

SONAECOM, SGPS, S.A.
Publicly Traded Company
Registered Office: Lugar do Espido, Via Norte, Maia
Registry and Tax no. 502 028 351
Share Capital: Euro 230.391.627,38
Registered at the Commercial Registry of Maia

*Non-binding translation
For information purposes only*

I hereby certify, according to minutes number forty-nine, that in the Shareholders' General Meeting held on the 30th April 2019, at Sonaecom's registered office, at 09:30 AM, the following proposals were approved:

Proposal 1

"We propose that the Annual Report and Individual and Consolidated Accounts of Sonaecom, SGPS, S.A., for the year ended 31 December 2018, are approved as presented."

Proposal 2

"Under the legal and statutory terms, the Board of Directors proposes to allocate the net income of Sonaecom Individual accounts, in the amount of 16.866.108,06 euros as follows:

- i) 843.305,40 euros to legal reserves;*
- ii) 16.022.802,66 euros is paid to shareholders;*

The Board of Directors also proposes that the total amount of 16,847,281.48 euros, from Other Reserves, be equally distributed by the shareholders.

Considering that it will not be possible to determine the precise number of own shares that will be held by the company on the date of the abovementioned payment, without limiting the company's capacity to act, we highlight the following:

- i) To each issued share it will correspond the gross amount of 0,112 euros;*
- ii) The amount corresponding to the shares that belong to the Company on the payment day of the abovementioned amount (calculated on said unit gross amount of 0,112 euros per issued share) will not be paid to shareholders, but will instead be maintained in "Other Reserves".*

Proposal 3

"It is hereby proposed to grant a vote by the shareholders to express the appreciation for and confidence in the work performed by the Management and Audit Boards, during the year of 2018."



Proposal 4

“Considering that the Board of Directors adopted the resolution, on the 12th of March 2019, to co-opt João Pedro Magalhães da Silva Torres Dolores, assuming the functions of non-executive director, until the expiration of the current mandate, related to the four-year period of 2016/2019, it is hereby proposed, pursuant to no. 4 of article 393 of the Portuguese Company Law to ratify the said co-option, due to the consideration, based on the requirements defined by the Company, that the co-opted person has the appropriate profile, knowledge, curriculum and experience to the role to be performed.

It is also hereby proposed that a resolution shall be adopted setting the guarantee of the co-opted member of the Board of Directors at the amount of € 250,000 (two hundred and fifty thousand Euros), constituted in any way permitted by law, authorizing the said co-opted member to hold management positions in companies in a controlling or group relationship with the proposing company or with companies in a controlling or group relationship with those companies, under the terms and for the purposes of the provisions of article 21 of the Portuguese Securities Code, with no applicable limit to the access to information, under the terms and for the purposes of no. 4 of article 398 of the Portuguese Company Law, and to be remunerated in accordance with terms to be fixed by the Shareholders’ Remuneration Committee.

Accompanying this proposal is the information imposed by paragraph d) of no. 1 of article 289 of the Portuguese Company Law.”

Proposal 5

“It is hereby proposed that a resolution shall be adopted increasing the number of members of the Board of Directors from three to four members, for the current mandate (2016/2019).”

Proposal 6

“Subject to the approval of the proposal to increase the number of members of the Board of Directors presented by this Company in the previous Point of the Agenda, it is hereby proposed the election, as a member of the Board of Directors, as a non-executive director, until the end of the current term of office for the four-year period of 2016/2019, due to the consideration, based on the requirements defined by the Company, that the proposed member has the appropriate profile, knowledge, curriculum and experience to the role to be performed, of:

- Eduardo Humberto dos Santos Piedade

It is also hereby proposed that a resolution shall be adopted setting the guarantee of the member of the Board of Directors to elect, at the amount of € 250,000 (two hundred and fifty thousand Euros), constituted in any way permitted by law, authorizing the said member to elect to hold management positions in companies in a controlling or group relationship with the proposing company or with companies in a controlling or group relationship with those companies, under the terms and for the purposes of the provisions of article 21 of the Portuguese Securities Code, with no applicable limit to the access to information, under the terms and for the purposes of no. 4 of article 398 of the Portuguese Company Law, and to be remunerated in accordance with terms to be fixed by the Shareholders’ Remuneration Committee.

