

**SHAREHOLDERS' REMUNERATION COMMITTEE
SONAECOM, SGPS, S.A.**

*Non-binding translation
For information purposes only*

To the Chairman of the Board of the
Shareholders' General Meeting
SONAECOM, SGPS, S.A.
Lugar do Espido,
Via Norte
4470-177 Maia

Maia, 19th March 2021

Proposal no. 4

REMUNERATION POLICY 2021 - 2023

The Remuneration Policy of Sonaecom, SGPA, S.A. (hereinafter "Sonaecom" or the "Company"), applicable to the Board of Directors, the Statutory Audit Board, the Statutory External Auditor and to the members of the Board of the Shareholders' General Meeting, follows the European Community guidelines, Portuguese national law arising from articles 26-A to 26-F of the Securities Market Code, introduced by Law no. 50/2020 of 25 August, and the recommendations emerging from the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG), in its 2018 version, revised in 2020.

The Remuneration Policy is submitted to the 2021 Annual General Meeting to be applied in the years 2021 and 2022, corresponding to the term of the current mandate (2020-2023), in line with articles 26-F and 26-B, paragraph 1 of the Portuguese Securities Code, notwithstanding any relevant changes that may require its review by the Shareholder's General Meeting or temporary derogations that may occur during that term of office under the law.

This policy, and the objective principles that guide it, represent the best corporate governance practices to ensure transparent and effective communication to the market and shareholders.

Given the above, the Shareholders' Remuneration Committee proposes to the Shareholders' General Meeting the approval, under the terms and for articles 26-A to 26-F of the Portuguese Securities Code, of the present Statement on the Remuneration Policy to be applied to the Company's Board of Directors, Statutory Audit Board, Statutory External Auditor and to the members of the Board of the Shareholders' General Meeting.

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1. General Principles:

The fixed and variable remuneration, applicable under this Policy to the members of the management and supervisory bodies and to members of the Board of the Shareholders' General Meeting (hereinafter referred to as "members of the statutory governing bodies"), is decided by the Shareholders' Remuneration Committee, elected by the Shareholders' General Meeting and composed entirely of independent members, to ensure the absence of any conflict of interest.

This Policy is based on the assumption that initiative, competence, commitment and ethics are the essential foundations of good performance, which must be aligned with the Company's medium and long-term strategy, aimed at its sustainability, and based on the following principles, described below: competitiveness; performance orientation; alignment of interests; transparency; reasonableness; consistency and equity.

The term of office of the members of the management and supervisory bodies and the members of the Board of the Shareholders' General Meeting is established under the articles of association and the decisions of the Shareholders' General Meeting, and the rules prescribed by law apply to the termination of duties. There are no contracts or agreements between the Company and these members, namely establishing the duration period of their terms or the attribution of any compensation for their cessation.

1.1. Competitiveness:

In designing the Remuneration Policy of the statutory governing bodies of the Company, the main objective is to attract and retain the best professionals with high potential talent and proven experience, ensuring stability and representing a relevant and material contribution to the sustainability of the Company's businesses. The Policy and its positioning are defined by comparison with the national and international markets, according to the main reference studies carried out for Portugal and the European markets by consultants Mercer and Korn Ferry, including comparison with the practice of the companies with securities admitted to trading on Euronext Lisbon.

To that extent, the remuneration parameters of the members of the statutory governing bodies and other managers are set and periodically reviewed, taking into account the market conditions, the activity carried out and the responsibilities inherent to their positions. The profile and curriculum of the member, their experience, the job nature and description, the competency framework of the body in question and that of the member, as well as the degree of the direct correlation between the individual's performance and the performance of the business, among other factors, shall be considered.

The general market positioning and competitiveness guidelines recommended by the organisation are considered to determine the remuneration values of this segment within the framework of the Group's general Remuneration Policy.

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1.2. Performance orientation

Concerning the Executive Directors, the Policy provides for the attribution of short and medium-term bonuses, calculated according to the Company's results and the level of performance, both individual and collective, to encourage the sustainable growth of its businesses, as well as individual commitment to pre-defined objectives. If these objectives, measured through Key Performance Indicators (KPIs), are not achieved, the value of the short and medium-term Bonus is appropriately partially or totally reduced.

