



NOS, SGPS, S.A.

**Annual General Meeting
21 April 2022**

PROPOSAL FOR RESOLUTION – ITEM THREE

To deliberate the increase of the Company's total share capital by 850,016,277.00 euros by incorporating the Share Premium Reserves reflected in the Company accounts for 2021, that remains after the allocation of net results for the year. The proposal implies a 1.65 euro increase in the nominal value of all shares to 1.66 euro and, consequently, an amendment of paragraphs (1) and (2) of Article 4 of the Company's Articles of Association

Considering:

- A) Pursuant to the provisions of paragraph 1 of Article 91 of the Portuguese Companies Code, a company may increase its share capital by incorporating reserves available for that purpose;
- B) Under the terms of Article 295 of the Portuguese Companies Code, the reserves constituted by Goodwill are subject to Legal Reserve requirements, and may be used for incorporation into the capital;
- C) The Balance Sheet on 31 December 2021, to be approved by this Meeting, shows a Share Premium Reserve of 854,218,632.59 euros, Legal Reserves of 1,030,322.76 euros, Other Non-Distributable Reserves of 153,516,622.95 euros and Distributable Reserves of 267,463,463.04 euros;
- D) The allocation of net results proposed in item two of the Agenda will distribute 143,214,863.64 euros in Ordinary Dividends (corresponding to 0.278 euros per share) and 77,504,051.43 euros will be allocated to Free Reserves, increasing the value of Distributable Reserves to 344,967,514.47 euros, whilst maintaining the value of the Share Premium Reserve.
- E) The Balance Sheet reflects a high level of reserves due to the share premium reserve constituted at the time of the merger related share capital increase in 2013. It is considered appropriate to incorporate these reserves into the Company's share capital by way of a share capital increase through incorporation of reserves.
- F) Approval of this proposal will reinforce the Company's ratio of Share Capital to Shareholder's Equity, in line with the Company's strategy to increase competitiveness and create shareholder value;



The Board of Directors proposes that, subject to prior approval by the General Meeting of the Balance Sheet as per Item One of the Agenda and the approval of the proposal for distribution and allocation of profits as per Item Two of the Agenda:

1. To increase the Share Capital of the Company, from 5,151,613.80 euros to 855,167,890.80 euros. This increase will be implemented by incorporating the Share Premium Reserves under the following terms:

- a) Method of Share Capital increase: Incorporation of reserves;
- b) Total amount of the Share Capital increase: 850,016,277.00 euros;
- c) Reserves that will be incorporated into the Share Capital: Share Premium Reserves equivalent to 850,016,277.00 euros, out of a total of 854,218,632.59 euros, as shown in the Balance Sheet for 31 December 2021, approved in Item one of the Agenda;
- d) Increase in the nominal value of Ordinary Shares: the increase in Share Capital will be achieved with a 1.65 euro increase in the nominal value of each share to 1.66 euro;
- e) Shareholders affected by the capital increase: the nominal value of all shares, including those held by the Company, will be increased.

2. Subsequent to the proposed Share Capital increase, paragraphs (1) and (2) of Article 4 of the Company's Articles of Association are amended, as follows:

“Article 4

- 1. The Share Capital is eight hundred and fifty-five million, one hundred and sixty-seven thousand, eight hundred and ninety euros and eighty cents, and it is fully subscribed and paid up.*
- 2. The Share Capital is represented by five hundred and fifteen million, one hundred and sixty-one thousand, three hundred and eighty shares, with a nominal value of one euro and sixty-six cents each”.*

3. To authorise any two Board Directors to approve all documents necessary or appropriate for the formalisation of the capital increase process, including the amendment of the Articles of Association.~

Lisbon, 3 March 2022

THE BOARD OF DIRECTORS