

*(Translation from the Portuguese original)*

To the Chairman of the Board of the  
Shareholders' General Meeting of  
Sonae - SGPS, SA  
Lugar do Espido, Via Norte  
4471-909 Maia

Item number 1

## PROPOSAL

It is hereby proposed that the Annual Report and the Individual and the Consolidated Annual Accounts for 2017, including appendices thereto, are approved as presented.

Maia, 13<sup>th</sup> March 2018

On behalf of the Board of Directors,

*(Translation from the Portuguese original)*

To the Chairman of the Board of the Shareholders'  
General Meeting of Sonae - SGPS, SA  
Lugar do Espido, Via Norte  
4471-909 Maia

Item number 2

## PROPOSAL

Under the terms of the law and the Articles of Association, the Board of Directors proposes to the Shareholders' General Meeting that the 2017 Net Profit of 93,223,270.03 euros, has the following appropriation:

Legal Reserves.....	4,661,164.00 euros
Dividends.....	84,000,000.00 euros
Free Reserves.....	4,562,106.03 euros

The Board of Directors accordingly proposes that a gross dividend of 0.042 euros per share, excluding of the total dividends of 84,000,000.00 euros, the amount of dividends that would be attributable to the shares that, at the dividends distribution date, are held by the Company or by any of its subsidiaries, which should be added to Free Reserves.

This dividend corresponds to a dividend yield of 3.7% considering the closing price of December 31<sup>st</sup> 2017 and to a payout ratio of 64% considering the consolidated direct result attributable to Sonae's shareholders.

Maia, 13<sup>th</sup> March 2018

On behalf of the Board of Directors,

**SONAE - SGPS, S.A.**  
Lugar do Espido Via Norte  
Apartado 1011  
4471-909 Maia  
Portugal

[www.sonae.pt](http://www.sonae.pt)

# ***EFANOR INVESTIMENTOS, SGPS, SA***

*(Translation from the Portuguese original)*

The Chairman of the Board  
of the Shareholders' General Meeting  
of Sonae - SGPS, SA  
Lugar do Espido, Via Norte,  
4471-909 Maia

Item number 3

## PROPOSAL

It is hereby proposed to grant a vote by the shareholders to express the appreciation for and confidence in the work performed by the management and audit bodies of the Company, during the year ended on 31<sup>st</sup> December 2017.

Porto, 28<sup>th</sup> March 2018

On behalf of the Board of Directors

**PROPOSAL FROM THE STATUTORY AUDIT BOARD OF SONAE – SGPS, S.A. FOR THE ELECTION OF THE STATUTORY EXTERNAL AUDITOR FOR THE REMAINDER OF THE CURRENT MANDATE OF 2015-2018** (Agenda Item no. 4 of the Shareholders' General Meeting to be held on the 3<sup>rd</sup> May 2018)

**Considering that:**

- (i) Pursuant to the set forth in articles 420, paragraph 2, subparagraph b), and 446, paragraph 1, both from the Portuguese Companies Act, the Statutory Audit Board of Sonae - SGPS, S.A. ("Sonae SGPS" or the "Company") has the competence to propose to the Company's Shareholders' General Meeting the election of the Statutory External Auditor;
- (ii) Article 54.º, paragraph 3, of the New Statute of the Statutory Auditors Association (NEOROC), Law no. 140/2015, of 7 September, establishes that, in public interest entities, the maximum period of functions of the Statutory External Auditor is 2 or 3 mandates, depending on the mandates being of 4 or 3 years, respectively, without prejudice to paragraph 4 of article 54 of such Law, that establishes the possibility of the maximum period to be exceptionally extended to a maximum of ten years, provided that such extension is approved by the Shareholders' General Meeting, based on a proposal presented by the Statutory Audit Board;
- (iii) The current Statutory External Auditor - Deloitte & Associados – SROC, S.A. ("Deloitte") – was elected on 2011, for the first time under the Law no. 140/2015 for the mandate 2011-2014, having been reelected for the mandate of 2015-2018;
- (iv) In the subsidiary Sonae Investimentos, Deloitte was elected for the mandates of 2010-2013 and 2014-2017, reaching the maximum period of functions, becoming necessary its replacement;
- (v) Since Sonae Investimentos is an important part of Sonae SGPS' financial statements, it is necessary the replacement of Deloitte also in Sonae SGPS;
- (vi) In compliance with the applicable law and its own policy, the Statutory Audit Board has complied with the set forth in subparagraph f), paragraph 3, of article 3 of the Audit Supervision Law no. 148/2015 and of article 16 of (EU) Regulation no. 537/2014, having organised an enlarged selection bid, independent of any external influence and free of any contractual clause of the type mentioned in no. 6 of that law;
- (vii) Deloitte, represented by Nuno Miguel dos Santos Figueiredo, has presented his resignation as Statutory External Auditor of Sonae SGPS.

**Selection process:**

On the selection process, promoted and supervised by the Statutory Audit Board, were invited to participate several External Audit Companies with national and international competence and reputation, present in the market for several years.

