

PORTUGAL TELECOM, SGPS, SA  
GENERAL MEETING OF SHAREHOLDERS

PROPOSAL FOR THE AMENDMENT OF THE COMPANY'S BYLAWS

We propose to the shareholders that the following resolution be adopted with a view to amend Portugal Telecom, SGPS, SA's Bylaws:

1. To amend article fifth of the Bylaws, by modifying paragraph 1, which becomes the sole paragraph, and revoking paragraph 2, as follows:

*Article five*

*(...)*

*[Paragraph 1 which becomes the sole paragraph:] The Company, in addition to ordinary shares, has class A shares, the majority of which shall be held by the State or bodies belonging to the public sector.*

2. To amend article fourteenth of the Bylaws, by revoking paragraph 2 and renumbering paragraph 1 as single paragraph, as follows:

*Article fourteen*

*(...)*

*[Sole paragraph which corresponds to the former paragraph 1].*

3. To amend article nineteenth of the Bylaws, by revoking paragraph 2 and consequently renumbering paragraph 3, as follows:

*Article nineteen*

*(...)*

1. *(...)*.
2. *[Corresponds to the former paragraph 3].*

4. To amend article twenty-first of the Bylaws, by modifying paragraphs 3 and 5, as follows:

*Article twenty-one*

*(...)*

1. *(...)*.
2. *(...)*.
3. *When a director is definitively unavailable, he shall be replaced pursuant to the rules established in the Companies Code.*
4. *(...)*.
5. *In the event of any delegation of powers, it shall be implemented in accordance with the rules established in the Companies Code.*
6. *(...)*.

5. To amend article thirty-second of the Bylaws, by revoking paragraph 2 and consequently renumbering paragraph 3, as follows:

*Article thirty-two*

(...)

1. (...).
  - a) (...);
  - b) (...);
  - c) (...).
2. *[Corresponds to the former paragraph 3].*

6. To amend article thirty-fifth of the Bylaws, as follows:

*Article thirty-five*

(...)

*Board of directors' resolutions to increase share capital or issue bonds convertible into shares may be based on parameters and on the suppression or limitation of preference rights pursuant to a general meeting's resolution adopted prior to the public deed resulting in the inclusion of numbers 3 and 4 of article 4, the alteration of number 3 and the inclusion of number 4 of article 8 and the amendment of sub paragraphs d) and e) of number 1 of article 15 of these articles of association, provided that such resolutions fulfill the requirements set out in these projects.*

Lisbon, 4 July 2011.