Accompanying this proposal is the information imposed by paragraph d) of no. 1 of article 289 of the Portuguese Company Law.”

Proposal 7

“The Remuneration Committee proposes to the Shareholders’ General Meeting the approval, under the terms and for the purposes of number 1 of article 2 of Law 28/2009 of 19 June, amended by the Decree-Law n^o 157/2014 of 24 October, that the Remuneration and Compensation Policy to be applied to the Company’s Statutory Governing Bodies, as well as the Stock Plan Policy that will be applied by the Remunerations Committee as follows:



1. Principles of the Remuneration and Compensation Policy for the members of the Statutory Governing Bodies:

The Remuneration and Compensation Policy to be applied to the Statutory Governing Bodies complies with European Commission guidelines, Portuguese law the Portuguese Institute of Corporate Governance (IPCG) Recommendations contained in the IPCG Corporate Governance Code, published in 2018, in accordance with the established Protocol between IPCG and Portuguese Securities Exchange Commission (“CMVM”), on 13th of October of 2017, which introduced a model for self-regulation of the recommendatory corporate governance, and revoked the CMVM Corporate Governance Code (2013) and promoted the implementation of a unique code, prepared by the IPCG, who shall have the role to interpret and apply it, as well as to qualitatively and annually assess the governance structures and practices of listed companies. The present Policy is based on the understanding that initiative, competence and commitment are the essential foundations for delivering good performance, and that Remuneration Policy should be aligned with the medium and long term interests of the Company, in order to achieve sustainability, and based in the following principles:

Competitiveness:

In determining the Remuneration and Compensation Policy of the statutory governing bodies of the Company, the main goal is to attract talent with high level of performance that represents a valuable and material contribute to the sustainability of the Company’s businesses. The Policy is defined by benchmarking against the global market and with the practices of comparable companies, being this information furnished by the main surveys performed for Portugal and other European markets, in particular those prepared by Mercer and Hay Group.

Accordingly, the remuneration parameters for members of the statutory governing bodies are determined and periodically revised in line with the remuneration practices of national and internationally comparable companies, with the aim of aligning with market practice the potential maximum amount of remuneration, both individually as well as in aggregate terms, to be paid to the members of the statutory governing bodies.

When making such analysis, the remuneration of the members of the statutory governing bodies shall namely consider, alongside other factors, the profile and the background of the member, the nature and the description of the role and the competencies of the statutory governing body and of the member itself, as well as the degree of direct correlation between the individual performance and the business performance.

For the assessment of the market practice reference values, it is considered the median compensation for Europe’s top tier executives’ fixed remuneration and the third quartile for variable remuneration. The companies that make up the pool of comparable companies are those with securities traded at Euronext Lisbon regulated market.

Board of Directors	Components		Market Positioning	Circumstances when the amounts are due
Executive Directors	Fixed	Base Remuneration	Median	N/A
	Variable	Short Term Variable Bonus (STVB)	Third Quartile	Compliance with objective and subjective KPIs
		Medium Term Variable Bonus (MTVB)	Third Quartile	Compliance with objective and subjective KPIs
Non Executive Directors*	Fixed	Remuneration	Median	N/A
	Fixed			N/A



Statutory Audit Board		Remuneration	Median	
External Auditor	Fixed	Remuneration	Median	N/A

* when applicable

Oriented for performance

The Policy establishes the attribution of bonus calculated considering the level of success of the Company. The variable component of the remuneration is structured in a way to establish a connection between the bonus attributed and the level of performance either individual, either collective. In case the pre-defined objectives, measured by business and individual KPIs, are not accomplished, the amount of short and medium incentives, will be totally or partially reduced.

Alignment with shareholders' interests

Part of the variable bonus of the executive directors is deferred for a period of 3 years, being the amount conditioned by the evolution of the price of shares and by the level of achievement of the medium term objectives during the deferral period. This way, it is ensured an alignment of the director with shareholder's interests and with medium term performance, looking at the sustainability of the business.