For such purpose, the Statutory Audit Board has previously established the criteria of selection and its respective weighting, which imposed a detailed evaluation of several items to be presented by the candidates: resources and coordination capacity, quality and work field effort, type, quantity and lead-time of reports issued, tools of communications and cost of the services. The conclusions of the selection performed with such criteria were connected with the weights and complemented with the analyse imposed by paragraph 5 of article 54 of the NEOROC, regarding the existence of independence conditions of the Statutory External Auditor and the advantages and costs of its replacement.

**Independence conditions:**

The Statutory Audit Board has also evaluated the independence conditions of the candidates to the bid.

The bid candidates have demonstrated to been acting free of any pression, influence or interest, grounding their behaviour on the fulfilment of the rules of conduct imposed to their functions, as well as, in the economic side, it has not been identified the existence of threats to their independence, resulting from of the weight of fees received from the Company and its group in the total of fees received by Deloitte from their services revenues.

Having regard all the aforementioned, the Statutory Audit Board of the Company proposes to the Shareholders' General Meeting the approval of:

1. The election of PricewaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda. (SROC nº 183), represented by Hermínio António Paulos Afonso (ROC nº 712) or by António Joaquim Brochado Correia (ROC nº 1076), as the Company's Statutory External Auditor for the remainder of the current mandate;
2. The election of Joaquim Miguel de Azevedo Barroso (ROC nº 1426) as Alternate Statutory External Auditor for the remainder of the current mandate.

Or alternatively, considering the set forth in article 3, paragraph 3, subparagraph f), of Audit Supervision Law and in article 16, paragraph 2, of (EU) Regulation no. 537/2014, and considering that only two external audit companies have responded to the bid,

3. The election of KPMG & Associados SROC, S.A. (SROC nº 189), represented by Inês Maria Bastos Viegas Clare Neves (ROC nº 967), as Statutory External Auditor for the remainder of the current mandate;

4. The election of Paulo Alexandre Martins Quintas Paixão (ROC nº 1427) as Alternate Statutory External Auditor for the remainder of the current mandate.

Bearing in mind the above mentioned options, and in compliance with the set forth in subparagraph f) of paragraph 3 of article 3 of Law 148/2015, as well as in paragraph 2 of article 16 of (EU) Regulation no. 537/2014, the Statutory Audit Board hereby recommends the election of PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., (CPA no. 183), represented by Hermínio António Paulos Afonso (ROC nº 712), or by António Joaquim Brochado Correia (ROC nº 1076), as Statutory External Statutory Auditor, and the election of António Joaquim Brochado Correia (ROC nº 1076) as Alternate Statutory External Auditor, in both cases for the remainder of the current mandate 2015-2018. Such recommendation is grounded by the fact that, considering the overall selection criteria adopted in the consultation period, between the two options above mentioned, the option recommended obtained the highest score.

In compliance of article 289, paragraph 1, subparagraph d), of the Portuguese Companies Act, attached to this proposal is the information legally required regarding each of the persons mentioned above.

Maia, 26<sup>th</sup> March 2018

The Statutory Audit Board

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Daniel Bessa Fernandes Coelho

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Manuel Heleno Sismeiro

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Maria José Martins Lourenço da Fonseca

**Statutory External Auditor**





*(Translation of a letter originally issued in Portuguese)*

Dear Sir  
Chairman of the Board of the Shareholders' General Meeting  
Sonae – Sociedade Gestora de Participações Sociais, S.A.  
Lugar de Espido Via Norte - Apartado 1011  
4471-909 Maia

29<sup>th</sup> March 2018

Dear Sir,

For the purposes of article 289, paragraph 1, subparagraph d) of the Portuguese Companies Act (“Código das Sociedades Comerciais”) we hereby declare that this entity, its partners, managers as well as the people strictly connected to them, do not hold any share of Sonae – SGPS, S.A. or in any of its controlling or controlled companies.

Additionally, we declare that this statutory audit firm (“Sociedade de Revisores Oficiais de Contas”), during the past five years, and in accordance with articles 262 and 413 of the above mentioned Act, has been nominated statutory auditor of a large number of companies which listing is exhaustive and is provided to the Portuguese Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas”).

We attach to this letter the curricula of our partners Hermínio António Paulos Afonso and António Joaquim Brochado Correia, as representatives of this entity.

Yours faithfully

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.  
Represented by:

Hermínio António Paulos Afonso  
(Portuguese citizen card no. 05715617 4ZY1 valid until 10/09/2020)  
26/12/2017)

António Joaquim Brochado Correia  
(Portuguese citizen card no. 09663765 0ZZ5 valid until



*(Translation of a letter originally issued in Portuguese)*

**Hermínio António Paulos Afonso**

Rua António Bessa Leite, 1516 B, 4.º Esq  
4150-074 PORTO

Hermínio António Paulos Afonso, married, born on August 15, 1961 in the county of Bragança. He holds a Bachelor's Degree in Accounting and a degree in Financial Management from Instituto Superior de Accounting and Administration of Porto.

