



CORPORATE GOVERNANCE REPORT '18

A DNA for a
Sustainable Company



IMPROVING LIFE

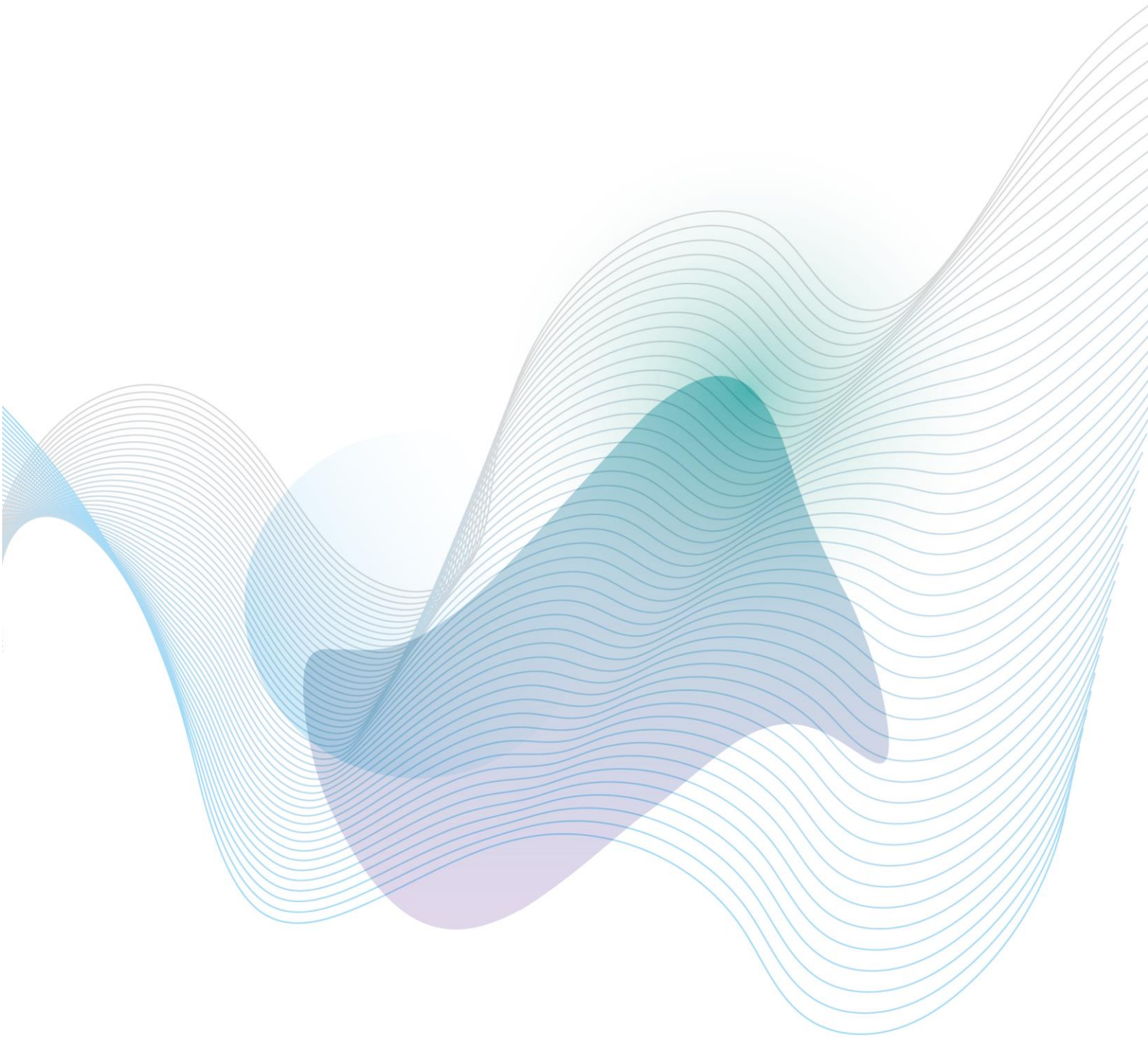


Corporate Governance Report' 18

A-	Shareholders' structure	7
I.	Share capital structure	7
	1.Share capital structure	7
	2.Restrictions on the transfer and ownership of shares	7
	3.Own shares – number, percentage of share capital they represent and percentage of voting rights that would correspond to own shares	7
	4.Significant agreements with ownership clauses	7
	5.Defensive measures in case of change of control	7
	6.Shareholders' agreements	7
	7.Qualified shareholdings	8
	8.Number of shares and bonds held by the members of the statutory governing bodies, submitted pursuant to paragraph 5 of article 447 of the Portuguese Companies Act	10
	9.Powers of the Board of Directors on share capital increase	11
	10.Relevant business relationship between owners of qualified shareholdings and the Company'	11
	a. Composition of the Board of the Shareholders' General Meeting	11
	11.Board of the Shareholders' General Meeting: members and mandate	11
	b. Exercising Voting Rights	11
	12.Restrictions on voting rights	11
	13.Maximum percentage of voting rights that may be exercised by a single shareholder or by a group of shareholders that are related to the latter as set forth in paragraph 1 of article 20 of the Portuguese Securities Code	12
	14.Deliberative quorum	12
	a.Composition	13
	15.Identification of the adopted governance model	13
	16.Rules for nominating and replacing board members	14
	17.Composition of the Board of Directors	14
	18.Distinction between executive and non-executive members of the Board of Directors	15
	19.Professional qualifications and curricular references of the members of the Board of Directors	16
	20.Usual and significant family, business and commercial relationships between members of the Board of Directors and shareholders with attributed qualified shareholdings	16
	21.Division of powers between the different boards, committees and/or departments within the company, including the delegation of powers, particularly with regards to the delegation of the Company's daily management	17
	22.Internal regulation of the Board of Directors	23
	23.Number of meetings held and attendance level of each Member of the Board of Directors	23
	24.Competent bodies of the company to appraise the performance of Executive Directors	23
	25.Predetermined criteria for evaluating the performance of Executive Directors	24
	26.Availability of the members of the Board of Directors	24
	27.Identification of committees created by the Board of Directors	24
	28.Composition of the Executive Committee	24
	29.Board committees and other advisors to the Board	26
	a.Composition	31
	30.Identification of The Supervisory Bodies	31
	31.Composition	31
	32.Independence	31
	33.Professional qualifications and curricular references of the members of the Statutory Audit Board	32
