

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

(2014/05/30)

ITEM 9 OF THE AGENDA

STATEMENT ON THE REMUNERATION POLICY OF MEMBERS OF MANAGEMENT AND SUPERVISION BODIES

CONTEXT

In accordance with the provisos of articles 1 and 2 (1) of the Law 28/2009 of 19 June, the Remuneration and Welfare Board must present *“every year, to the approval of the general meeting a statement on the remuneration policy of the members of the respective management and supervision bodies.”*

Article 5 (1) of the Notice of Banco de Portugal 10/2011, of 29 November state the same, as well as the Corporate Governance Code of Comissão do Mercado de Valores Mobiliários, the one adopted by Banco Comercial Português, S.A. (hereinafter referred to as “BCP” or “Bank”).

In accordance with article 14 (c) of the Articles of Association of Banco Comercial Português, S.A., it pertains to the Remuneration and Welfare Board to approve that remuneration statement and submit it to the General Meeting.

The Ordinance 150-A/2012 of 17 May defines the procedures necessary for the execution of the Law 63-A/2008, of 24 November, as successively altered, according to which limitations were introduced to the remunerations of the members of the corporate bodies of credit institutions benefiting from recapitalisation operations through state aid. These limitations shall be in force as long as the state aid is in force.

Among other aspects and due to the provisos of Ordinance 150-A/2012, are specifically applicable to credit institutions benefiting from recapitalisation operations through state aid and for the duration of such aid, the provisos of item XI (1.24) of the annex to the Decree-Law 104/2007 of 3 April, introduced by article 4 of Decree-law nr. 88/2011 of 20 July, situation BCP is experiencing since June 2012.

By means of the Article 14 (2) of Law 63-A/2008 and nr. 11 of Decision 8840-B/2012, the Portuguese State, through the Decision 15463-A/2012 published on 4 December 2012, appointed two non-executive members to the Board of Directors of BCP, being their remuneration defined therein.

The Remuneration and Welfare Board, together with the Nominations and Evaluations Commission appraised, approved and submitted to the 2013 General Meeting the document that contains the policy for the remunerations of the members of the

management and supervision bodies, hereinafter transcribed, that it proposes to maintain.

The Remuneration and Welfare Board, based on the information provided by the Bank's Human Resources Division and Mercer Portugal - Recursos Humanos, Lda., a leading company in the advising services in the areas of talent and performance of human resources, analysed the remuneration policies of the corporate bodies of Banco Comercial Português, as well as the Remuneration Plans and considers that the same observe the provisos of the recapitalisation plan through state aid of the Bank, namely with the provisos of article 12 of the Ordinance 150-A/2012 and is being correctly implemented.

The Remuneration and Welfare Board does not issue an opinion on the adequacy of the remuneration earned by the members of management and supervision bodies since this one is limited by ceilings imperatively established by the legal requirements mentioned above concerning credit institutions benefiting from recapitalisation operations through state aid.

Taking into account the framework described above and in accordance with Law 28/2009 of 19 June and with the Notice of Banco de Portugal nr. 10/2011 of 29 December, the Remuneration and Welfare Board made and approved and submits to the appraisal of the Shareholders this statement on the remuneration policy of the members of the management and supervision bodies of Banco Comercial Português, S.A.

I. Process for the definition and approval of the remuneration policy

In accordance with Article 14 of the articles of association it pertains to the Remuneration and Welfare Board to *a)* establish the remunerations of the members of the corporate bodies, *b)* determine the terms of the complements due for retirement, old age and disability of the directors and *c)* submit to the annual General Meeting of Shareholders a statement on the remuneration policy of the corporate bodies of BCP, in accordance with the rules and taking into account all applicable recommendations.

