

NOTEHOLDERS' MEETING
NOTES "JOSÉ DE MELLO SAÚDE 2015/2021"

ISIN: PTJLLBOE0000



JOSÉ DE MELLO SAÚDE, S.A.

Registered with the Commercial Registry Office of Cascais under Corporate Taxpayer No. (NIPC) 502 884 665

Share Capital: € 53 000 000

Head Office: Avenida do Forte, no. 3, Edifício Suécia III, Piso 2, Carnaxide

PROPOSAL

- Single Point.** Resolution on the amendment of paragraph (b) (*Financial Covenant*), of Condition 2.2 (*Issuer Undertakings*) of the Terms and Conditions of the Notes.

Whereas:

1. On 16 January 2016, the International Accounting Standards Board (IASB) issued a new accounting standard, the IFRS 16 Leases, which eliminates the distinction between financial leases and operating leases, placing both in a single accounting model, thus requiring that lessees acknowledge the majority of their operating leases on the balance sheet. This change requires that lessees (i) recognise any lease with a term greater than 12 (twelve) months as a liability and (ii) recognise any depreciation of the assets subject to lease as separate from the interest on the lease liabilities in the income statements;
2. With the entry into force of the new rule with regard to the accounting of operational financial leases, notably, those applied to real estate, there is a relevant impact on the calculation and definition of "Net Debt" contained in Chapter 6 (*Terms and Conditions of the Notes*), Condition 15 (*Definitions*), and in Chapter 9 (*Glossary of Defined Terms*), given that José de Mello Saúde is currently a party in several real estate financial lease contracts;

3. Although the IFRS 16 only enters into force on 1 January 2019, companies may already opt to implement this new standard, which is why José de Mello Saúde believes it advisable to adjust the “financial covenant” referred to in paragraph (b) (*Financial Covenant*) of Condition 2.2 (*Issuer Undertakings*) of the Terms and Conditions of the Notes, in order to ensure that the aforementioned changes imposed by the IASB do not impact on the balance set forth in the definitions and obligations established in the Terms and Conditions of the Notes in a way that would prove harmful to José de Mello Saúde and which was unforeseen at the time of the Notes issue,

Noteholders are thus requested to approve the amendment to paragraph (b) (*Financial Covenant*), of Condition 2.2 (*Issuer Undertakings*) of the Terms and Conditions of the Notes, which currently reads as follows:

“2.2 ISSUER UNDERTAKINGS

(b) Financial Covenant

So long as the Notes remain outstanding, the Issuer shall ensure at all times that the Net Debt / EBIDTA is lower or equal to 4x”

To be replaced by the following:

“2.2 ISSUER UNDERTAKINGS

(b) Financial Covenant

So long as the Notes remain outstanding, the Issuer shall ensure at all times that the Net Debt / EBIDTA is lower or equal to 6x”

The extraordinary resolution referred to above is not conditional on the approval of any other extraordinary resolution by the holders of any other securities issued by José de Mello Saúde.

Lisbon, 20 April 2017

On behalf of the Board of Directors of José de Mello Saúde, S.A.



Name: Inácio Almeida Brito

Position: Administrator



Name: Guilherme Tago Tháei

Position: Administrator