VAA – VISTA ALEGRE ATLANTIS, SGPS, S.A.
Public company
Head office: Lugar da Vista Alegre
Region: Aveiro, Ílhavo
Parish: Ílhavo (São Salvador)
3830 292 ILHAVO
Registered with the Commercial Registry of Ílhavo
Share capital: 121,927,316.80 Euros
Taxpayer and legal person no.: 500.978.654

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Chairman of the General Shareholders Meeting of

Vista Alegre Atlantis, SGPS, S.A

PROPOSAL

ITEM TWO OF THE AGENDA

Whereas:

A) Following to the reorganisation of the Vista Alegre Group carried out, the Board of Directors believes that it is required for the Company's best corporate interests to consider the possibility of a share capital increase of Vista Alegre Atlantis, SGPS, SA ("**VAA**" or the "**Company**") in order to increase the dispersion of VAA's capital to the public and to optimise financing sources, in the context of a public and/or institutional subscription offer, which may potentially be combined with a public and/or institutional offer for the sale of already issued Company's shares;

B) In order to ensure the flexibility required for the potential completion of such capital markets transaction, the Board of Directors submitted to this General Shareholders Meeting, under **ITEM ONE** of the proposed Agenda, a proposal for the amendment of the bylaws of VAA ("**Bylaws**") in order to authorize the Board of Directors to resolve on a share capital increase of up to 21,772,735 ordinary shares, with a nominative value of 0.80 Euro each, which will represent up to 12.5% of VAA's share capital, in a maximum global amount of increase corresponding to 17,418,188.00 Euros (seventeen million, four hundred and eighteen thousand, one hundred and eighty-eight Euros) and in accordance with such Bylaws' permission;

C) Within the context of the capital increase, still under consideration, which may be approved under such permission of the Bylaws, the Board of Directors believes that, given the respective objectives and considering the advantages for VAA in this specific case, in particular in what concerns: (i) the enlargement and greater diversification of the

Company's shareholder composition, (ii) the increase in the its share capital dispersion in the market, as well as (iii) the maximization of fundraising alternatives to finance VAA's strategy (notably considering the generally accepted practices in similar operations and the conditions of the domestic and international markets in the determination of the subscription price), the suppression of the pre-emptive rights of the shareholders in the subscription of the new shares is in VAA's best corporate interests;

D) Therefore, the Board deems met the conditions to propose to the General Shareholders' Meeting, under the terms and for the purposes of article 460 of the Portuguese Companies Code, the suppression of the pre-emptive rights in the subscription of the share capital increase that may be resolved by the management body in line with Whereas B) above, bearing in mind the corporate interest described in the report of the Board of Directors attached hereto made available to the Shareholders under the legal terms.

Assuming that ITEM ONE of the Agenda is approved, the Board of Directors therefore proposes that the General Shareholders Meeting of VAA resolves on:

The suppression the shareholders' pre-emptive rights in the subscription of the share capital increase that may be resolved by the Board of Directors until May 31, 2019, pursuant to the statutory authorization approved in **ITEM ONE** of the Agenda and subject to the respective limits, in the maximum global amount of 17,418,188.00 Euros (seventeen million, four hundred and eighteen thousand, one hundred and eighty-eight Euros) and in the context of a public and/or institutional offer for the subscription of ordinary shares aiming to increase the VAA's capital dispersion to the public and to optimise VAA's strategy financing sources, potentially combined with a public offering and/or institutional sale of already issued Company's shares.

Annex: Report of the Board of Directors, pursuant to article 460 of the Portuguese Companies Code.

Lisbon, September 20, 2018

BOARD OF DIRECTORS

REPORT FORESEEN IN ARTICLE 460(5)

OF THE PORTUGUESE COMPANIES CODE

ANNEX TO ITEM TWO OF THE AGENDA

I

RATIONALE OF THE PROPOSAL OF SUPPRESSION OF PREEMPTION RIGHTS

1. As a preliminary remark, this report prepared under article 460(5) of the Portuguese Companies Code addresses the rationale behind the proposed suppression of pre-emption rights in the subscription of the share capital increase that may be resolved by the Board of Directors under the statutory permission to be approved in **ITEM ONE** of the Agenda of this General Shareholders Assembly, to the extent that such suppression is entirely based in the corporate interest of Vista Alegre Atlantis, SGPS, S.A. ("**VAA**" or the "**Company**").