1.3. Alignment of interests

An alignment between the Director's and the Shareholders' interests and medium-term performance is ensured to promote the sustainability of the business. Part of the Executive Directors' variable bonus – when applicable at Sonaecom - is deferred for at least three years after its attribution. The deferred component is affected by the following two factors: (i) maintenance of the professional relationship between the director and the company for the deferral period; (ii) continued positive performance of the company throughout that period, which shall be measured according to the criteria to be determined by the Remuneration Committee.

1.4. Transparency

All aspects of the remuneration structure are clear and disclosed internally and externally – among them, the voting results of the Remuneration Policy and the date of the respective approval at the General Meeting - through documents published on the Company's website and are in line with the Group's general Remuneration Policy.

1.5. Reasonableness

The Company's Remuneration Policy aims to ensure a balance between Sonaecom's long-term interests, market positioning and best practices, the expectations and motivations of the members of the statutory governing bodies and other managers, as well as the objective of attracting and retaining talent.

1.6. Consistency and equity

The employment and remuneration conditions of the Group's employees are taken into consideration in determining the remuneration of each member of the statutory governing bodies.

For this purpose, the employment and remuneration conditions of full-time equivalent employees in the Company are taken into account to ensure consistency and equity in terms of remuneration, by reference to the importance of the respective qualifications, responsibilities, experience, availability and the specific

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nature of the risk associated with the job. In turn, the framework of the global Remuneration Policy adopted by the Company is benchmarked against comparable peers, adjusted for its particular market conditions, to balance the objectives of sustainability and talent retention.

In the architecture of the Remuneration Policy for statutory governing bodies and the remaining Company employees, and to determine the applicable remuneration, the jobs are considered under an evaluation system that includes differentiation criteria as to complexity, qualification, experience required, autonomy and responsibilities. This system is based on Korn Ferry's international methodology to promote equity in remuneration and employment conditions, in the light of the differentiation criteria described above, applicable to the various jobs, and to allow comparability/ benchmarking with equivalent jobs in the market.

As a result, Sonaecom's overall benchmark in terms of competitive positioning against the comparable market, for each job, is normally the median for the fixed remuneration and the third quartile for the variable component of remuneration, notwithstanding the necessary adaptations under market conditions and the Company's particular situation.

The Board of Directors shall present the annual variation of the remuneration of the members of the management and supervisory bodies, the Company's performance and the average remuneration of its employees in full-time equivalent terms in the Remuneration Report, under the terms of Article 245-C(2)(c) of the Securities Code.

2. BOARD OF DIRECTORS REMUNERATION POLICY

Based on the principles given above, the remuneration and compensation of the members of the Board of Directors shall comply with the following rules:

2.1. Executive Directors

The remuneration of Executive Directors normally includes two components: (i) a fixed component, which includes a Base Remuneration and an annual responsibility allowance, with reference to one year period (ii) a variable component, awarded in the first half of the year following the year to which it relates and subject to the accomplishment of the targets and objectives fixed in the previous year and which is divided into two parts (a) a Short Term Variable Bonus which is paid immediately after it is awarded, and (b) a Medium Term Performance Bonus which vests and is paid after, at least, a 3 years deferral period, considering that the exposure of Executive Directors to the market share price is the most appropriate way to align the interests of Executive Director with those of shareholders.