He has been a partner of PricewaterhouseCoopers since 1996 and has been a Statutory External Auditor since 1990, being responsible for the coordination of several Audit and Statutory Accounts Audit clients, namely Groups Sonae Capital, Sonae Indústria, Sonaecom, Ibersol, Robert Bosch Portugal, PrioEnergy, Douro Azul, Gamobar, Elevation, Metro do Porto, Sodecia and Soja, as well as Vodafone Portugal.

Partner in charge of PwC's office in Porto, member of the Technical Committee of PwC Portugal and responsible for issues related to IAS / IFRS in the Porto office, having participated as lecturer in several courses related to this theme and in several projects of conversion of POC for IAS / IFRS and SNC.

Participant and monitor in various audit courses taught under the PricewaterhouseCoopers internal training programme. He also taught Audit classes in the course of Audit and Internal Control in ISAG and in the Master of Audit in ISCAP.

For more than five years, he has been working as an exclusive statutory external auditor in the PricewaterhouseCoopers & Associados, S.R.O.C., Lda., and is enrolled in the Portuguese Institute of Statutory Auditors with the number 712.

Holds no shares of Sonae - SGPS, S.A ..

Porto, March 29, 2018

Hermínio António Paulos Afonso

(Portuguese citizen card no. 05715617 4ZY1 valid until 10/09/2020)



*(Translation of a letter originally issued in Portuguese)*

**António Joaquim Brochado Correia**

Rua Pinho Leal, n ° 535  
4150-620 Porto

António Joaquim Brochado Correia, married, born June 26, 1969 in the county of Cinfães. Holds a degree in Business Administration and Management from Universidade Católica Portuguesa (1988-1993). Partner of PricewaterhouseCoopers since 2003 and Statutory External Auditor since 1999, being responsible for the coordination of several Audit and Statutory Accounts Audit clients, namely Groups Amorim, Ferpinta, Galp Energia, Martifer, Mota-Engil, Sogrape, TMG and Sousa and AFA (Madeira) and SATA (Azores).

Invited lecturer for senior studies in the Management Degree for 4 years, from 1999 to 2003, continuing to collaborate more on specific sessions in graduate degrees and MBA 's.

Responsible at PwC for the Markets & Clients area.

For more than five years, he has been working as an exclusive statutory external auditor in the PricewaterhouseCoopers & Associados, S.R.O.C., Lda., and is enrolled in the Portuguese Institute of Statutory Auditors with the number 1076.

Holds no shares of Sonae - SGPS, S.A.

Porto, March 29, 2018

António Joaquim Brochado Correia

(Portuguese citizen card no. 096637650ZY7 valid until 11/30/2027)



**JOAQUIM MIGUEL DE AZEVEDO BARROSO**

Born on June 2, 1978.

Joined PricewaterhouseCoopers in 2001 and is Partner since 2015.

Degree in Economics from the Faculty of Economics of Porto.

Statutory Auditor since 2010.

Among its main clients are: Grupo Amorim, Grupo Taylor, Grupo Trofasaúde, Grupo Lameirinho, Grupo Efacec, Super Bock Group.

He was a Monitor of several internal and external courses on IAS / IFRS and NCRF and was responsible for several account conversion projects for IFRS and NCRF.

Holds no shares of Sonae - SGPS, S.A.



**INÉS VIEGAS**

**GLOBAL LEAD PARTNER**

She joined KPMG in 1989 in the Audit Department, after completing her degree in Business Management, having been a Partner since 2001. She has been a Statutory Auditor since 1997.

Inês's activity has focused on the financial sectors (banks, leasing companies, financial companies for credit acquisitions and brokerage companies), commercial and industrial sectors.

She has participated in several special works, such as accounting assistance, accounting reorganisation, account consolidation, company acquisitions, corporate mergers, financial projections and assessment and evaluation of internal control systems.

Throughout her career she has acquired a very significant experience in account consolidation, in large national and international groups, as well as account reporting under IFRS and US GAAP.

She has been involved in several accounts conversion work for IFRS and US GAAP with active participation in the implementation of IAS 39 and SFAS 133, related to financial instruments, namely in large financial institutions in Portugal.

Holds no shares of Sonae - SGPS, S.A.



**PAULO PAIXÃO**

**GLOBAL ENGAGEMENT PARTNER**

His activity over more than 15 years of experience has focused particularly on the auditing area where he has been responsible for the auditing of some of the largest PSI-20 companies, namely Semapa, PortucelSoporcel, Galp Energia, PT Portugal, NOS and Novabase, among others.

He also has extensive experience of auditing and accounting advice to public and private entities. He regularly develops training in IFRS at the level of Account Consolidation, IFRIC 12, Revenue Recognition and Business Combinations for various national groups.

Responsible for various projects of reliability assurance of non-financial information, namely sustainability reports and integrated reports.

Responsible for Governance model and methodology of operations management in Latin America of an Oil & Gas operator, defining risk factors, incorporating risk in culture and corporate governance and defining KPI and KRI to meet the key objectives of business.

He collaborates regularly with the Audit Committee Institute (ICA), whose purpose is to support members of audit committees and facilitate better corporate governance;

He has led various capital market consulting projects, including feasibility studies, IPOs, and the IPT prospectus of CTT.

