

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

(20/05/2021)

PROPOSAL IN CONNECTION WITH ITEM 4 OF THE AGENDA

TO RESOLVE UPON THE DIVIDEND POLICY

Taking into consideration:

- a) That the Board of Directors of Banco Comercial Português (“Bank” or “BCP”) is well aware of the importance that the creation of value for its shareholders has in the development and sustainability of the Bank, of which the Dividend Policy is a relevant component;
- b) The provisions of article 54 of the Bank, in accordance to which:
 - (i) The net profits for the financial year shall be appropriated as determined at the General Meeting, following deduction of the amounts that special law requires to be used to constitute or increase the reserve and guarantee funds.
 - (ii) The General Meeting may freely adopt resolutions by simple majority in matters concerning the appropriation of the net profits for the year, without being subject to any mandatory distribution, but following the dividend policy in effect at each moment, which does not impair the full freedom of decision of the General Meeting .
 - (iii) The General Meeting may set a percentage of net profits to be distributed among the Bank’s employees, the Board of Directors being responsible for the criteria of such distribution, after hearing the opinion of the Committee for Nominations and Remunerations, establish the criteria of such distribution; and
 - (iv) After obtaining the opinion of the statutory auditor, the Board of Directors may adopt a resolution to pay interim dividends under the terms and within the limits of the law.
- c) The dividend policy that has been pursued by the Bank aims, on one hand, to safeguard the investment needs and valuing of the Group and of its professionals and, on the other, attribute to shareholders an adequate remuneration of the capital invested, aspects which are paramount for an appropriate and sustainable relation of the Bank with the Capital Markets;

- d) That the context wherein the Bank develops its activity has been affected by profound changes, some with a structural nature, including those resulting from the following:
 - (i) The effects of the current pandemic crisis in the economy, as well as
 - (ii) The institutional and regulatory framework of the banking activity, within the context of the banking union, with the reformulation of the legal framework of the banking sector, namely Regulation (EU) 575/2013 (CRR) and the rules for the implementation of Directive 2013/36/UE (CRD4) which, among other issues, establish additional requirements in terms of conservation of own funds of credit institutions;
- e) That, while implementing the underlying objectives, the Bank should, among other, duly ponder the conditionalisms emerging from the application of:
 - (i) The general principle, currently set forth in article 94 of the Legal Framework for Credit Institutions and Financial Companies that the credit institutions must apply the funds that they dispose of so as to ensure, at all times, adequate levels of liquidity and solvency;
 - (ii) The measures for the conservation of own funds (currently set forth in articles 138-AA to 138-AD of the same General Framework) that establish principles regarding the estimation of the maximum amount to be distributed;
 - (iii) retention of own funds that are consistent with the Risk Appetite Statement (RAS), the internal assessment of the capital requirements (ICAAP) and the existence of a sufficient safety margin in relation to the specific recommendations issued by the supervision within the scope of the process for the review and evaluation of risks (SREP);
 - (iv) The limitations set forth in the Companies Code in terms of distributions to shareholders
- f) The convenience of cementing the policy of dividends in accordance with terms that take into account the current circumstances, as well as the applicable regulatory framework.

We propose the adoption of the following

Dividend Policy

1. General guidelines

- a) The decision concerning the appropriation of profits pertains to the General Meeting of Shareholders, which decides based on a proposal submitted by the Board of Directors;
- b) Taking into consideration guidelines, described in the following item, and particularly, the ongoing weighting of the Bank’s capital requirements to be able to meet its strategic goals, the Board of Directors intends, within a context of macroeconomic stability, to re-establish a policy for the distribution of net profits, estimated in the individual financial statements of each financial year, able of meeting the legitimate expectations of its shareholders and that, in the medium-term, is in line with the best practices of the banking sector benchmark,
- c) Based on the Bank’s evolution expectations and the guidelines mentioned in the following item, the Board of Directors will define the implications of these criteria in the prospective maximum threshold of “*dividend payout*” deriving from the dividend policy, and also the respective application deadline and such must remain evidenced in the Bank’s annual budgets.

2. Guidelines

The proposal for the appropriation of profits to be presented every year, to the General Meeting of Shareholders, must take especially into account, the following:

- a) The promotion of conditions for the sustainable observance of the capital ratios at any moment applicable to the Bank, as well as the remaining applicable legal requirements, including the limitations that are applicable at any moment, resulting from the calculation of the maximum amount to be distributed;
- b) The retention of own funds that enable to promote coherence with the Risk Appetite Statement (RAS) and with the results of the internal capital adequacy assessment process (ICAAP);
- c) The safeguard of an appropriate safety margin on the values established by the regulator within the scope of its assessment and evaluation on the adequacy of strategies, processes, capital and liquidity to the risks to which the Bank is exposed to (SREP);

Porto Salvo, 26 April 2021

THE BOARD OF DIRECTORS