On 28 February 2012 the General Meeting elected the Remuneration and Welfare Board for the 2012/2014 term-of-office. Pursuant to the election made at the General Meeting held on 20 May 2013 of a State representative, Bernardo de Sá Braamcamp Sobral Sottomayor and the renunciation to the position presented by Baptista Muhongo Sumbe on 6 September 2013, this Board has now the following composition:

Chairman: José Manuel Archer Galvão Teles

Members: Manuel Soares Pinto Barbosa

José Luciano Vaz Marcos

Bernardo de Sá Braamcamp Sobral Sottomayor

The Remunerations and Welfare Board was assisted by Mercer (Portugal), Lda in the determination of the remuneration policy of the members of the management and supervision bodies.

II. Composition of the Remuneration

a) Board of Directors

In accordance with article 15 of the Articles of Association of BCP, the amount of the remuneration of the directors shall be set for each director individually, taking into account, notably, the medium and long-term interests of the Bank and the aim of not encouraging excessive risk-taking.

Taking into account the provisos of article 9 of Notice 10/2011 of Banco de Portugal and article 15 (1) of the Articles of BCP's Association, the non-executive members of the Board of Directors of BCP earn a fixed remuneration paid 12 times per year, the amount of which is currently determined taking into account the provisos of article 12 (2) of the Ordinance 150-A/2012. The remuneration of the non-executive members appointed by the Portuguese State was defined by the Decision 15463-A/2012, mentioned above.

The remuneration of the members of the Executive Committee may consist of a fixed and of a variable component, in accordance with article nr. 8 of the Notice 10/2011 of Banco de Portugal and with article 15 (1) of BCP's Articles of Association, considering the limitations set forth in item XI of the annex to the Decree-Law 104/2007, introduced by article 4 of the Decree-Law 88/2011:

i. Annual Fixed Remuneration

The fixed component of the remuneration of the executive members of the Board of Directors is:

- Paid 14 times a year
- Determined in view of the criterion established in article 12 (2) of Ordinance 150-A/2012.

ii. Variable Remuneration

In accordance with article 15 (2) of the Company's Articles of Association, the sum of the variable parts of the remuneration of all the directors shall not exceed an amount corresponding to 2% of the distributable net income for the financial year.

In view of the provisos of article 12 of the Ordinance 150-A/2012, the Bank has decided not to pay any variable remuneration during the period of time the Bank is under a capitalisation program through state aid, that is due to end on 30 June 2017.

iii. Benefits

The existing benefits in terms of health insurance, credit card and mobile phone remain in effect, being the Executive Committee responsible for authorizing them.

The limits to the value of company vehicles, an issue that does not fall under the competence of the Remuneration and Welfare Board, shall be determined by the Executive Committee, taking into account the practice followed by other credit institutions of an equivalent size.

The members of the Executive Committee shall not receive cash benefits that are not foreseen in this statement.

III. Social Security and complements

In accordance with article 17 of the Articles of Association of BCP, approved at the General Meeting of Shareholders held on 28 February 2012:

"1. The directors shall benefit from the social security regime applicable in each case.

2. The directors are also entitled to a supplement to the retirement or disability pensions and the Bank may enter into insurance contracts in favour of such directors.

3. At the beginning of each term of office and by agreement with each director, the insurance policy may be replaced by contributions to a pension fund of defined contributions.

4. The amount of the contributions of the Bank, within the scope of the two previous paragraphs, shall be established on a yearly basis by the Remuneration and Welfare Board.

5. The Bank shall not bear any additional expenses with the retirement and disability pensions after the termination of each director's functions.

6. The right to the supplement shall only become effective if the beneficiary retires due to old age or disability, under the terms of the applicable social security regime.

7. At the time of the retirement, the beneficiary may choose to redeem the capital.

8. In case of death before retirement, the right to receive the accrued capital shall remain effective pursuant to the applicable provisions established by the contract or by law."

The right to the retirement supplement is granted in accordance with the Retirement Regulations of the Executive Directors of Banco Comercial Português, in accordance with the provisos of the proposal hereto attached.

IV. Other aspects

Apart from the ones herein described, the members of the Executive Committee do not receive any additional compensation.