Holds no shares of Sonae - SGPS, S.A.

*(Translation from the Portuguese original)*

The Chairman of the Board of the  
Shareholders' General Meeting of  
Sonae - SGPS, SA  
Lugar do Espido, Via Norte  
4471-909 Maia

Item number 5

## **PROPOSAL**

The Shareholders' Remuneration Committee proposes to the Shareholders' General Meeting the approval, under the terms and for the purpose of paragraph 1 of Article 2 of the Law no. 28/2009, of 19<sup>th</sup> June, the present Statement on Remuneration and Compensation Policy to be applied to the Company's statutory governing bodies and to other persons discharging managerial responsibilities ("Dirigentes"), as set out below:

### **1. Principles of the Remuneration and Compensation Policy of the Statutory Governing Bodies**

The Remuneration and Compensation Policy applicable to the statutory governing bodies and of other persons discharging managerial responsibilities ("Dirigentes") adheres to European Community guidelines, to Portuguese national law and to the recommendations of the Portuguese Securities Market Commission (CMVM) (namely the ones from section - III. Remuneration – of the CMVM Corporate Governance Code (2013)), and is based on the principle that initiative, competence and commitment are the essential pillars of a good performance which must be aligned with the medium and long-term interests of the Company in order to achieve sustainability, being underpinned by the following principles:

#### **Competitiveness**

In determining the Remuneration and Compensation Policy of the statutory governing bodies of the Company, the main goal is to attract talent with high level of performance that represents a valuable and material contribute to the sustainability of the Company's businesses. The Policy is defined by benchmarking against the global market and with the practices of comparable companies, being this information furnished by the main surveys performed for Portugal and other European markets, in particular those prepared by Mercer and Hay Group.

Accordingly, the remuneration parameters for members of the statutory governing bodies are determined and periodically revised in line with the remuneration practices of national and internationally comparable companies, with the aim of aligning with the market practice the potential maximum amount of remuneration, both individually as well as in aggregated terms, to be paid to the members of the statutory governing bodies. When making such analysis, the remuneration of the members of the statutory governing bodies shall namely consider, alongside other factors, the profile and the background of the member, the nature and the description of the role and the competences of the statutory governing body and of the member itself, as well as the degree of direct correlation between the individual performance and the business performance.

For the assessment of the market practice reference values, it is considered the average compensation for Europe's top tier executives. The companies that make up the pool of comparable companies are those with securities traded at Euronext Lisbon regulated market. Hence, the potential maximum amounts of remuneration to be paid to the members of the statutory governing bodies are as follows, by reference to the market:

<b>Board of Directors</b>	<b>Components</b>	<b>Market Positioning</b>	<b>Circumstances determining the award</b>	
Executive Directors	Fixed	<i>Base Salary</i>	<i>Median</i>	<i>N/A</i>
	Bonus	<i>Short Term Performance Bonus (STPB)</i>	<i>Third quartile</i>	<i>Upon the fulfilment of quantified and unquantified KPIs</i>
		<i>Medium Term Performance Bonus (MTPB)</i>	<i>Third quartile</i>	<i>Upon the fulfilment of quantified and unquantified KPIs</i>
Non-Executive Directors	Fixed	<i>Salary</i>	<i>Median</i>	<i>N/A</i>
<b>Statutory Audit Board</b>	Fixed	<i>Salary</i>	<i>Median</i>	<i>N/A</i>
<b>Statutory External Auditor</b>	Fixed	<i>Salary</i>	<i>Median</i>	<i>N/A</i>

**Oriented for performance**

The Policy establishes the attribution of bonus calculated considering the level of success of the Company. The variable component of the remuneration is structured in a way to establish a connection between the bonus attributed and the level of performance either individual, either collective. In the case the pre-defined objectives, measured by business and individual KPIs, are not accomplished, the amount of short and medium incentives, will be totally or partially reduced.

**Alignment with the shareholders' interests**

Part of the variable bonus of the executive directors is deferred for a period of 3 years, being the amount conditioned by the evolution of the price of shares and by the level of achievement of the medium-term objectives during the deferring period. This way, it is ensured an alignment of the director with the shareholder's interests and with the medium-term performance, aiming the sustainability of the business.

**Transparency**

Every aspects of the remuneration structure are clear and openly published, either internally as well as externally, through the publicity of the documentation in the Company's website. This communication process contributes to promote equity and independency.

**Reasonableness**

The Policy intends to ensure a balance between Sonae's interests, the market position, the members of the governing bodies expectations and motivations, and the talent retention need.

The Company's Remuneration and Compensation Policy incorporates the principle of not contemplating any compensation

to the members of the Board of Directors or to the members of other statutory governing bodies, related with the termination of a mandate, whether such termination occurs at the end of the respective mandate or there is an early termination for any reason or on any basis, without prejudice of the Company's obligation to comply with the applicable law in this subject.

The Remuneration and Compensation Policy does not include any system of benefits, particularly retirement benefits, in favour of the members of the statutory governing bodies or other persons discharging managerial responsibilities.