Transparency

Every aspects of the remuneration structure are clear and openly published, either internally as well as externally, through the publicity of the documentation in the Company's website. This communication process contributes to promote equity and independence.

Reasonableness

The Policy intends to ensure a balance between Sonaecom's interests, market position, the members of the governing bodies' expectations and motivations, and talent retention.

The Company's Remuneration and Compensation Policy incorporates the principle of not contemplating any compensation to directors or to the members of other statutory governing bodies, related to the termination of a mandate, irrespective of such termination occurring at the end of the respective mandate or at an early stage, and of reason or cause, without prejudice to the Company's obligation to comply with the applicable law in this matter.

The Remuneration and Compensation Policy does not include any system of benefits, particularly retirement benefits, in favour of the members of the statutory governing bodies.

In applying the Remuneration Policy consideration is given to roles and responsibilities performed in affiliated companies.

To ensure the effectiveness and transparency of the principles of the Remuneration and Compensation Policy, executive directors shall not enter into agreements with the Company or third parties that have the effect of mitigating the risk inherent to the variability of their remuneration awarded by the Company.

2. To implement these principles set out above, the Remuneration and Compensation of the members of the Statutory Governing Bodies shall respect the following rules:

Executive Board Members

The remuneration and compensation policy for the Executive Directors includes, in the way it is structured, control mechanisms, taking into account the connection to personal and collective performance, to prevent behaviors that involves excessive risk-taking. This objective is also reinforced by the fact that each Key Performance Indicator is limited to a maximum value.

The remuneration of Executive Directors normally includes two components: (i) a fixed component, which includes a Base Remuneration paid with reference to one year period



(remuneration is paid in 12 months) and an annual responsibility allowance, (ii) a variable component, awarded in the first half of the year following the year to which it relates and subject to the accomplishment of the targets and objectives fixed in the previous year and which is divided into two parts (a) a Short Term Variable Bonus which is paid immediately after it is awarded, and (b) a Medium Term Variable Bonus which vests and is paid after a 3 years deferral period, considering that the exposure of Executive Directors to fluctuations in the share price is the most appropriate way to align the interests of Executive Director with those of shareholders.

(i) The **fixed remuneration** of an Executive Director is based on the personal competences and level of responsibility of the function exercised and is reviewed annually. Each Executive Director is attributed a classification named internally as a Management Level (“Grupo Funcional”). Executive Directors are classified under one of the following Management Levels: “Group Leader” “Group Senior Executive”, or “Senior Executive”. The various Management Levels are structured according to Hay’s international model for the classification of corporate functions, thereby facilitating market comparisons, as well as helping to promote internal equity.

(ii) The **variable bonus** aims at directing and rewarding directors for the accomplishment of pre-defined objectives, based on the performance of the Company, of working teams under their responsibility and of their own individual performance, and is attributed once the year’s result is known and performance assessment has been concluded.

- The Short Term Variable Bonus (STVB) corresponds to the maximum of 50% of the total value of the variable bonus. This bonus is paid, in cash, in the first half of the year following the year to which it relates. It may, however, upon decision of the Shareholders’ Remuneration Committee, be paid, within the same deadline, in shares, subject to the terms and conditions set forth below for the Medium Term variable Bonus; and,
- The Medium Term Variable Bonus (MTVB) or (MTIP) is designed to enhance the sense of connection between the Executive Directors and the Company, aligning their interests with the interests of the shareholders and increasing their performance on the overall success of the organization. The MTVB value awarded corresponds to at least 50% of the total value of the variable bonus for each performance year.

a) Criteria of attribution and measurement of the variable premium

The short term bonus is awarded on the basis of the fulfilment of collective, departmental and individual KPIs. Approximately 70% of its value is determined by business, economic and financial objectives. Those objectives are divided either in collective and departmental KPIs. The collective KPIs are based on economic and financial objectives accordingly with the Company’s budget, the performance of each business unit as well as the consolidated results of the Company. The departmental KPIs have a similar nature and are directly influenced by the performance of the Executive Director. The remaining 30% are determined by the achievement of individual KPIs, which may combine quantified and unquantified indicators. As the amount of the award is subject to the accomplishment of objectives, there is no guarantee that any payment will be made.

