

ANNUAL GENERAL MEETING OF BANCO COMERCIAL PORTUGUÊS, S.A.
(31.05.2012)

PROPOSAL RELATING TO ITEM 5 OF THE AGENDA

PROPOSAL

Pursuant to the provisos of art. 2 (1) of the Law nr. 28/2009 dated 19 June, the management body of the entities of public interest described in Decree-Law nr. 225/2008, of 20 November, amongst which are the credit institutions, must submit, every year, to the general meeting of shareholders a statement on the remuneration policy of the respective Senior Executives.

In the case of Banco Comercial Português, S.A. (BCP), the competence to approve that statement pertains to the Board of Directors, pursuant to a proposal made by the Commission for Nominations and Evaluations.

This statement on the remuneration policy of the Senior Executives must meet the provisos of article 2 (3) of the a.m. Law 28/2009, taking also into consideration the applicable rulings and recommendations, namely, the recommendations made in item XI of the annex to Decree-Law 104/2007, of 3 April, introduced by article 4 of Decree-Law 88/2011, of 20 July, and by Notice 10/2011 of Banco de Portugal, published in the Portuguese Official Gazette, 2nd series, nr. 6, of 9 January 2012.

Since the current members of the Board of Directors were elected on 28 February 2012, the Commission for Nominations and Evaluations was appointed on the following day and immediately began, together with the Remunerations and Welfare Board, to appraise the matters regarding the Bank's remuneration policy, which resulted in the need to undertake an in-depth study of that issue, thus it was decided, according to sector practices and together with the Remunerations and Welfare Board, hire an independent external consultant to revise the remuneration policies in force, adapting them to the new requirements set forth by Decree-Law 88/2011, of 20 June and by in Notice 10/2011 of Banco de Portugal and to the eventual requisites resulting from the Bank's recapitalization needs and from the applicable legal rulings.

This assessment and analysis are still underway.

Considering the above, the Board of Directors, pursuant to a proposal from the Commission for Nominations and Evaluations, resolved to keep the policy set forth for 2011, approved at the general meeting held on 18 April 2011.

The Board also resolved to submit to the approval of the General Meeting the following statement-proposal:

WHEREAS:

- The Annual General Meeting held on 18 April 2011 approved the remuneration policies of the Senior Executives of BCP, based on the proposal then presented by the Executive Board of Directors;
- On 28 February 2012, the General Meeting altered the Articles of Association of BCP and its corporate governance model;
- On 29 February 2012, the Board of Directors appointed a Commission for Nominations and Evaluations, with the responsibilities committed to it by article 7 of Notice 10/2011 of Banco de Portugal, among others;
- In the company's best interest and so as to harmonise the remuneration policies in effect and with the concurrence of the Remunerations and Welfare Board, the Bank asked the external consultant selected by that corporate body - Mercer – Marsh & McLennan Companies - to broaden the scope of its work so as to propose and update the remuneration policy of the Employees encompassed by Notice 10/2011 of Banco de Portugal, i.e. all the employees: (i) who exercise control functions; (ii) whose professional activities may have a material impact in Millennium bcp's risk profile; and/or (iii) who have regular access to privileged information and take part in the management and strategy decisions of the company;
- It was not possible, in such a short period of time, to draw up a proposal that could be approved by the Commission for Nominations and Evaluations and submitted to the approval of the Board of Directors in due time for disclosure with the call notice of the Annual General Meeting;
- The Policy presently in force basically abides by the legal and regulatory provisos in effect, taking into consideration the current economic and financial context;

The Board of Directors of BCP proposes keeping the “Remuneration policies for Senior Executives”, which received the favourable opinion of the Annual General Meeting held on 18 April 2011, without prejudice to the analysis underway, so that the Board of Directors, pursuant to a proposal from the Commission for Nominations and Evaluations, may approve, until the end of this year, new remuneration policies, submitting them to the approval of the Shareholders and the next Annual General Meeting.

Lisbon, 7 May 2012

The Board of Directors

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(2011/04/18)

PROPOSAL IN CONNECTION WITH ITEM 10 OF THE AGENDA

PROPOSAL

WHEREAS:

- The duty to disclose the remuneration policy adopted for Employees: (i) who exercise control functions; (ii) whose professional activities may have a material impact in Millennium bcp's risk profile; (iii) who have regular access to privileged information and take part in the management and strategy decisions of the company;
- The resolution adopted by the Executive Board of Directors and voted on by Supervisory Board to adopt a single criterion for the Remuneration Policy applicable to all Senior Executives reporting directly to the EBD, because it considers that these Employees may have an impact, even if indirectly, on Millennium bcp's risk profile;

The Executive Board of Directors

PROPOSES

the approval of the "Remuneration Policy" hereto attached and considered part of this proposal.