In applying the Remuneration Policy consideration is given to roles and responsibilities performed in affiliated companies.

To ensure the effectiveness and transparency of the principles of the Remuneration and Compensation Policy, the Executive Directors:

- shall not enter into agreements with the Company or third parties that have the effect of mitigating the risk inherent to the variability of their remuneration awarded by the Company;
- shall not sell, during the mandate beginning in the 2015 financial year, Company shares that were attributed to them, under the Medium Term Performance Bonus Plan, up to a limit of two times the value of their total annual remuneration, with the exception of those any such shares that may be required to be sold in order to pay taxes on the respective gains.

2. To implement the principles set out above, the remuneration and compensation of the members of the statutory governing bodies and persons discharging managerial responsibilities shall respect the following rules:

#### Executive Directors (EDs)

The remuneration and compensation policy for the Executive Directors includes, in the way it is structured, control mechanisms, taking into account the connection to personal and collective performance, to prevent behaviour that involves excessive risk-taking. This objective is also reinforced by the fact that each Key Performance Indicator (KPI) is limited to a maximum value.

The remuneration of Executive Directors normally includes two components: (i) a fixed component, which includes a Base Remuneration and an annual Responsibility Allowance, determined by reference to each financial year, (ii) a variable component, awarded in the first half of the year following the year to which it relates and subject to the accomplishment of the objectives fixed for the previous year. The variable component is divided into two parts (a) a Short Term Performance Bonus which is paid immediately after it is awarded, and (b) a Medium Term Performance Bonus, which is paid after a 3 year deferral period, considering that the exposure of EDs to fluctuations in the share price is the most appropriate way to align the interests of Executive Directors with those of the shareholders.

(i) The fixed remuneration of an Executive Director is based on the personal competences and level of responsibility of the function exercised by each Executive Director and is reviewed annually. Each Executive Director is attributed a classification named internally as a Management Level ("Grupo Funcional"). Executive Directors are classified under one of the following Management Levels: "Group Leader", "Group Senior Executive", or "Senior Executive". The various Management Levels are structured according to Hay's international model for the classification of corporate functions, thereby facilitating market comparisons, as well as helping to promote internal equity.

(ii) The variable bonus is designed to orientate and reward the Executive Directors for the achievement of predetermined targets and objectives, which are based on indicators of Company performance, of working teams under their responsibility and of their own personal performance, and attributed after the financial year is closed and the performance evaluation has been made. Variable bonus is awarded on the basis of the fulfilment of collective, departmental and individual KPIs. Approximately 70% of its value is determined by business, economic and financial KPIs, namely turnover, EBITDA, net profit and share price performance. These are quantified indicators, which are divided into collective and departmental KPIs.

The Executive Directors of the Company are assessed based on the weighted averaged achievement of the KPIs of the business units which they oversee.

The remaining 30% are determined by the achievement of personal KPIs, which may combine quantified and unquantified indicators. To determine the variable component of the remuneration an individual evaluation of the performance is carried out by the Shareholders' Remuneration Committee in coordination with the Nomination and Remuneration Commission of the Board of Directors. This assessment takes place after the results of the Company are known.

As the amount of the award is subject to the accomplishment of objectives, there is no guarantee that any payment will be made.

(a) The Short Term Performance Bonus ("STPB")

This bonus corresponds to the maximum of 50% of the total value of the variable bonus. This bonus is paid, in cash, in the first half of the year following the year to which it relates. It may, however, upon the decision of the Shareholders' Remuneration Committee, be paid, within the same deadline, in shares, subject to the terms and conditions set forth below for the Medium Term Performance Bonus.

(b) The Medium Term Performance Bonus ("MTPB")

This bonus is designed to enhance the sense of connection between executive directors and the Company, aligning their interests with the interests of shareholders, and increasing their awareness of the importance of their performance on the overall success of the organisation. The MTPB value awarded corresponds to at least 50% of the total value of the variable bonus for each performance year.

The MTPB remains open for a 4 year period, including the performance year and the 3 year deferral period that follows attribution. The value of the MTPB awarded in euros is divided by the average share price calculated at the attribution date to determine the number of shares entering the MTPB. The initial number of shares is adjusted for any changes during the 3 year deferral period to the share capital or for any dividends distributed (in line with the concept of Total Shareholder Return). During the deferral period, the number of shares are also adjusted to match the level of success in achieving agreed target medium term KPIs, which are designed to ensure the continued alignment with medium term business sustainability objectives. These KPIs are based on target Returns on Invested Capital (RoIC) set for each business unit. The Executive Directors of the Company are assessed based on the weighted average achievements of this KPIs by the various business units which they oversee.

In line with the policy for enhancing the alignment of executive directors with the Company's medium term interests, the Shareholders' Remuneration Committee may, in its absolute discretion, graduate the discount percentage to be granted to the executive directors for the acquisition of Company's shares, by determining that executive directors contribute to the acquisition in an amount corresponding, at the maximum, to 5% of the share market price at the transfer date.

On the vesting date, the corresponding shares are delivered free of cost, although the Company reserves the right to pay the equivalent market value in cash.

