

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

(20/05/2020)

### PROPOSAL IN CONNECTION WITH ITEM 2 OF THE AGENDA

#### TO RESOLVE UPON THE PROPOSAL FOR THE APPROPRIATION OF PROFIT - 2019

#### **Taking into consideration:**

- A. The provisos of the law and of the by-laws concerning the legal reserve;
- B. The dividend policy of Banco Comercial Português (BCP);
- C. The alteration introduced in the Work Collective Agreement, published on 29 March 2014 on the no Bulletin of Work and Employment no. 12 which enabled the Employees of Group Banco Comercial Português in Portugal, in the period comprised between June 2014 and June 2017, to accept a temporary reduction in their remuneration. This reduction was done with the purpose of rendering the Bank's recovery process feasible and contribute for the compliance with the requirements imposed to the Bank to be able to benefit from State Aid;
- D. That the said alteration to the Work Collective Agreement provided that the Board of Directors, in the years following the end of the state intervention, having results for such, would submit to the General Meeting of Shareholders a proposal for the distribution of results to Employees that, over the years, would allow the delivery of an accumulated total amount, at least equal to the total amount not received by Employees during the temporary reduction of the remuneration period;
- E. That BCP ended the repayment of the public financing received, plus interest, in February 2017, and the Annual General Meeting held on May 22, 2019 approved the allocation of part of the 2018 results for distribution to employees;
- F. That, according to the financial statements to be submitted to the approval of the Shareholders, in the 2019 financial year Banco Comercial Português recorded consolidated net earnings amounting to € 302,003,469.31 and individual net earnings amounting to € 139,296,016.59;
- G. That the approval of any compensation for the Employees against the income statement, as well as the estimation of the respective amount pertains exclusively to the General Meeting of Shareholders, and the Executive Committee (by delegation of the Board of Directors), after getting the opinion from the Committee for Nominations and Remunerations, establishes the distribution criteria,

- H. That reiterating its intention to respect the Bank's dividend policy and, even considering that BCP has already joined the group of institutions without specific limitations regarding dividend distribution, the Board of Directors cannot fail to consider the potential impacts and uncertainties associated with the current pandemic situation;
- I. That such situation recommends the utmost caution in the making of the proposal for the appropriation of income, a caution also recommended by the supervisory authorities, justifying the non-payment of dividends concerning the 2019 financial year,

The Board of Directors, reaffirming its determination to, once this crisis is over, and in the extent that the Bank and the domestic economy can initiate their recovery, resume the full application of the approved Dividends Policy, hereby

### **Proposes:**

#### **I**

In accordance with article 66 (5) (f) and for purposes of article 376 (1) (b) of the Companies Code, as well as article 54 of the Bank's articles of association, the following application of net individual year-end results amounting to € 139.296.016,59, euros:

- a) For the reinforcement of legal reserve, € 13.929.601,66;
- b) For an extraordinary distribution to employees and, in compliance with the mentioned in paragraphs C to G of the recitals of this proposal, up to € 1.000,00 to each employee who hasn't already been fully compensated with the earnings distributed in 2019 if he/she remain in his/her position on the date the remuneration corresponding to June 2020 is paid, up to a maximum total amount of € 5.281.000,00;
- c) The remaining, in the minimum amount of € 120.085.414,93, to Retained Earnings.

Lisbon, 26 March 2020

**THE BOARD OF DIRECTORS**