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Type of Remuneration	Fixed Remuneration	Variable Remuneration		Benefits
		Short-term	Medium-term	
Purpose	Attracting, retaining and motivating outstanding executives needed to deliver strategy and drive business performance.	Drive annual strategy and results, as well as individual performance, in line with the business plan. Recognise and reward individual contributions to the business.	Deferral of payment to ensure alignment with Shareholders' long-term interests following the successful delivery of short-term targets.	Provide appropriate and market-competitive benefits that drive engagement and motivation.
Characteristics	It consists of base salary and a responsibility allowance.	It is equivalent to a maximum of 50% of the total variable bonus. Paid in cash in the first half following the year to which it relates; may be paid, within the same period, in shares under the terms and conditions established for the Medium-Term Performance Bonus.	Corresponds, at least, to 50% of the total variable bonus; payment deferred for at least three years, after its attribution. The Medium-Term Performance Bonus may consist of attributing the right to acquire shares; the number of shares is determined by reference to the value attributed and the share price at the grant date.	Health and Life Insurance / Personal Accident Insurance.
Definition	Annual, depending on the level of responsibility of the job and the positioning defined concerning the comparable market.	Payment subject to compliance with pre-established targets at the beginning of the year, approved by the Shareholders' Remuneration Committee.	The bonus depends on the increase in the share price	Under the Company's general benefits Policy.
Target	Not applicable	The target value of the bonus may vary between 30% and 60% of the Total Remuneration, determined according to the job performed		
Performance Conditions	Not applicable	Collective KPIs (70%) Individual KPIs (30%)	Dependent upon the company's positive performance during the deferral period, assessed accordingly with the criteria determined by the Shareholders' Remuneration Committee.	Not applicable
Maximum	Although there is no set maximum, any increments usually are made in line with the Company's overall increments.	Maximum of 68% of the Total Remuneration, depending on the job level		There is no set maximum, but an estimated value; any benefit updates are carried out according to general Policy.

Attached is a description of the criteria for awarding and maintaining variable remuneration in shares.

2.1.1. Fixed Remuneration

The fixed remuneration includes a base salary and a responsibility allowance, which are established annually and defined according to personal skills, the level of responsibility of the job, and the recommended positioning concerning the comparable market.

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2.1.2. Variable Remuneration

The variable remuneration aims to guide and reward Executive Directors for achieving predetermined objectives based on the Group's performance indicators and their own individual performance.

This will be awarded after the accounts for the financial year have been finalised, and the performance assessment has been carried out:

- a) **Short-Term Performance Bonus (STPB)**, equivalent to a maximum of 50% of the total variable bonus. This bonus is paid in cash in the first half of the year following the year to which it relates, although it may, at the discretion of the Shareholders' Remuneration Committee, be paid within the same period in shares, under the terms and conditions of the Medium Term Performance Bonus;
- b) **Medium-Term Performance Bonus (MTPB)**, aimed at strengthening the Executive Directors' commitment to the Company, aligning their interests with those of the Shareholders and increasing awareness of the importance of their performance to the Company's overall and sustainable success. The amount corresponds, at least, to 50% of the total variable bonus, with payment deferred for no less than three years after its attribution.

The determination of the short and medium term performance bonuses, STPB and MTPB, can consider necessary adjustments that may be necessary due to outside factors and/or unforeseen conditions.

2.1.2.1. Criteria for awarding and measuring the variable bonus

The Short-Term Performance Bonus results from the degree of achievement of collective and individual KPIs. Approximately 70% of its value is determined by business, economic and financial objectives. Those objectives are divided either in collective and departmental *KPIs*. The collective KPIs are based on economic and financial objectives accordingly with the Company's budget, the performance of each business unit as well as the consolidated results of the Company. The departmental KPIs have a similar nature and are directly influenced by the performance of the Executive Director.

The remaining 30% derives from individual KPIs, which can combine subjective and objective indicators.

Since the attribution of the variable remuneration's respective value depends on achieving objectives, its payment is not guaranteed.

This variable remuneration component is calculated by the Shareholders' Remuneration Committee after the Company's results are known.

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2.1.2.2. Variable bonus limitation mechanisms

Considering the two variable components, the value of the pre-set target varies between 30% and 60% of the total annual remuneration (made up of the sum of the fixed remuneration and the target value of the variable remuneration), depending on the level of responsibility of each member's job.

The calculation of the value attributed includes a minimum limit of 0% and a maximum of 140%, concerning the objective value previously defined.