To determine the variable component of the remuneration an individual evaluation of the performance is carried out by the Shareholders’ Remuneration Committee. This assessment takes place after the results of the Company are known.

b) Variable bonus limitation Mechanisms

Taking into account the two variable components, the target values set in advance range between 30% and 60% of the total annual remuneration (fixed remuneration and target variable bonus).

At the time of determining the actual results achieved, the value of each bonus to be awarded is limited to the minimum 0% and the maximum of 140% of the target value set in advance.



The weight of the variable component attributed in relation to the total amount of annual remuneration depends on two factors: (i) the objective amount of the variable component; and (ii) the level of achievement of the set objectives.

c) Mechanisms based on the allocation of shares of the Company and on the variable remuneration payment deferral

The MTIP contemplates a period of four years, considering the year to which it relates and the deferral period of three years. The amount in euro is divided by the average closing share price, to determine the number of shares to be granted. The amount converted in shares will be adjusted for any changes occurred in equity or dividends (Total Share Return) for a deferred period of 3 years.

The maturity of this component of the variable premium is subject to the maintenance of the professional relationship between the director and the company for a period of 3 years, as well as to the continued positive performance of the company over this period, which will be assessed in accordance with criteria to be defined by the Remuneration Committee.

Aiming to ensure a policy that strengthens the alignment of Executive Directors with the company's long term objectives, the Remuneration Committee can, at its sole discretion, determine an Executive Director's co-payment in the acquisition of shares, which will correspond to a percentage of the share price, up to 5% of its share price at the date of the share transmission.

On the vesting date, the Company has the choice to settle in cash instead of shares.

The payment of the variable remuneration in cash can be made through any of the approaches for revocation of the obligation provided in the Portuguese law and articles of association.

The full Policy Regulation of the Share Plan to be applied by the Remuneration Committee is attached to this proposal.

Non-Executive Board Members

The remuneration of Non-Executive Directors, when existing, will be determined according to market data and based on the following principles: (i) payment of a fixed remuneration, dependent on the presence at the Board of Directors meetings; (ii) payment of an annual responsibility allowance. There will be no payment of a variable remuneration of any kind.

Statutory Audit Board

The remuneration of the members of the Company's Statutory Audit Board shall be based exclusively on fixed annual amounts, which include an Annual Responsibility Allowance. The levels of remuneration are determined by taking into consideration the Company's situation and by benchmarking against the market.

Statutory External Auditor

The Company's Statutory External Auditor shall be remunerated, under the supervision of the Statutory Audit Board, in accordance with normal fee levels, benchmarked against the market.

Board of the Shareholders' General Meeting

Remuneration of the members of the Board of the Shareholders' General Meeting is made up of a fixed amount, based on the Company situation and market practices.

3. Regarding the 2018 financial exercise, and in order to comply with IPGC's Code recommendation V.2.3, it is hereby additionally disclosed:

3.1. The remuneration attributed by the Company to the members of the Board of Directors:



Amounts in euros	2018				2017			
	Fixed Remuneration	Short Term Variable Bonus*	Medium Term Variable Bonus/MTIP	Total	Fixed Remuneration	Short Term Variable Bonus*	Medium Term Variable Bonus/MTIP	Total
Individual breakdown								
Executive Directors								
Ángelo Gabriel Ribeiro dos Santos Paupério (CEO)	183,900	145,600	145,600	475,100	183,900	142,100	142,100	468,100
Maria Cláudia Teixeira de Azevedo	146,100	99,100	99,100	344,300	146,100	79,400	79,400	304,900
António Bernardo Aranha Gama Lobo Xavier	-	-	-	-	28,011	-	-	28,011
	330,000	244,700	244,700	819,400	358,011	221,500	221,500	801,011
Non-Executive Directors								
António Bernardo Aranha Gama Lobo Xavier (Note 1)	60,000	-	-	60,000	115,990	-	-	115,990
Total	390,000	244,700	244,700	879,400	474,002	221,500	221,500	917,002

* Amount earned through the company and its subsidiaries

Note 1: António Bernardo Aranha Gama Lobo Xavier left his Executive Director role on 13 March 2017 and remained on the Board as a Non-Executive Director. His remuneration for 2017 has been split of a time proportional basis in the table above.

