than six months of the mandate in progress has already expired.

3 - If, at any one time, the unfilled vacancies are equal to or higher than five, the respective vacancies shall be filled in accordance with the provisions of paragraph b) of no. 1 of article 27.

Article 14

1 - The Chairman and Deputy Chairmen of the Board of Directors will be elected by the Board itself from amongst its members, by secret ballot and an absolute majority of its members, in a meeting that is convened expressly for this purpose.

2 - In the event that, in the first vote, the absolute majority specified in the previous point is not attained, the vote will be repeated, wherein the Chairman and deputy Chairman will be the persons that receive the highest number of votes.

3 - The Chairman may exercise two mandates in this capacity, independently of the time during which he has exercised functions as a member of the Board of Directors or as Deputy Chairman.

4 - In the event of early cessation of functions by the Chairman, the new election shall be carried out under the terms of nos. 1 and 2 of the present article, and the mandate in progress shall not be counted for the purposes of calculating the antiquity of the new Chairman, if more than 18 months of the mandate in progress have already expired.

Article 15

The Board of Directors is responsible for practicing all the acts necessary for pursuit of the Foundation's objectives, and has a broad array of representation and management powers, in particular:

- a) To program the Foundation's activity and approve its budget;
- b) To organize and coordinate its services and activities;
- c) To issue internal operating regulations for the Foundation;
- d) To administer and freely make use of its patrimony, under the terms of the law;
- e) To constitute proxies.

Article 16

1 - The Chairman of the Board of Directors is responsible for the following,

- a) To represent the Foundation;
- b) To convene and preside over the Board of Directors.

2 - The Deputy Chairmen are responsible, on an alternating basis, for substituting the Chairman in his absence and in the event of temporary impediments.

Article 17

1 - The Foundation is bound by:

- a) The signature of two directors;
- b) The signature of one director in the exercise of powers that have been dedicated to him by means all a decision of the Board of Directors;
- c) The signature of two proxies, under the terms of their respective mandates;
- d) The signature of a single proxy, in the event of a mandate to practice a certain, specific act.

2 - Acts of disposal or encumbrance of any portions of the Serralves Estate shall only be valid and effective if practiced in execution of a decision of the Board of Directors that had has obtained a concordant vote from the directors designated by the State.

Article 18

1 - The Board of Directors shall meet in an ordinary session once per month and in an extraordinary session whenever convened by its Chairman, on his own initiative or at the request of three directors.

2 - The quorum for meetings of the Board of Directors is five directors, and decisions in the meeting shall be taken by an absolute majority of the votes cast.

3 - The Chairman shall have the casting vote.

4 - Minutes shall be drawn up for each meeting in a specific minutes book, signed by all the members present in the meeting.

Article 19

1 - The Board of Directors may delegate to any of its members, who shall thereby receive the title of managing Director, the practice of day-to-day management of the Foundation, or may constitute an executive committee constituted by three members for this purpose, and shall establish the respective operating rules.

2 - The Board of Directors may also delegate powers for the practice of day-to-day management to a department director that shall attend meetings of the Board of Directors, without voting rights, and whenever he is convened for this purpose.

SECTION II

Board of Founders

Article 20

1 - The Board of Founders is constituted by the following persons:

a) All founders specified in article 35, and by the Portuguese State;

b) All those persons to whom the Board of Founders attributes this capacity, following a proposal by the Board of Directors, on the basis of a duly well-grounded decision taken by an absolute majority, in view of the relevant services provided to the Foundation or the particular merits exhibited by the respective person;

c) By the following members, due to their inherent nature:

Oporto municipal Council;

University of Oporto;

University of Minho;

Oporto Commercial Association;

Oporto Industrial Association;

Eng. António de Almeida Foundation;

Árvore Cooperative.

2 - The Board of Founders is chaired by one of its members.