The weight of the variable component awarded in the total annual remuneration depends on two factors: (i) weight of the pre-defined target value of the variable component in the total remuneration and (ii) degree of compliance with the associated objectives.

Combining these two factors results in the attribution of a variable bonus whose weight on the total actual annual remuneration may vary between 0% and 68%.

2.1.2.3. Remuneration mechanisms based on the allocation of shares of the Company and on the variable remuneration payment deferral

The Medium-Term Performance Bonus covers four years, including the year in which it is granted and the subsequent of at least three-year deferral period. Once awarded, the value in euros will be divided by the average share price, to calculate the number of shares it corresponds to. During the deferral period mentioned above, the value of the bonus will be adjusted using the variations in the share capital or dividends (Total Share Return) during the deferral period.

The vesting of this component of the Medium-Term Performance Bonus is subject to the maintenance of the professional relationship between the director and the company for the deferral period, as well as to the continued positive performance of the company over such period, which will be assessed in accordance with the criteria defined by the Shareholders' Remuneration Committee.

Pursuant to the idea of a Policy of reinforcing the alignment of the Executive Directors with the Company's medium and long-term interests, the Shareholders' Remuneration Committee may, at its discretion, determine a percentage of discount granted to the Executive Directors for the acquisition of shares, determining a contribution in their acquisition, to be borne by them, in an amount corresponding to a percentage of the listed value of the shares, with a maximum limit of 5% of their listed value at the date of the share transmission.

On the maturity date, the Company has the option to deliver the corresponding value of shares, in cash instead. Payment in cash of the variable bonus may be made by any means of extinguishing the obligation provided for in the law and the articles of association.

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2.1.3. Other benefits

No company specific system of retirement benefits or supplementary pensions for members of the management and supervisory bodies and other managers is part of the Remuneration Policy.

The Executive Directors are provided with a range of benefits such as health insurance, life insurance and personal accident insurance, as part of the Group's general benefits Policy, applicable to all employees, and whose terms and values are in line with market practices.

2.1.4. Other conditions

The Policy maintains the principle of not contemplating the allocation of compensation to Directors or members of other statutory governing bodies in connection with the termination of their mandate, whether such termination occurs at the end of the respective term of office or in advance, notwithstanding, in the latter case, to the Company's obligation to comply with the legal provisions in force on this matter.

If, by definitive decision with no right to appeal, it is found that the variable remuneration was based, totally or partially, on information fraudulently provided by the Director in question and on which the variable remuneration was based, the Board of Directors, at the request of the Shareholders' Remuneration Committee, shall take the appropriate steps to recover the variable remuneration unduly awarded.

The application of the Remuneration Policy considers work in Companies with which there is a dominating or group relationship.

2.2. Non-Executive Directors

The remuneration of Non-Executive Directors – when applicable - is established according to market benchmarks, under the following principles: (i) attribution of a fixed remuneration; (ii) attribution of an annual responsibility allowance. There is no remuneration by way of a variable bonus, or that depends on the Company's performance.

3. REMUNERATION POLICY FOR OTHER STATUTORY GOVERNING BODIES

3.1. Statutory Audit Board

The remuneration of the members of the Company's Statutory Audit Board is based exclusively on fixed annual amounts that do not depend on the Company's performance or its value. It includes an annual responsibility allowance, established taking into account the characteristics of the Company and comparable market practices.

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3.2. Statutory External Auditor

The Company's Statutory External Auditor is remunerated, under the supervision of the Statutory Audit Board, in accordance with the standard fees for similar services, regarding comparable market practices.

3.3. Board of the Shareholders' General Meeting

The remuneration of the members of the Board of the Shareholders' General Meeting shall correspond to a fixed amount, based on the Company's situation and by benchmarking with comparable market practices.

Temporary Derogation of the Remuneration Policy

This Policy may only be temporarily derogated under the terms of the law if such derogation is exceptionally necessary to serve the Company's long-term interests and sustainability or to ensure its viability.

Maia, 19th March 2021

On behalf of the Remuneration Committee,

Duarte Paulo Teixeira de Azevedo

Francisco de La Fuente Sánchez