

23.2 Contingent liabilities

Judicial proceedings

As at 31 December 2018, ANACOM faced legal proceedings brought by operators in the context of its regulatory activity against which the Board of Directors did not consider it necessary to constitute provision, since the amounts sought were not indicated in the actions brought and there were no credible estimates to support such constitution.

23.3 Contingent assets

As at 31 December 2018, legal proceedings for compensation were under way in respect of the incident that occurred some years previously and affected the philatelic property, as mentioned in Note 8. ANACOM estimates that the compensation payment will be around 377 273 euros. However, as at the date of the balance sheet there is still no confirmation that ANACOM will receive this sum

24 Related parties

24.1 Remuneration of corporate bodies

In accordance with NCRF 5, the members of ANACOM's Board of Directors are related parties by virtue of their fundamental role in its management.

In the 2018 and 2017 financial years, the remuneration awarded to the members of the Board of Directors and the Audit Committee was as follows

Table 6.38 – Board remuneration

	<u>2018</u>	<u>2017</u>
Board of Directors	811 556	845 767
Audit Committee	49 594	49 594
Total	<u>861 150</u>	<u>895 360</u>

Unit: euro

On 15 August 2017, the current Chairman of the Board of Directors took office, having been appointed pursuant to Resolution of the Council of Ministers 120/2017, approved on 10 August and published on 4 September, taking effect on that date.

According to the Resolution of the Council of Ministers 16/2018, approved on 8 February and published on 23 February, three new members of the Board of Directors were appointed, who began their duties on 9 February 2018. Moreover, a member appointed in 2015 for a term of six years (Resolution of the Council of Ministers 38-B/2015, approved and published on 23 July) remains in office.

The new rules for setting the remuneration of the members of the Board of Directors were amended in 2017.

Thus,, in accordance with Article 25 of the Framework Law of Independent Administrative Entities (Law 67/2013 of 28 August, as amended by Law 12/2017 of 2 May), the remuneration of the (four) new members of the Board of Directors was established by the salaries committee which, according to the report approved on 28 June 2017, fixed the monthly salary and the monthly allowance of representation expenses, in the following amounts:

- Chair of the Board of Directors: 8 255 euros (14 payments) + 40% of the respective salary (12 payments), for representation expenses.
- Vice-chair and Members of the Board of Directors: 7 249.5 euros (14 payments) + 40% of the respective salary (12 payments), for representation expenses

No retirement pension liability is incurred for members of the above bodies.

24.2 Universal Service Compensation Fund (FCSU)

Law 35/2012 of 23 August creates the electronic communications universal service compensation fund mentioned in Article 97(2) of the ECL, and establishes the criterion for the sharing of the universal service net costs between the companies that are required to contribute to it. The compensation fund aims to finance the net costs resulting from the provision of the electronic communications universal service.

The compensation fund observes the principles of transparency, non-discrimination, proportionality, and minimum market distortion. The financing of the US net costs is sustained by sharing them between the companies that provide public communications