

**ANNUAL GENERAL MEETING OF BANCO COMERCIAL PORTUGUÊS,
S.A.**

(2013/05/20)

PROPOSAL IN CONNECTION WITH ITEM 6 OF THE AGENDA

POLICY FOR THE REMUNERATION OF EMPLOYEES

FRAMEWORK

The satisfaction of the funding needs of the economic agents and the economic and financial growth depend on the existence of strong, stable and efficient financial institutions.

Therefore, and together with other measures, it is essential that such institutions comply, in an ongoing and appropriate manner, with healthy remuneration practices that promote a sound and prudent management of risks, being compatible with the respective long-term corporate strategies, objectives and values.

In that sense, the Directive 2010/76/EU of the European Parliament and the Council was published on 24 November 2010 (hereinafter referred to as “CRD III”), imposing more requisites to the credit institutions and investment companies when the same define their remuneration policies and practices aiming to discourage taking excessive risks and to increase compliance with the long-term interests of the institutions.

In Portugal and due to such regulatory developments, the Decree-Law nr. 88/2011 of 20 July, transposed the CRD III into the internal legal framework and Notice 10/2011 of Banco de Portugal, of 29 December, published in the 2nd series of the Official Gazette on 9 January 2012, updated the regulations relating to the general principles guiding the remuneration practices and policies in credit institutions, as well as their disclosure and information duties.

Thus, in accordance with the provisos of the annex to the Decree-Law 104/2007 of 3 April, in the wording of Decree-Law 88/2011 of 20 July, and of Notice 10/2011 of

Banco de Portugal issued on 29 December, it is important to carefully consider the remuneration policy of determined employees who, although they are not members of the management and supervision bodies of Banco Comercial Português, S.A. (hereinafter referred to as “BCP”), exercise their professional activities to BCP's benefit (hereinafter referred to as “Employees”).

For this purpose, are considered Employees the individuals that perform the functions identified in the Chapter “**Object and Scope**”.

In view of the aforementioned and in compliance with the general principles described in the juridical instruments mentioned above, this remuneration policy aims to define remuneration practices that are:

- transparent, clear and accessible to all Employees;
- appropriate and proportional to the nature, internal organization, scope and complexity of the activities developed by BCP;
- coherent with the size of the risks taken or to be taken by BCP, ensuring sustainable growth and profits and the protection of customers and investors;
- competitive and aligned with the best practices and the last domestic and international trends of the financial sector.

It is also important to stress that BCP is currently undergoing a capitalisation programme through public investment, meaning that it benefited from financial aid granted by the Portuguese State.

This programme will be in force for five years and will end in June 2017, date when the public funds made available must be paid, if they have not been paid before that date.

In accordance with the commitments assumed by BCP in the annex to the terms and conditions of the Core Tier 1 Capital Instruments subscribed by the State and ruled by Decision 8840-B/2012, “the remuneration and complementary benefits of senior managers will be subject to appropriate levels of transparency and scrutiny in order to ensure that the same are kept at an appropriate level.”

Thus, this remuneration policy for Employees seeks to consider and translate the spirit of the law described above and the historical moment in the life of the institution.

PROCESS FOR THE DEFINITION AND APPROVAL OF THE REMUNERATION POLICY

According to article 37 (1) of the Articles of Association of BCP *“The Board of Directors may approve the creation of commissions or committees, with or without the presence of its members, to follow certain specific matters on an ongoing basis, namely commissions for nominations and evaluations, corporate governance, risk assessment and ethics and professional conduct, defining their powers and duties.”*.

Through a resolution adopted by the Board of Directors, it established a Nominations and Evaluations Commission (hereinafter referred to as “NEC”) which is responsible for, among other duties, exercising the functions of the remunerations commission foreseen in article 7 of the Notice nr. 10/2011 of Banco de Portugal, dated 29 December, including the responsibility for preparing decisions on the remuneration of the Employees.

In the term-of-office 2012-2014, the NEC is composed by the following members:

Chairman: Carlos José da Silva
Members: Nuno Manuel da Silva Amado
Álvaro Roque de Pinho Bissaia Barreto
Bernardo de Sá Braamcamp Sobral Sottomayor

The process for the approval of the remuneration policy of the Employees considered herein begins with a proposal presented by the NEC. The policy is submitted to the Board of Directors for approval, under the provisos of article 5 (2) of the Notice nr.10/2011 of Banco de Portugal, of 29 December. Lastly, the final remuneration will be approved by the Executive Committee or by the Executive Director in charge of the respective area.

POLICY FOR THE REMUNERATION OF EMPLOYEES

Object and Scope

Taking into consideration the provisos of article 1 of the Notice 10/ 2011 of Banco de Portugal, the Human Resources Division and the heads of the control functions made an internal assessment to identify the Employees comprised within the scope of this policy. The following functions were identified:

- Coordinating-Managers and Specialist-Managers, reporting directly to the Executive Committee
- Area Managers exercising functions in the Risk Office, Compliance Office, Audit, Investment Banking, Treasury and Markets and Asset Management areas.

COMPOSITION OF THE REMUNERATION

The total remuneration of the aforementioned Employees includes the following components:

Fixed Remuneration

The *fixed* component of the remuneration of the identified Employees is:

composed of the base-remuneration and determined cash benefits that are attributed to the Employees, such as permanence allowances, complements or exemption from working hours, in accordance with the law and the work agreement;

defined taking into account the practice followed by BCP, the collective agreements and the market benchmarks, safeguarding the different specifications and dimensions;

able of being updated and/or increased;

paid every month, being the base-remuneration paid fourteen times per year.

Variable Remuneration

Taking into account the constraints presented by the capitalisation program through state aid, which is scheduled to end on 30 June 2017, the remuneration will not include a variable component.

Currently, BCP owes no deferred amounts on account of variable remuneration from past years.

Benefits

The existing benefits, namely in terms of health insurance, remain in effect, being the Executive Committee responsible for authorizing them.

The Employees shall receive no other benefits in cash.

Lisbon, 22 April 2013

THE BOARD OF DIRECTORS