

JOSÉ DE MELLO SAÚDE, S.A.

Head office: Avenida do Forte, nº 3 - Edifício Suécia III, Carnaxide • Portugal

Share Capital: EUR 53,000,000, corporate number 502884665, registered under the same number at the Commercial Registry Office of Cascais

NOTICE

Statement on the Remuneration Policy

José de Mello Saúde, S.A. informs that the General Shareholders Meeting held today, May 31st, 2017, approved the attached statement on the remuneration policy of Company's management and supervisory boards submitted by the Remuneration Committee.

May 31st, 2017

Statement on the Remuneration Policy

- The members of the Board of Directors must perform their duties diligently and judiciously, in the best interest of the company, the company's shareholders, employees and remaining stakeholders.
- It is in the best interest of the company and its shareholders to create adequate conditions and incentives to encourage a sound performance of duties by members of the Board of Directors, in accordance with criteria referred to above.
- It is also intended that the way in which the members of the management team are remunerated is a transparent, equitable and independent process that guarantees a balance between shareholders' interests, the company's market position and the need to retain and attract talent.
- In this light, remuneration is a key management tool for framing and encouraging the performance of senior managers.
- The definition and application of the criteria for fixing the remuneration of Directors entrusted upon the Remuneration Committee should thus be rational and consistent: it should take into account the level of remuneration currently practised in European peer companies, and, on the other hand, the degree of compliance with the strategic goals set forth for the José de Mello Saúde Group (JMS), the creation of value for shareholders and the economic situation.
- In view of the above, remuneration should consist of a fixed amount that will adequately remunerate, within the framework of respective competences and responsibilities, the effort developed by executive and non executive members of the Board of Directors each year, and a variable amount payable to executive members that will reward the Company's performance, rewarding, amongst other things, increasing efficiency and productivity and the creation of long term value for the Company and shareholders, and at the same time, align their interests with the company's long term sustainability interests. This alignment will be ensured namely by calculating the variable amount based on the company's financial and operational performance each year, the intrinsic quality of (recurrent and extraordinary) results posted, the accomplishment of the annual budget and the business plan, the JMS's positioning in the markets where it operates and its business outlook in the medium and long term.
- In addition to the above, the payment of the variable amount will also be subject to the assessment of the performance goals, annual and pluriannual, individual and collective, set out each year, based *inter alia* on the following indicators: Revenues, EBITDA, EBIT, NET PROFIT and Customers Security Index taking into account the company's

evolution and the remuneration level practised by major national peer companies according to Portuguese market studies.

- Other exceptional factors may be taken into account in the assessment of the performance of the Executive Committee or any of its members.
- Part of the variable remuneration will be paid following the closure of each financial year and determination of respective results; the other significant part will be deferred for a period of three years, and its payment will depend on the maintenance of JMS's positive performance throughout such period, with a view to allow the maximization of long term performance and the pursuing of strategic and structural goals and disincentive excessive risk-taking.

In what concerns the Supervisory Board, pursuant to provisions in art. 422-A and paragraph 1 of art. 399 of the Companies Code, the remuneration of members of the Supervisory Board must consist of a fixed amount, determined taking into account the complexity and responsibility of the functions performed, the normal practices and remuneration conditions for the performance of similar functions and the economic situation of the company.”