Taking the two variable components together, the target values set in advance range between 30% and 60% of the total annual remuneration (fixed remuneration and target variable bonus).

At the time of working out actual results achieved, the value of each bonus to be awarded is limited to the minimum 0% and the maximum of 140% of the target value set in advance.

The value of the variable component attributed in the total amount of annual remuneration depends on two factors: (i) the objective amount of the variable component; (ii) the level of objectives achievement. The combine of these two factors could give rise to a real weight of the variable bonus attributed over the total amount of annual remuneration that varies between 0% and 68%, as it results from the illustrative schedule below:

Balancing of the Variable Bonus Attributed on the basis of Annual Amount of Remuneration Attributed\*

Global KPI achieved	Variable Objective Bonus / Objective Annual Amount of Remuneration**		
	33%	50%	60%
0%	0%	0%	0%
50%	20%	33%	43%
70%	26%	41%	51%
100%	33%	50%	60%
140%	41%	58%	68%

\* Fixed Remuneration plus variable bonus attributed

\*\* Fixed Remuneration plus variable objective bonus

The payment in cash of the bonus incentive may be executed by any way of fulfilling the obligation as permitted by law and by the Company's articles of association.

#### Non-Executive Directors (NED's)

The remuneration of the Non-Executive Directors (NEDs) is based on market comparable, and structured as follows: (1) a Fixed Remuneration; (2) an annual responsibility allowance. No variable bonus of any kind is paid to NEDs.

#### Statutory Audit Board ("Conselho Fiscal")

The remuneration of the members of the Company's Statutory Audit Board is based exclusively on fixed annual amounts, which include an Annual Responsibility Allowance. The levels of remuneration are determined by taking into consideration the Company's situation and by benchmarking against the market.

#### Statutory External Auditor

The Company's Statutory External Auditor is remunerated, under the supervision of the Statutory Audit Board, in accordance with normal fee levels for similar services, benchmarked against the market.

#### Board of the Shareholders' General Meeting

The remuneration of the members of the Board of the Shareholders' General Meeting shall correspond to a fixed amount, based on the Company's situation and benchmarked against the market.

Persons Discharging Managerial Responsibilities

Under the terms of paragraph 3 of Article 248-B of the Portuguese Securities Code, in addition to the members of the statutory governing bodies mentioned above, persons discharging managerial responsibilities also include individuals who have regular access to inside information and are involved in taking management and business strategy decisions at the Company.

The remuneration policy applicable to other individuals who, under the terms of the law, are considered to be Persons Discharging Managerial Responsibilities, shall be the same as is adopted for other managers with the same level of function and responsibility, without awarding of any other additional benefits in addition to those which result from the respective Management Level.

Maia, 16<sup>th</sup> March 2018

On behalf of the Shareholders' Remuneration Committee

Artur Santos Silva

Francisco Sánchez

Carlos Moreira da Silva

## **Criteria for the attribution and eligibility for the variable remuneration paid in shares**

### **1. Main features of the Medium Term Performance Bonus (MTPB)**

MTPB is part of the annual variable bonus and ensures the alignment of the Executive Directors' interests with the organisation's objectives, reinforcing their compromise and strengthening their view over the importance of their performance for Sonae's success, with expression in Sonae share market capitalisation.

### **2. Eligibility**

Sonae and Sonae business units' Executive Directors, as well as employees with strategy planning responsibilities, are subject to the deferral of part of the annual variable bonus. Variable remuneration annual bonus is deferred as follows:

<b>Eligible Members</b>	<b>Reference value for medium term bonus plan (% total objective variable remuneration)</b>
<i>Sonae Executive Directors</i>	at least 50%
<i>Sonae Business Units Executive Directors</i>	at least 50%
<i>Employees</i>	to be defined by each Company's Board of Directors

### **3. Duration of the plan**

The MTPB plan extends for a 4 year period, including the attribution year and the 3 year deferral period.

### **4. MTPB vesting**

The acquisition right of the shares attributed under the MTPB shall be vested after the deferral period.

### **5. Valuation of the MTPB plan**

The share price of the Company on the Portuguese stock exchange is used to establish the value of MTPB, using as a benchmark the most favourable price, equal to the closing price on the first work day after the Shareholders' General Meeting, or the average price (using for this average the closing price for the 30 trading days prior to the date of the General Meeting). The beneficiaries have the right to purchase a

number of shares determined by the quotient between the attributed medium term variable bonus value and the share market price at the attribution date settled under the terms of the previous paragraph. The initial number of awarded shares shall be adjusted during the deferral period to reflect the degree of success in achieving long term KPIs, in order to ensure the continued alignment with the Company business' long term sustainability objectives. If, subsequently to the award of the shares attribution right and before this right is vested, dividends are distributed, changes are made to the nominal value of shares, the Company's share capital is changed or any other change is made to the Company's capital structure which impacts the value of the rights so awarded, then the number of shares whose acquisition rights have been granted will be adjusted to an equivalent number, taking into account the impact of these changes.

