



ANNUAL GENERAL MEETING OF SHAREHOLDERS

ZON MULTIMÉDIA – SERVIÇOS DE TELECOMUNICAÇÕES E MULTIMÉDIA, SGPS,
S.A.

28 April 2009

STATEMENT FROM THE COMPENSATION COMMITTEE

ITEM 6 ON THE AGENDA

(To appraise the Compensation Committee statement on the remuneration policy of the members of the Board of Directors and Audit Committee.)

In compliance with recommendations from the CMVM, regarding Corporate Governance of Listed companies, regarding the presentation by the Compensation Committee to the Shareholders' Annual General Meeting of a statement on the remuneration policy of the Governing Bodies and Audit Committee. The Compensation Committee hereby submits the following statement for appraisal of the Shareholders' General Meeting:

REMUNERATION POLICY OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEE OF ZON MULTIMEDIA

1. Executive Members of the Board

Remuneration systems are not only a key means of attracting, retaining and motivating the best professional talent in the market, but also present a means for aligning the interests of Executives with the organization's key strategic objectives.

Delivery of ambitious targets and sustainable value creation are a consequence of a Company's ability to hire and retain Executive Directors capable of efficient strategy execution. In addition to professional excellence, such achievements depend on the existence of a remuneration scheme appropriate in light of the scale and complexity of the job at hand.

As such, it is important that the alignment of interests be achieved by: (i) defining clear and consistent objects, aligned with strategic guidelines; (ii) implementing strict measures to evaluate individual performance; (iii) establishing performance indicators that are both appropriate and that accommodate core ethical standards.

Best practice in remuneration systems, in particular for listed companies, is increasingly adopting an integrated 3 component framework: one related with fixed remuneration; another with annual bonus and a third with share based plans. This is also the case at ZON, and will be presented in further detail regarding Executive Members of the Board.

Levels of fixed remuneration were decided at the time of the spin-off, and were based upon a study done by a specialized company that analysed values in place at comparable companies.

Variable remuneration is related to the level of achievement of management objectives and is attributed in two forms, Annual Bonus and Share Plans, both of which are designed to consolidate a fixed objective reward system and the ability to deliver ambitious results, without forfeiting the long term sustainability of the company.

The Annual Bonus is directed at rewarding result optimization and maximizing results. The Compensation Committee's evaluation is based primarily on profitability and growth targets that ensure the development of the company and of the national economy, with positive impacts for all stakeholders. The definition of common objectives for Executive Directors is considered another means of promoting Group culture, notwithstanding an individual performance evaluation.

The Share Plan approved at the Shareholders' General Meeting held on 21 April 2008, is designed to meet two additional objectives in comparison with the Annual Bonus: a closer commitment to shareholder value creation and the implementation of stronger loyalty mechanisms. Executive Directors are covered by the two kinds of share plans approved: the "Senior Executive" and "Standard" plans.

Specifically as regards each plan: (i) the Senior Executive Plan is linked in full to both Group and individual performance and is designed to maximize value creation over the whole mandate, thereby stimulating medium and long term sustainability (ii) The Standard Plan is again linked to achievement of Group and individual objectives, however it is primarily a retention tool for key employees, reflected in the five year vesting period.

In summary, the remuneration system of the Executive Directors of ZON is build upon a combination of value drivers, guided by some of the following core principles:

- a. Coherence between the three components;
- b. Strategy execution;
- c. Long term sustainability;
- d. Medium term strategy incentives (as opposed to short term);
- e. Link between reward and performance;
- f. Benchmarking with best practices;
- g. Alignment with shareholder value creation;
- h. Executive retention.

2. Non Executive Members of the Board

2.1 That are not members of a Committee

As Non-Executive Members of the Board are not responsible for operational strategy execution, their remuneration does not include either of the two variable remuneration components – Annual Bonus and Share Plan.

Fixed Remuneration for the Non-Executive Members of the Board is aligned with market practice for these roles, whereby the only role that is differentiated is that of the Chairman, given his effective involvement and additional responsibility as a key representative of the Company.

2.2 That are members of the Audit Committee

Remuneration of Non-Executive Members of the Board that are members of the Audit Committee is based on the same principles as those for other Non-Executive Directors, in that they only receive fixed remuneration. However, their significantly higher involvement that such a position entails, and aligned with best practice, leads to their receiving a differentiated remuneration in comparison with the remaining Non-Executive Directors.

Lisbon, 13 April 2009

The Compensation Committee