Hence, given that the remuneration of the Members of the Executive Committee is aimed at the direct compensation of the activities they carry out at the Bank directly or in companies related with it (namely companies in a control or group relation with BCP) or in corporate bodies to which they have been appointed by indication or in representation of the Bank, the net value of the remunerations received annually for such duties by each Member of the Executive Committee will be deducted from their respective Annual Fixed Remuneration. It is the obligation and responsibility of each Member of the Board of Directors to inform the Bank of any additional compensation they may have received, for the purposes of the procedure established above.

The members of the Executive Committee will not enter into any hedging or risk-transfer agreements regarding any deferred remuneration components that may minimise the effects of the risk underlying the established remuneration system.

Were not paid nor are due any compensations and indemnities to members of the administration body due to the end of their functions during the financial year.

b) Supervision bodies

As mentioned above and taking into consideration the provisos of article 9 of the Notice nr. 10/2011 of Banco de Portugal, the members of the Audit Committee receive a fixed remuneration, paid 12 times per year, the amount of which is currently determined pursuant to article 12 (2) of Ordinance 150-A/2012.

V. Defining the Remuneration

The allocation of the amount resulting from the application of the provisos of article 12 (2) of the Ordinance 150-A/2012 amongst each one of the management and supervision bodies as well as among each one of their members, was made by the Remuneration and Welfare Board taking into account, particularly, the nature of the functions performed by each one of the members of those bodies.

Lisbon, 02 May 2014

THE REMUNERATION AND WELFARE BOARD

José Manuel Archer Galvão Teles
(Chairman)

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

(2014/05/30)

PROPOSAL IN CONNECTION WITH ITEM 9 OF THE AGENDA

PROPOSAL

WHEREAS:

- A. The recent alteration of the legislation ruling the welfare regime of the members of the corporate bodie implied the introduction of an adjustment in Article 6 of the Retirement Regulations for Executive Directors of Banco Comercial Português, S.A. to maintain the right to a complement due for retirement, old age and disability, in compliance with article 17 of the Bank's Articles of Association;
- B. The article 17 of the articles of association of Banco Comercial Português sets forth that *“the directors shall benefit from the social security regime applicable in each case”* and that these *“are also entitled to a complement due for retirement, old age and disability, and the Bank may enter into insurance contracts in favour of such directors”*, being that, *“at the beginning of each term of office and by agreement with each director, the insurance policy may be replaced by contributions to a pension fund of defined contribution”*;
- C. Also in accordance with the above mentioned, *“the right to the supplement shall only become effective if the beneficiary retires due to old age or disability, under the terms of the applicable social security regime”*;
- D. Also and exclusively due to the alteration introduced in Article 6 of the Retirement Regulations for Executive Directors of Banco Comercial Português, S.A. the Remuneration and Welfare Board considers that the right to the future benefit of a retirement complement that was given to the executive directors at his/her election, should not be affected;
- E. Notwithstanding the above-mentioned, the Remuneration and Welfare Board considers that company's charges must remain in line with what has been foreseen when of its approval by the Remuneration and Welfare Board in March 2011.

IT IS PROPOSED

The alteration of (2) of article 6 of the Retirement Regulations for Executive Directors of Banco Comercial Português, S.A.. The same shall read as follows:

2 - The Bank's annual contribution for the plan set forth in these Regulations is equal to the value, before applying any income tax deductions for individuals, corresponding to 20% of the annual gross fixed remuneration as per the articles of association as of April 2011.

The regulation, with the updated version, is attached to this proposal.

Lisbon, 02 May 2014

THE REMUNERATION AND WELFARE BOARD

José Manuel Archer Galvão Teles
(Chairman)

Attachment

PROPOSAL IN CONNECTION WITH ITEM 9 OF THE AGENDA

Retirement Regulations for Executive Directors of Banco Comercial Português, S.A.

Article 1 (Object)

This Regulation establishes, under Article 13 of the Articles of Association of Banco Comercial Português, S.A. (Bank) the supplementary regime for the retirement due to old age or disability and survivor pension are granted based on the functions as Director in the Bank's executive management body.

