

English version of the Portuguese original. In the event of any discrepancy, the Portuguese version prevails.

NOS, SGPS, S.A.

(Public Company)

Registered Offices: Rua Actor António Silva no. 9 - Campo Grande, parish of Lumiar,

1600-404 Lisbon

Registration number before the Companies Registry Office of Lisbon and

Taxpayer number: 504.453.513

Share Capital: EUR 5,151,613.80

("NOS" or "Company")

Annual General Meeting of 19 June 2020

BOARD OF DIRECTORS' PROPOSAL

ITEM 5 OF THE AGENDA

(To authorize the Board of Directors to acquire and dispose of own shares by the Company and subsidiaries)

Whereas:

- A) It is convenient that the Company continues to have, under general terms and in accordance with the applicable legal provisions, the inherent possibilities of transactions regarding the acquisition and disposal of own shares;
- B) There is a similar interest regarding any current and/or future subsidiary companies;
- C) The Company's variable remuneration policy, as well as the respective Regulation, adopted at the General Meeting of 23 April 2014;
- D) Under Articles 319 and 320 of the Portuguese Companies Code and Article 8 of the Company's Articles of Association, the acquisition and disposal of own shares are subject to the approval by the Shareholders' General Meeting;
- E) It is deemed convenient, even if outside of a repurchase programme of own shares, to comply as a good practice, the rules set out in the Regulation (EU) no. 596/2014, of the European Parliament and of the Council of 16 April 2014, as supplemented by the Delegated Regulation (EU) no. 2016/1052 of the Commission of 8 March 2016;
- F) Regulation no. 5/2008 of the Portuguese Securities Market Commission, as amended, establishes certain duties of communication and disclosure concerning treasury share transactions for companies with shares listed in regulated markets;

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- G) It is useful to have an authorization in order for the Company or its subsidiaries to acquire, hold or transfer treasury shares, notably in order to undertake actions which are necessary or convenient to pursue the interest of the Company, under the appropriate conditions in light of the current circumstances of the capital markets and in accordance with the law applicable at the time;

It is proposed to be resolved:

1. To approve the acquisition of own shares by the Company and/or any current and/or future subsidiaries, including rights regarding their acquisition or allocation, subject to a Board of Directors' decision, under the following terms:
 - a) **Maximum number of shares to be acquired:** up to the equivalent to 10% of the Company's share capital, after deducting any disposals made, without prejudice to Article 317(3) of the Portuguese Companies Code;
 - b) **Period within which the acquisition can be made:** within eighteen months following this resolution;
 - c) **Forms of acquisition:** under the terms and limitations mandatorily set forth by law, the acquisition will be made against payment through any means, on a regulated market or outside a regulated market, by business proposal or public offer, in compliance with the legal principle of shareholders' equal treatment, notably from the financial institution with which the Company has entered into an equity swap contract or other similar financial derivatives;
 - d) **Minimum and maximum consideration for the acquisitions:** the acquisition price shall (i) be within a threshold of 15% above or below the lowest share quotation for the Company on the Euronext Lisbon, on the 3 stock exchange sessions immediately prior to the acquisition or to the creation of the right to acquire or to be allocated with shares; or (ii) correspond to the price: (a) of the acquisition resulting from contracted financial instruments; (b) resulting from the issue terms by the Company or its subsidiaries of convertible or swappable securities for Company shares or (c) contracts entered into in relation to those conversions or swaps; or (d) acquisition of shares by Company employees under the shares allocation plan from time to time in force;
 - e) **Acquisition date:** to be freely determined by the Company's Board of Directors during the period of validity of this resolution, particularly considering the situation of the stock market and the convenience or obligations of the acquiring company, one or more times as freely established by the Company's Board of Directors.

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2. To approve the disposal of the Company's own shares that had been acquired by the Company or any of its current or future subsidiaries, subject to the Company's Board of Director decision under the following terms:
 - a) **Minimum number of shares to be disposed:** equivalent to the minimum number legally set for the Company's shares at the time of the disposal, or any lower number that is sufficient to comply with obligations undertaken by the Company or its subsidiary, arising out of the law, contract or issue of other securities;
 - b) **Period during which the disposal can be made:** within eighteen months following this resolution;
 - c) **Means of the disposal:** the disposal will be made against payment by any means, on a regulated market or outside a regulated market, by business proposal or public offer, in compliance with the legal principle of shareholders' equal treatment, notably to the financial institution with which the Company has entered into an equity swap contract or other similar financial derivatives;
 - d) **Minimum price:** a consideration of no more than 15% below the average share quotation on Euronext Lisbon on the 3 regulated market sessions immediately prior to the disposal, or the price fixed that is established or results from (i) the terms and conditions of the issue of other securities, namely convertible or swappable stocks or (ii) a contract entered into regarding such issue, conversion or swap, whenever the disposal arises thereto;
 - e) **Disposal date:** to be freely determined by the Company's Board of Directors during the period of validity of this resolution, particularly considering the situation of the stock market and the convenience or obligations of the disposing company, one or more times as freely established by the Company's Board of Directors.
3. To approve that the Board of Directors is indicatively informed that, notwithstanding their freedom as to how to decide and act regarding their resolutions in relation to items 1 and 2 above, they consider - depending on the circumstances they consider relevant regarding the particular acquisition and notwithstanding the compliance with the legal provisions of the European Union legislation, of the Portuguese Securities Code and the regulations of the Portuguese Securities Market Commission - the following practices regarding the acquisition and disposal of own shares under the authorisation granted under the previous numbers:
 - a) Disclosure of the contents of this authorisation, particularly its purpose, the maximum consideration for the acquisition, the maximum number of shares to

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- be acquired and the time period for doing so, before the beginning of the transactions regarding the acquisition and disposal of own shares;
- b) Keeping a record of every transaction conducted under previous authorisations;
 - c) Public disclosure of the transactions that are conducted no later than the end of the seventh daily trading session following the execution date of these transactions;
 - d) Conducting the transactions, regarding time, method and volume, in a way that they do not disturb the regular functioning of the market, avoiding to conduct the transactions at sensitive trading periods, particularly at the opening or closing of the market, during periods when the market is unstable and around the time of disclosure of privileged information or announcement of profits;
 - e) Conducting the acquisitions at a price that is not greater than the higher of either the last independent transaction or the highest independent offer at the time of acquisition on Euronext Lisbon;
 - f) Limiting the acquisitions to 25% of the average daily trade volume;
 - g) Abstaining from the disposal during any eventual repurchase programme covered by Regulation (EU) no. 596/2014, of the European Parliament and of the Council of 16 April 2014, as supplemented by the Delegated Regulation (EU) 2016/1052 of the Commission of 8 March 2016, and/or by other rules that may be mandatorily applicable.

Lisbon, 20 February 2020

The Board of Directors