

## **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' 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.