In the attribution of total remuneration, the Company's Shareholders Remuneration Committee applied, in a regular and ordinary way, the principles and rules of the Remuneration and Compensation Policy of the Statutory Governing Bodies as approved at the Shareholders' General Meeting held on 3rd May 2018, as below detailed (and considering that the content of the present proposal constitutes a renewal of such principles and rules, for the ease of reading reference is hereby made to the relevant sections of this proposal):

a) The fixed remuneration considers the median of market values applicable to the fixed remuneration, as per paragraph a) of point (ii) of section 2 above;

b) The non-executive directors did not receive any variable remuneration, in compliance with the set forth in section 2 above;

c) The short term performance bonus corresponds to the executive director's performance as per paragraph a) of point (ii) of section 2 above, having been considered the degree of accomplishment of the individual and collective KPIs (departmental and business) as well as the weight of the objective value of the variable component, according to the table included in paragraph b) of point (ii) of the same section 2, and attributed the corresponding short term bonus. When weighing the KPIs degree of accomplishment, in relation to each of the executive directors, it was respectively considered economic and financial indicators assessing the sustainable development of the company and of the Group, defined according to budget, performance of each business unit and the Company's consolidated performance (collective KPIs), as well each director's specific contribution to business performance (departmental KPIs); and objective and subject indicators that, for the reference period, assessed the level of fulfilment of the duties and responsibilities individually undertaken by each executive director (individual KPIs);

d) The medium term performance bonus was attributed according to the set forth in paragraph c) of point (ii) of section 2 above, in light of share price evolution of the number of shares representing the conversion of the objective reference value established in 2015, as 3 years have passed since the attribution year, thereby ensuring the alignment of the interest of executive directors with the Company's medium and long term sustainable interest;

e) No agreements were executed with the object of attributing loss of office based compensations to directors, or that establish the possibility of restitution of the variable component, without prejudice to the Company's obligation to comply with the applicable legal provisions in this matter.

3.2. Remuneration of the members of the Board of Directors by Company's subsidiaries:

Amounts in euros	2018				2017			
	Fixed Remuneration	Annual Performance Bonus	Medium Term Incentive Plan	Total remuneration	Fixed Remuneration	Annual Performance Bonus	Medium Term Incentive Plan	Total remuneration
Name								
Ángelo Gabriel Ribeiro dos Santos Paupério	275,300	224,600	224,600	724,500	276,800	219,800	219,800	716,400

3.3 Summary of the MTPB Plans of the Company's Executive Board Directors:



Executive Directors	Plan (Performance Year)	Award Date	Vesting Date	Value Vested and Paid in 2018*	Open Plans Value at Awarded Date*	Open Plans Value at 31 December 2018 ***
Ángelo Gabriel Ribeiro dos Santos Paupério (CEO)	2014	abr/15	abr/18	120,748		
	2015	mar/16	mar/19		142,600	128,960
	2016	mar/17	mar/20		136,200	131,874
	2017	mar/18	mar/21		142,100	106,487
	Total			120,748	420,900	367,322
Maria Cláudia Teixeira de Azevedo	2014	abr/15	abr/18	72,777		
	2015	mar/16	mar/19		78,100	70,630
	2016	mar/17	mar/20		69,200	67,002
	2017	mar/18	mar/21		79,400	59,502
	Total			72,777	226,700	197,134
Total			193,525***	647,600	564,455	

* Values in Euros

** Calculated using the closing price of last trading day in 2018 (31-Dec-18).

*** The total value of plans that vested during 2018 was Euros 193,525

Proposal 8

“We propose that approval be granted to the Board of Directors to:

- 1) *purchase own shares, over the next 18 months, on the regulated market or over-the-counter, if the seller is i) a company directly or indirectly controlled by this Company, or ii) any other entity, including financial institutions, for the fulfilment of legal or contractual obligations, including but not limited to those arising from derivatives, or similar financial instruments, guarantees granted for the benefit of the Company or of companies directly or indirectly controlled by the Company, or payment in kind or transfer in lieu of payment, among others, and, in any case, up to the limit of 10 % of the share capital consolidated with the shares purchased by companies directly or indirectly controlled by this Company (as set out in Paragraph 2 of Article 317 of Portuguese Company Law), and for a price per share not lower than the average of the last 10 quoted share prices prior to the date of purchase, less 50%, and not higher than the average of the last 10 quoted prices prior to the date of purchase, plus 10%.*
- 2) *sell on the regulated market, or over-the-counter, including in case the buyer is a company directly or indirectly controlled by this Company, over the next 18 months and up to the limit permitted by Portuguese Company Law, a minimum of one hundred own shares, for a price per share not lower than the average of the last 10 quoted share prices prior to the date of sale, less 10% per share, but without restricting the implementation of any share sales or awards required to fulfill the Sonaecom Medium Term Incentive Plan.*

Furthermore, the Board of Directors shall have the power to decide if and when such transactions should be made – and which may include the sale or award of shares to Executive Members of the Board of Directors and employees of the Company or of companies controlled or jointly controlled, provided they strictly comply with the terms of the Sonaecom’s Remuneration policy, previously approved by shareholders -, always taking into consideration market conditions and the interests of the Company and its shareholders, as well as the rules set forth by Regulation (EU) No 596/2014 of the European Parliament and of the Council, of 16 April. “

Proposal 9

“We propose that, under the terms of Paragraph 2 of Article 325-B of Portuguese Company Law, companies controlled, directly or indirectly, by this Company (as defined in Article 486 of Portuguese Company Law) are authorized to purchase and hold shares issued by this Company. Such shares are to be purchased in a regulated market, or over the counter, if the purchase is i) from this Company or from a company directly or indirectly controlled by this Company or ii) any other entity, including financial institutions, for the fulfilment of legal or contractual obligations, including but not limited to those arising from derivatives, or similar financial instruments, guarantees granted for the benefit of the Company or of companies directly or indirectly controlled or co-controlled by the Company, or payment in kind or transfer



in lieu of payment, among others, and in any case over the next 18 months and up to the limit of 10%, when consolidated in this Company, for a price per share, not lower than the average share price of the last 10 trading sessions prior to the date of purchase, less 50%, and not higher than the average share price of the last 10 trading sessions prior to the date of purchase, plus 10% per share.

The purchases authorised above, shall be carried out by the Board of Directors of the respective companies, taking into account their requirements, such as the sale or transfer of shares to Members of their Boards of Directors and to managers, as required by the remuneration policy they have adopted, and taking into consideration market conditions and the interests of the companies and their respective shareholders, and the rules set forth by Regulation (EU) No 596/2014 of the European Parliament and of the Council, of 16 April.”

The above proposals were approved as follows:

	FOR	Against	Abstain	N.º of issued votes	% Share Capital*	Nº. Shares
Proposal 1	100%	0	0	287.296.177	93,96%	287.296.177
Proposal 2	100%	0	0	287.296.177	93,96%	287.296.177
Proposal 3	100%	0	0	287.296.177	93,96%	287.296.177
Proposal 4	98,65%	1,35%	0	287.296.177	93,96%	287.296.177
Proposal 5	98,68%	1,32%	0	287.296.177	93,96%	287.296.177
Proposal 6	98,65%	1,35%	0	287.296.177	93,96%	287.296.177
Proposal 7	100%	0	0	287.296.177	93,96%	287.296.177
Proposal 8	100%	0	0	287.296.177	93,96%	287.296.177
Proposal 9	100%	0	0	287.296.177	93,96%	287.296.177

*There were present or represented shareholders holding 287.296.177 shares, with the same number of voting rights and representing 93,96% of the share capital.

The Company's Secretary
Célia Sá Miranda