3 - The Chairman of the Board of Founders is elected by a majority vote of this body, for a three-year period, and may be re-elected on one occasion.

4 – Re-election of the Chairman of the Board of Founders shall take place in the year in which his respective mandate terminates and, if the election has not been taken on a prior occasion, in the annual meeting specified in no. 1 of article 22.

5 - Whenever any of the entities referred to in paragraphs a) and b) of no. 1 is a corporate body, the latter shall designate a natural person, for a five-year renewable mandate, in order to join the Board of Founders.

6 - In the event of a renunciation, definitive impediment or death of the natural person designated under the terms of the previous point, the corporate body that designated him shall indicate a new representative, who, after approval by the Board of Founders, via a simple majority vote, shall form part of this governing body under the terms of the previous point.

7 - Neither members due to their inherent in nature, nor members of the Board of Founders specified in paragraph b) of no. 1, that have assumed this capacity for less than five years, may be co-opted as directors.

Article 21

The Board of Founders is responsible for the following:

- a) Issue an opinion, up until December 15 of each year, on the Foundation's management plan for the following year, which shall be presented by the Board of Directors up to November 15;
- b) Elect a member of the statutory audit committee once every three years;
- c) Designate a firm of official auditors [ROC's] once every three years, to form part of the statutory audit committee, under the terms of article 23 of this chapter;
- d) Elect a Salaries Committee, under the terms of article 29.

Article 22

1 - The Board of Founders shall have an annual meeting between December 1 and 15 for exercise of the competency specified in paragraph a) of the previous article and, where appropriate, carry out the designation and elections specified in paragraphs b), c) and d) of the same article and in nos. 5 and 6 of article 20.

2 - The Board of Founders may also meet in an extraordinary session whenever its Chairman convenes such a meeting, at his own initiative or at the request of the Chairman of the Board of Directors.

3 - The plenary sessions of the Board of Founders shall be chaired by the Chairman of this Board, and minutes shall be drawn up of the meetings.

4 - The quorum for decisions of the Board of Founders is constituted by one half of its members plus one member.

5 - If the board is unable to meet due to a lack of quorum, a new meeting will be immediately convened, to be held within 15 days, regardless of the number of founders present in this meeting.

SECTION III Statutory Audit Committee

Article 23

1 - The statutory audit committee is constituted by three members, wherein one member shall be elected by the Board of Founders from amongst its members, the second shall be a firm of official auditors [ROC's] designated by the Board of Founders and the third, who shall chair the committee, shall be designated by the Minister of Finances.

2 - The mandate of the members specified in the previous point shall be three full calendar years.

3 - The members of the statutory audit committee shall initially be designated under the terms of the transitory provisions of this chapter.

Article 24

1 - The statutory audit committee is responsible for the following:

- a) To check the regularity of the accounting records and books, together with the accounts documents on which basis they have been drawn up;
- b) To check, whenever it so deems necessary and in a manner which it considers to be appropriate, the existence of all financial amounts pertaining to the Foundation;
- c) To check the exactitude of the Foundation's annual accounts;
- d) To draw up an annual report on its auditing actions and issue an opinion on the annual accounts presented by the Board of Directors.

2 - The members of the statutory audit committee shall carry out, on a joint or separate basis, at any time of the year, the inspection and verification acts that it deems to be convenient for strict exercise of its functions.

SECTION IV

Removal from Office of the Members of the Board of Directors

Article 25

1 - The State may request removal from office of the Board of Directors in the Oporto District Civil Court, whenever any of the following situations may be imputed to it:

- a) Manifest and reiterated lack of respect for the Foundation's statutory objectives;
- b) Blameworthy or harmful acts that deliver serious damage to the Foundation's patrimony;
- c) Unjustified suspension of the Foundation's activities for a period in excess of six months;
- d) Failure to fill, within one year, vacancies that have arisen in the Board of Directors;
- e) Cessation by the Board of Directors to exercise its competencies, as expressed, in particular, by a failure to hold at least three consecutive, or five intercalated ordinary meetings during the course of a year;
- f) Failure to present the Foundation's annual accounts up until December 31 of the year following that for which they are drawn up.