2. In fact, following the reorganisation of the Vista Alegre Group carried out, the Board of Directors believes that it is required for the Company's best corporate interests to consider the possibility of a share capital increase of VAA with suppression of the pre-emption rights in order to increase VAA's capital dispersion to the public and to optimise financing sources, in the context of a public and/or institutional subscription offer.

3. Such suppression of the pre-emption rights proposed by the Board of Directors is presented: (*i*) in the context of a share capital increase of a maximum global amount of 17,418,188.00 Euros (seventeen million, four hundred and eighteen thousand, one hundred and eighty-eight Euros) and up to 21,772,735 ordinary shares with a nominal value of 0.80 Euro each, which will represent up to 12.5% of VAA's share capital; and (*ii*) in the context of a capital markets transaction by way of a public and/or institutional subscription offer, potentially combined with a public and/or institutional offer for the sale of already issued Company's shares, thus raising the opportunity to place the shares of the Company with retail investors, as well as with qualified or institutional investors from national and international markets.

4. In the context of the share capital increase that may be approved pursuant to the statutory permission proposed under **ITEM ONE** of the Agenda of this General Shareholders Meeting and considering the objectives and configuration of the share capital increase indicated in 2. and 3. above, the suppression of the pre-emption rights of the shareholders undoubtedly carries the following advantages to the Company: (i) enlarging and increase of the diversification of the Company's shareholder composition, (ii) increasing its capital dispersion in the market and (iii) the maximization of fundraising alternatives for financing VAA's strategy.

5. Regarding the enlarging of the Company's shareholder composition, which is promoted by the access to new retail and/or qualified or institutional investors, such enlargement allows the reinforcement of the soundness, dimension and independence of the company, particularly in the perspective of diversification of the type of investors, as well as of sectorial and geographical diversification of the shareholders structure, thereby creating and reinforcing additional market prone to increasing the liquidity of the shares.

6. In its turn, the reinforcement of the Company's capital dispersion to the public facilitates the raising of resources in future funding needs, with the objective to continue reinforcing the financial soundness of the Company and creating conditions for implementation of its strategic plan, notably through the financing of the strategic VAA's investments in the operational and commercial segments.

7. As for the referred maximization of fundraising alternatives for financing VAA's strategy, it will mainly result from (i) the readiness in placing of the transaction with the retail, qualified or institutional investors in the current context of the capital markets and of the Company, in which it is important to maximize the conditions to attract resources without the application of deadlines or the complexity of a rights issue process; and (ii) from the subscription price determination model described in III below.

8. Taking into consideration these corporate interest considerations, the Board of Directors has decided that conditions are met in order to propose the Shareholders General Meeting, pursuant to article 460 of the Portuguese Securities Code, to suppress the pre-emption rights in the subscription of the share capital increase described in 3. above.

II

ALLOCATION AND CONDITIONS FOR THE PAYMENT OF THE NEW SHARES

9. The shares to be issued will be intended for subscription by retail investors in the context of a public offer and/or by entities that meet the characteristics of qualified or institutional investors based in national and international markets in the context of a institutional offering, under terms to be resolved by the Board of Directors, if such offers are deemed possible and convenient for the dispersion of the Company's share capital and for the raising of resources by VAA, with the previous favorable opinion of the Supervisory Board.

10. The shares will be entirely paid-up upon subscription of the entirety of the shares that will be included in the issue, therefore not occurring any delay in such payment.

III

ISSUE PRICE AND CRITERIA FOR ITS DETERMINATION

11. The operation model under consideration allows that, in the determination of the subscription price, the generally accepted practices in comparable operations and the conditions of the domestic and international markets are considered.

12. The issue price of the new shares will be determined by the Board of Directors, bearing in mind (i) the conclusions of the broad consultation carried out to certain qualified investors, both national and international, with a view to ascertain the potential interest in the acquisition of shares (bookbuilding method), (ii) the prevailing conditions in the domestic and international market upon its determination and (iii) the need to adapt the conditions of the offer to the corresponding demand and to its objectives described in I above.

Lisbon, September 20, 2018

THE BOARD OF DIRECTORS

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