Article 2 (Scope)

1. Are within the scope of these Regulations the Beneficiaries, included in the Social Security General Regime or in the Social Security Private Regime for the Banking Sector in Portugal, who were members of the Bank's Executive Board of Directors during the terms-of-office as of 2008/2010 and following, for purposes of protection in case of disability and old age.
2. These Regulations also comprise the beneficiaries of the survivorship pensions referred in Article 5.

Article 3 (Supplemental retirement pension for disability and old age)

1. The right to the supplemental retirement pension for disability and old age pension is granted if the beneficiary retires due to old age or disability, under the terms of the applicable social security regime.
2. The value of the supplemental pension results from the transformation of the capital accrued in the Individual Account of the Pension Fund, after deducting the applicable taxes, into a monthly pension for life.
3. The supplemental pension will be granted by purchasing a lifelong pension policy from an insurance company, being the Director responsible for choosing the annual growth rate and the pension conversion in case of death.

Article 4 (Capital redemption)

As an alternative to the supplemental pension provided in Article 3, the Director may chose to redeem the capital under the terms and limits provided by law.

Article 5
(Survivorship supplemental pension)

If the Director is deceased before retirement, his/her legitimate heirs, if any, shall be entitled to the capital accrued in the Director's Individual Account, in accordance with the laws of inheritance.

Article 6
(Financing)

1. The supplemental benefits plan regulated herein is financed through individual applications to an open pension fund.
2. The Bank's annual contribution for the plan set forth in these Regulations is equal to the value, before applying any income tax deductions for individuals, corresponding to 20% of the annual gross fixed remuneration as per the articles of association as of April 2011.

Article 7
(Accumulation of retirement benefits and remunerations)

The accumulation of retirement benefits due to old age and the remuneration earned as Director of the entity paying the pension is allowed, but while the Director remains in functions it will be deducted from his/her gross remuneration the net amount of the pension or the amount that would have been paid as an alternative to the capital redemption, without damaging the full payment of all amounts to be decided by the Remunerations and Welfare Board or Remunerations Committee in accordance with art. 13 of the Bank's Articles of Association, when applicable, as variable remuneration or premiums for the functions exercised.

Article 8
(Application and Revision)

1. These Regulations, as adopted in 2008, shall apply to the benefits to grant after the date of their approval by the competent corporate body and approval by or notification to Instituto de Seguros de Portugal, as the case may be.
2. These Regulations shall be interpreted and applied by the Remunerations Board or Committee referred in the previous article.
3. The Remunerations Board or Committee must submit any amendments to these Regulations to the appraisal of the Annual General Meeting.

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OPINION ISSUED BY THE COMMISSION FOR NOMINATIONS AND EVALUATIONS

To issue this opinion, the Nominations and Evaluations Commission of Banco Comercial Português took the following under consideration:

- I. The Notice of Banco de Portugal 10/2011 of 29 December, Law 28/2009 of 19 June, the Corporate Governance Code of Comissão do Mercado de Valores Mobiliários and also Law 63-A/2008, of 24 November and the Ordinance 150-A/2012 of 17 May that introduced limitations to the remunerations of the members of management and supervision bodies.
- II. The Remuneration Policy of Members of Management and Supervision Bodies of Banco Comercial Português;
- III. The remuneration established for the members of the corporate bodies of Banco Comercial Português by the Remuneration and Welfare Board as well as the impacts thereon due to the Recapitalisation Plan;
- IV. The Statement and the Proposal to be presented by the Remuneration and Welfare Board to the General Meeting of Banco Comercial Português, S.A. called to take place on 30 May 2014;

Therefore, it considers that the Remunerations Policy described in the Company's Corporate Governance Report:

- A. Was appropriately applied, in compliance with the defined rules and principles;
- B. Is aligned with the interests of Directors, of the Bank, of the Shareholders and remaining and with an appropriate and sound management of risks.

Lisbon, 5 May 2014

The Nominations and Evaluations Commission