2 - In the event that the judicial proceedings demonstrate that any of the situations invoked as grounds for removal from office, may be imputed solely to one or several directors, the judicial decision of removal from office shall be restricted to this director or these directors.

Article 26

1 - In the event that the Board of Directors is dismissed, by means of a judicial sentence transited in rem judicatam, the new Board shall be constituted as follows:

- a) Three members designated by the State, one of which shall obligatory form part of the Board of Founders;
- b) Three members elected by the private entities included within the Board of

Founders, one of whom shall obligatory be a member of this Board;

c) Three members elected by the Board of Founders from amongst its members.

2 - Once the new Board of Directors has been constituted, under the terms of the previous point, the respective mandate shall be of three full calendar years, not counting the year in which the board was designated, if more than six months of that calendar year has expired.

Article 27

1 - In the event that only one or several members of the Board of Directors are dismissed, also by means of a judicial sentence, transited in rem judicatam, the following provisions shall be observed:

a) If the number of directors that have been dismissed is less than or equal to four, the vacancies shall be filled by means of co-option of the other directors;

b) If the number of directors that have been dismissed is more than 4, either three or six vacancies shall be filled under the terms of no. 1 of the previous article, in order to maintain the proportion established therein and any other vacancies shall be filled by means of co-option of the respective directors.

2 - The members of the Board of Directors designated under the terms of the previous point shall be subject to the provisions of no. 2 of article 13»

Article 28

The directors designated under the terms of articles 26 and 27 shall be subject to all the rules of this Charter, in particular those concerning the period of duration of functions and the renewal regime of the Board of Directors.

SECTION V Remuneration

Article 29

1 - The functions of the managing director and members of the executive committee of the Board of Directors shall be remunerated.

2 - Attendance receipts may be paid to all members all the Board of Directors for each meeting in which they take part.

3 - The value of the remuneration of the managing director and members of the executive committee of the Board of Directors, together with that of the attendance receipts of the members of the Board of Directors, shall be set, once every three years, by a committee composed of three members of the Board of Founders, elected once every three years in its annual meeting, counted from the date of entry into force of the diploma that approves the present Charter.

4 - The members of the salaries committee shall initially be designated under the terms of the transitory provisions of this Charter.

CHAPTER IV Foundation's Accounts

Article 30

The Board of Directors shall maintain the Foundation's accounts in due order, in accordance with generally accepted accounting criteria, and shall draw up, at the end of each calendar year, up until April 30 of the following year, a balance sheet and statement of net income.

Article 31

The Foundation's annual accounts and the opinion issued in relation to these accounts by the statutory audit committee shall be published, up until July 31 of the year following that for which they have been drawn up, in two mass circulation daily newspapers in the city of Oporto.

CHAPTER V Extinction of the Foundation

Article 32

1 - In the event of extinction of the Foundation, its patrimony shall revert in full to the State.

2 - If the extinction of the Foundation takes place as a result of the non-viability of the Foundation due to failure by the State to pay the annual subsidy specified in paragraph c) of article 5, the Foundation's patrimony, except for Serralves Park

and Villa, which shall revert to the State, shall revert to the entity chosen by the Board of Founders.

CHAPTER VI Transitory provisions

Article 33

The Board of Directors shall have the following initial composition:

João Vasco Marques Pinto, chairman;
Fernando Guedes, deputy chairman;
João Macedo Silva, deputy-chairman;
Rui Vilar, deputy-chairman;
Bernardino Gomes, member;
José António Barros, member;
António Rocha e Mello, member;
Vasco Airão, member;
Luís Braga da Cruz, member.

Article 34

1 - The mandate of the directors designated under the terms of the previous article shall initiate on the date of creation of the Foundation and terminate on December 31, 1994.

