

PORTUGAL TELECOM SGPS SA
Form 6-K
June 14, 2007

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of June, 2007

Commission File Number 1-13758

PORTUGAL TELECOM, SGPS, S.A.

(Exact name of registrant as specified in its charter)

Av. Fontes Pereira de Melo, 40

1069 - 300 Lisboa, Portugal

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

GENERAL MEETING OF SHAREHOLDERS

PORTUGAL TELECOM, SGPS S.A.

22 June 2007

**PROPOSAL OF THE SHAREHOLDERS CAIXA GERAL DE DEPÓSITOS, S.A. AND BANCO
ESPÍRITO SANTO, S.A.**

ITEM 6 ON THE AGENDA:

(To resolve on the election of the Members of the Compensation Committee)

Whereas:

A) The former members of the Compensation Committee Professor António Manuel da Rocha e Menezes Cordeiro, Mr. Manuel Alves Monteiro and Mr. João de Mello Franco resigned from office as per resignation letters dated of 1 June 2007, 4 June 2007 and 4 June 2007, respectively;

B) It is convenient to maintain a Compensation Committee, with the election of new members of the Compensation Committee to substitute the departing ones, in order to complete the 2006-2008 term-of-office;

C) The Chairman of the General Meeting of Shareholders understood that, taking into consideration the need to appoint a new Chairman and Members of the Compensation Committee and his own attributions as its Chairman, he should make an addendum to the notice of this General Meeting of Shareholders;

D) According to such addendum, this resolution shall be discussed and resolved upon under the last item on the agenda, in order to promote a good conduction of the works of the General Meeting of Shareholders;

It is hereby proposed that it be resolved:

1. Under the terms and for the purposes of paragraph 1 of article 399 of the Portuguese Companies Code, to elect Mr. Álvaro João Duarte Pinto Correia, Mr. João de Mello Franco and

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Mr. Francisco Adelino Gusmão Esteves de Carvalho as members of the Compensation Committee in substitution of the departing members Professor António Manuel da Rocha e Menezes Cordeiro, Mr. Manuel Alves Monteiro and Mr. João de Mello Franco;

2. To cast a vote of appreciation to the above mentioned departing members of the Compensation Committee for the contribution to the Company assured during their term of office.

Lisbon, 8 June 2007

The Shareholders,

CAIXA GERAL DE DEPÓSITOS, S.A.,

BANCO ESPÍRITO SANTO, S.A.

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