Lisbon, 22 March 2011

THE EXECUTIVE BOARD OF DIRECTORS

[illegible signatures]

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(2011/04/18)

ANNEX I

to the

PROPOSAL IN CONNECTION WITH ITEM 10 OF THE AGENDA

Proposal of the Executive Board of Directors to the Annual General Meeting of Banco Comercial Português on the Remuneration Policy for Individuals in charge of a Function, Senior Executives and other Employees

Remuneration Policy

Framework

1. The *Conselho Nacional de Supervisores Financeiros* (CNSF) (Portuguese Board of Financial Supervisors) recognizing the need to establish a common practice in what concerns remuneration policies, aligned with international recommendations and principles, promoted an initiative aimed at ensuring an appropriate and consistent compliance by the financial institutions with healthy and prudent remuneration policies.

Within this context, the Notice nr. 1/2010, dated 26 January of Banco de Portugal, established the information that must be disclosed on the remuneration policy of the members of management and supervision bodies and of employees that, though they are not members of management and remuneration bodies, earn a variable remuneration and exercise control functions subject to Notice nr. 5/2008 dated 1 July of Banco de Portugal, exercise other professions that may have a material impact on the company's risk profile or have regular access to privileged information and take part in the management and strategy decisions of the company.

In addition, the Circular Letter nr. 2/10/DSBDR dated 1 February 2010 established the recommendations and criteria to observe in the definition of the remuneration policy to be adopted by the institutions ruled by Article 1 (1) of the Notice nr. 1/2010 of Banco de Portugal, from a "comply or explain" perspective, implying that the failure to adopt those recommendations and criteria by the supervised institutions must be duly explained.

General Principle

2. The Remuneration Policy of Banco Comercial Português must be consistent with an efficient risk management control, avoiding excessive exposure to risk and also be coherent with the long-term objectives, values and interests of the institution, namely with its prospects in terms of sustained growth and profitability and with the protection of the interests of both customers and investors.

The Remuneration Policy also took into account the transparency and adequacy goals set in what regards the evaluation and supervision requisites established by Banco de Portugal.

The Staff Management Support Department coordinated the definition of the Remuneration Policy, which involved the participation of the people in charge of the control function. The opinion issued by external consultants was also taken into consideration.

Remuneration Policy Criteria

3. The Remuneration Policy of Banco Comercial Português complies with all the criteria set forth by the Circular Letter nr. 2/10/DSBDR dated 1 February 2010, and therefore establishes the following:

3.a) The fixed remuneration of the senior executives has to represent a sufficiently high proportion of the total remuneration so as to enable the application of an extremely flexible policy on the variable portion of the remuneration, admitting the possibility of not paying any variable component;

3.b) The variable component of the remuneration of the senior executives is subject to a ceiling;

3.c) The payment of a significant portion of the variable remuneration component must be made by means of financial instruments, whose valuation is connected to the medium- and long-term performance of the institution;

3.d) The quantification of the variable component of the remuneration must additionally depend on non financial criteria and must partially derive from the collective performance of the unit where the Employee works;

3.e) The variable remuneration must be attributed according to pre-determined measurable criteria and be based on a pluri-annual framework;

3.f) The payment of part of the variable remuneration must be deferred;

3.g) The amount of the variable remuneration of the Employees that exercise control functions depends on the fulfilment of the objectives related to their respective functions and not those of the areas controlled by them.

Composition of the Remuneration and Relation between the Fixed Remuneration and the Variable Remuneration

4. The Employees of Banco Comercial Português earn a fixed Monthly Remuneration, paid 14 times/year, based on the amounts defined in the employment agreement. The nature of each function and the respective level of demand and responsibility determine the attribution of other remuneration components, namely a supplement and/or exemption of work schedule, which must be approved by the Executive Board of Directors or by those empowered for that purpose by the EBD.

5. The criteria approved for the Remuneration Policy of all Employees in general also apply when determining the variable annual component of the remuneration of Coordinating Managers, Heads of units that report directly to the Executive Board of Directors, Employees of the second structure level of the Audit Department, Compliance Office, Risk Office, Rating Department, Credit Department and Treasury and Markets Department, to other employees who have regular access to privileged information and other employees who earn a fixed remuneration of 100,000 €/year or more.

6. The variable portion of the remuneration of the above mentioned Employees should not exceed 37.5% of the total annual remuneration.

The Executive Board of Directors may review this ceiling every year, based on the guidelines stated in the Circular Letter nr 2/10/DSBDR.

7. The exact amount of the variable portion shall vary each year in view of the institution's earnings, the performance of the Unit where the Employee works and the fulfilment degree of the individual annual objectives, in accordance with the performance evaluation system in effect in Banco Comercial Português.

Payment of the Variable Remuneration

8. 45% of the variable remuneration shall be paid in cash, when applicable, in the year immediately after the results reference date, after the approval of the earnings of the financial year.

Deferment of the Variable Remuneration

9. The remaining 55% of the Variable Remuneration shall be paid with securities that will be subject to a pre-defined lock out period of at least 3 years.

Other components of the Remuneration

10. These Employees also receive, as everyone else, the benefits prescribed by the collective work agreements signed by the Bank and by the supplementary pension regime, the terms and conditions of which are stated in instruments that have been duly approved and disclosed by the Instituto de Seguros de Portugal (Portuguese Insurance Regulator).

March 2011