2 - Between June 1-30, 1994, the Board of Directors shall decide, by means of a secret ballot and absolute majority of all its members, on renewal of the period of duration of the functions of three of its members, in accordance with the terms specified in article 12.

3 - If the decision taken is not to renew the period of duration of functions of one or more directors, the Board shall co-opt the persons who shall fill the vacancy or vacancies that are created on this date, up until December 30 1, 1994, via a secret ballot and absolute majority of all its members.

Article 35

The Board of Founders shall have the following initial composition:

Fundação Luso-Americana para o Desenvolvimento;
Airbus Industrie;
Alexandre Cardoso, Lda.;
Amorim - Investimentos e Participações, S. A.;
António Brandão Miranda;
ARSOPI - Indústrias Metalúrgicas Arlindo S. Pinto, S. A.;
Auto Sueco, Lda.;
Banco Borges & Irmão, S. A.;
Banco Comercial Português;
Banco de Comércio e Indústria, S. A.;
Banco Fonecas & Burnay;
Banco Internacional de Crédito, S. A.;
Banco Português do Atlântico, E. P.;
BPI - Banco Português de Investimento, S. A.;
BNU - Banco Nacional Ultramarino;
Banco Totta & Açores, S. A.;
BNP/Factor - Companhia Internacional de Aquisição de Créditos, S. A.;
Caixa Geral de Depósitos;
CHELDING - Sociedade Internacional de Montagens Industriais, Lda.;
CINCA - Companhia Industrial de Cerâmica, S. A.;
COTESI - Companhia de Têxteis Sintéticos, S. A.;
Crédit Lyonnais-Portugal, S. A.;
DILIVA - Sociedade de Investimentos Imobiliários, S. A.;
Fábrica de Malhas Filobranca, Lda.;
Fábrica Nacional de Relógios, Reguladora, S. A.;
FNAC - Fábrica Nacional de Ar Condicionado, U. C. R. L.;
I. P. Financeira - Sociedade de Investimentos, Estudos e Participações
Financeiras, S. A.;
João Vasco Marques Pinto;
Jorge de Brito;
Lacto Lusa, S. A.;
Longa Vida - Agrícola de Lacticínios A Central de Perafita, Lda.;
Maconde, Confeções, Lda.;
MOCAR, S. A.;
POLIMAIA - Sociedade Industrial Química, S. A.;
Produtos Sarcol, Lda.;
RAR - Refinarias de Açúcar Reunidas, S. A.;

Rima - Racionalização e Mecanização Administrativa, S. A.;
SOLEASING - Comércio e Aluguer de Automóveis, S. A.;
Salvador Caetano - Indústrias Metalúrgicas e Veículos de Transporte, S.A.;
Sociedade Comercial Tasso de Sousa, Lda.;
Sociedade Têxtil A Flor do Campo, S. A.;
Soja de Portugal - Sociedade Gestora de Participações Sociais, S. A.;
Indústrias Têxteis Somelos, S. A.;
SONAE - Investimentos, Sociedade Gestora de Participações Sociais, S. A.;
Têxteis Carlos Sousa, Lda.;
Têxtil Manuel Gonçalves, S. A.;
União de Bancos Portugueses, S. A.;
UNICER - União Cervejeira, S. A.;
Vera Lilian Cohen Espírito Santo Silva;
VICAIMA - Indústria de Madeiras e Derivados, Lda.;
Vinícola do Vale do Dão, Lda.

Article 36

The statutory audit committee shall have the following initial composition:
Mário César Martins Pinho da Cruz, chairman;
Aníbal Oliveira;
A. Gândara and F. Alves, Firm of Official Auditors.

Article 37

The salary committee for the three-year period 1989, 1990 and 1991 shall have the following composition:
Artur Santos Silva, chairman;
Manuel Violas;
Assis Magalhães.