In line with the policy for enhancing the alignment of Executive Directors with the Company's long term interests, the Shareholders' Remuneration Committee may, in its absolute discretion, graduate the discount percentage to be granted to the Executive Directors for the acquisition of Company's shares, by determining that the Executive Directors contribute to the acquisition in an amount corresponding, at the maximum, to 5% of the share market price at the transfer date. Employees who have been attributed such shares award right, shall purchase the shares in the conditions established by the Board of Directors of each Company.

## **6. Delivery by the Company**

At the moment of the exercise of the share acquisition right under MTPB, the Company reserves itself the right of delivering, instead of the shares, the cash equivalent amount of the shares market value at the date of the exercise of the right.

## **7. Conditions for the exercise of the right**

The right to purchase shares attributed under the MTPB expires if the beneficiary no longer holds a contractual relationship with the Company before the end of the three year deferral period, after the attribution year. Without prejudice to the aforementioned, the right awarded under the MTPB shall remain in force in case of permanent disability or death of the beneficiary, with the due amount being paid, respectively, to the beneficiary or to the beneficiary's heirs, at the vesting date of the MTPB. If the beneficiary retires, the shares acquisition granted right can be exercised on the due vesting date. To ensure the effectiveness and transparency of the principles of the Remuneration and Compensation Policy, it was established that the Executive Directors of the Company:

- shall not enter into agreements with the Company or third parties that have the effect of mitigating the risk inherent to the variability of their remuneration awarded by the Company;
- shall not sell, during the mandate beginning in the 2015 financial year, Company shares that were attributed to them, under the variable remuneration, up to a limit of two times the value of their total annual remuneration, with the exception of those any such shares that may be required to be sold in order to pay taxes on the respective gains.

*(Translation from the Portuguese original)*

To the Chairman of the Board of the  
Shareholders' General Meeting of  
Sonae - SGPS, SA  
Lugar do Espido, Via Norte  
4471-909 Maia

Item number 6

## PROPOSAL

It is hereby proposed to grant the Board of Directors the power to:

- purchase, own shares, over the next eighteen months, and up to the limit of 10% of the share capital consolidated with the shares purchased by subsidiaries of this Company (as defined in article 486 of the Portuguese Companies Act and in article 21 of the Portuguese Securities Code), permitted under the terms of number 2 of article 317 of the Portuguese Companies Act:

a) on the regulated market, as well as through over-the-counter transactions in case the seller is a company directly or indirectly controlled or jointly-controlled by this Company (as defined in article 486 of the Portuguese Companies Act and of article 21 of the Portuguese Securities Code), for a price per share not lower than the average of the ten share market prices prior to the date of purchase, less 50%, and not higher than the average ten share market prices prior to the date of purchase, plus 10%;

b) through over-the-counter transactions:

- from Banco BPI, SA, or any company directly or indirectly controlled or jointly-controlled by the latter, pursuant to article 486 of the Portuguese Companies Act and article 21 of the Portuguese Securities Code, or from other financial institution that totally or partially succeeds in Banco BPI, SA's contractual position, with any of the following purposes:

1) for the fulfilment of the Company's responsibilities to deliver own shares under the terms and conditions of the 210 500 000 Sonae - SGPS, SA convertible bonds issue programme placed by its wholly-owned subsidiary Sonae Investments BV and disclosed to the market on

June 2014, pursuant to the terms approved at the Shareholders' General Meeting of 30<sup>th</sup> April 2014; or,

2) for the protection of the Company's and shareholders' best interest, without prejudice to the financial settlement of a partial or total closing of the "Cash Settlement Equity Swap" executed by the Company's subsidiary Sonae Investments, BV with Banco BPI, SA, to negotiate with Banco BPI, SA or with other financial institution that totally or partially succeeds in Banco BPI, SA's contractual position, the purchase of the underlying shares or, alternatively, the total or partial replacement of such financial settlement for the purchase of shares; as well as

- from any other entity, including financial institutions, for the fulfilment of legal or contractual obligations, including but not limited to the execution of guarantees for the benefit of the Company or of companies directly or indirectly controlled or jointly-controlled by the Company, or payment in kind or transfer in lieu of payment.

In any of the situations listed above in previous paragraph b), for a price per share respectively not lower and not higher than the minimum and maximum ten share market prices prior to the date of purchase.

- sell, under permitted legal terms, on the regulated market, as well as through over-the-counter transactions, including in case the buyer is a company directly or indirectly controlled or jointly-controlled by this Company, over the next eighteen months, a minimum of one hundred own shares, for a price per share not lower than the average of the ten share market prices prior to the date of sale, less 10% per share.

The acquisitions and sales hereby authorised may also be by way of sale or attribution of shares to the members of the statutory governing bodies and employees of the Company or of its companies controlled, jointly-controlled or wholly-owned, in the exact terms of the attribution policy approved by each of them, always considering market conditions and the Company's and the shareholders' interest.

It is moreover hereby proposed that the Board of Directors be authorised to decide on the investment or disinvestment opportunity, taking into consideration the rules set forth by Regulation (EU) no. 596/2014, of the European Parliament and of the Council, of 16 April, and, when applicable, by the Commission Delegated



Regulation (EU) 2016/1052, of 8 March 2016.

Maia, 13<sup>th</sup> March 2018

On behalf of the Board of Directors,

*(Translation from the Portuguese original)*

To the Chairman of the Board of the Shareholders'  
General Meeting of Sonae - SGPS, SA  
Lugar do Espido, Via Norte  
4471-909 Maia

Item number 7

## PROPOSAL

It is hereby proposed to grant the Board of Directors the powers to:

- a) purchase, on the regulated market, as well as through over-the-counter transactions in case the seller is a company directly or indirectly controlled or jointly-controlled by this Company (as defined in article 486 of the Portuguese Companies Act and in article 21 of the Portuguese Securities Code), over the next eighteen months and up to the legal limit of 10% per issue, bonds issued by the Company, for an unit price not lower than the average of the last ten bond prices prior to the date of purchase, less 50%, and not higher than the average of the last ten bond prices prior to the date of purchase, plus 10%;
- b) sell, under permitted legal terms, on the regulated market as well as through over-the-counter transactions, including in case the buyer is a company directly or indirectly controlled or jointly-controlled by this Company (as defined in article 486 of the Portuguese Companies Act and in article 21 of the Portuguese Securities Code), over the next eighteen months, a minimum of one hundred bonds issued by the Company, for an unit price not lower than the average of the last ten bond prices prior to the date of sale, less 10%.

The Board of Directors is hereby authorised to decide if and when such transactions should be made, taking into consideration the market conditions, the Company's and the shareholders' interest.

Maia, 13<sup>th</sup> March of 2018

On behalf of the Board of Directors,

**SONAE - SGPS, S.A.**  
Lugar do Espido Via Norte  
Apartado 1011  
4471-909 Maia  
Portugal

[www.sonae.pt](http://www.sonae.pt)

*(Translation from the Portuguese original)*

To the Chairman of the Board of the Shareholders'  
General Meeting of Sonae - SGPS, SA  
Lugar do Espido, Via Norte  
4471-909 Maia

Item number 8

## PROPOSAL

It is hereby proposed that the companies directly or indirectly controlled or jointly-controlled by this Company (as defined in article 486 of the Portuguese Companies Act and in article 21 of the Portuguese Securities Code) are authorised to purchase and hold shares issued by this Company, under the terms of paragraph 2 of article 325-B of the Portuguese Companies Act, over the next eighteen months and up to the limit consolidated in the controlling company of 10%.

Such shares may be purchased:

- a) on the regulated market, as well as through over-the-counter transactions in case the seller is the Company or a company directly or indirectly controlled or jointly-controlled by this Company, for a price per share not lower than the average ten share market prices prior to the date of purchase, less 50%, and not higher than the average ten share market prices prior to the date of purchase, plus 10%;
- b) through over-the-counter transactions:
  - from Banco BPI, SA, or any company directly or indirectly controlled or jointly-controlled by the latter, pursuant to article 486 of the Portuguese Companies Act and article 21 of the Portuguese Securities Code, or from other financial institution that totally or partially succeeds in Banco BPI, SA's contractual position, with any of the following purposes:
    - 1) for the fulfilment of the Company's responsibilities to deliver own shares under the terms and conditions of the 210 500 000 Sonae - SGPS, SA convertible bonds issue

programme placed by its wholly-owned subsidiary Sonae Investments BV and disclosed to the market on June 2014, pursuant to the terms approved at the Shareholders' Meeting of 30<sup>th</sup> April 2014 and in the terms set forth in the respective programme; or,

2) for the protection of the Company's and shareholders' best interest, without prejudice to the financial settlement of a partial or total closing of the "Cash Settlement Equity Swap" executed by the Company's subsidiary Sonae Investments, BV with Banco BPI, SA, to negotiate with Banco BPI, SA or with other financial institution that totally or partially succeeds in Banco BPI, SA's contractual position, the purchase of the underlying shares or, alternatively, the total or partial replacement of such financial settlement by the purchase of shares; as well as

- from any other entity, including financial institutions, for the fulfilment of legal or contractual obligations, including but not limited to the execution of guarantees for the benefit of the Company or of companies directly or indirectly controlled or jointly-controlled by the Company, or payment in kind or transfer in lieu of payment.

In any of the situations listed above in previous paragraph b), for a price per share respectively not lower and not higher than the minimum and maximum ten share market prices prior to the date of purchase.

The Boards of Directors shall be authorised to decide on the investment or disinvestment opportunity – which may also be by way of sale or attribution of shares to the members of the statutory governing bodies and employees of the Company or of the companies directly or indirectly controlled or jointly-controlled by the Company, in the exact terms of the attribution policy approved by each of them – taking into consideration market conditions and the respective company's and shareholders' interest, as well as the rules set forth by Regulation (EU) no. 596/2014, of the European Parliament and of the Council, of 16<sup>th</sup> April, and, when applicable, the Commission Delegated Regulation (EU) 2016/1052, of 8<sup>th</sup> March 2016.

Maia, 13<sup>th</sup> March 2018  
On behalf of the Board of Directors,