	b.Functioning	32
	34.Internal regulation of the Statutory Audit Board	32
	35.Statutory Audit Board Meetings	32

36.Availability of the Statutory Audit Board members	32
c. Duties and competencies	32
37.Role of the Statutory Audit Board in the hiring of additional services from the external auditor	32
38.Other duties carried out by the Statutory Supervising Bodies	33
39.Identification	35
40.Permanence in functions	35
41.Other services provided to the Company	35
42.Identification	35
43.Permanence in functions	35
44.Policy and frequency of rotation of the external auditor	36
45.Statutory governing body responsible for the external auditor’s assessment	36
46.Additional work, other than audit services, performed by the external auditor and respective hiring process	36
47.Remuneration of the external auditor	36
48.Rules applicable in the case of amendments to the company’s articles of association	38
49.Policy on reporting irregularities	38
50.Individuals, bodies or committees responsible for internal audit and / or implementation of internal control systems	38
51.Hierarchy/or functional relationships with other company’s bodies	39
52.Other functional areas with risk control competencies	39
53.Identification and classification of main risks	39
54.Description of risk management processes: identification, assessment, monitoring, control and management	45
55.Description of the main features of Sonae’s risk management and internal control systems in relation to the preparation and disclosure of financial information	47
56.Investor Relations	48
57.Legal representative for capital market relations	49
58.Information requests	50
59.Address	50
60.Location of the information mentioned in article 171 of the Portuguese companies act	50
61.Location for the provision of the articles of association, bodies and committees’ regulations	50
62.Location for the provision of information about the identity of the statutory governing bodies, the representative for market relations, the investor relations, respective functions and contact details	50
63.Location for the provision of accounting documents and calendar of corporate events	50
64.Location for the provision of the notices for shareholders’ general meetings and all related information	50
65.Location where the historical archives are available with resolutions adopted at the shareholders’ general meeting, the represented share capital and the voting results, with reference to the previous 3 years	50
66.Responsibility for approving the remuneration of the company’s statutory governing bodies, executive directors and persons discharging managerial responsibilities (“dirigentes”)	51
67. Composition of the Remuneration Committee, identification of other individuals and entities hired to provide support and advisors’ statement of independence	51
68.Knowledge and experience of the members of the Remuneration Committee	51
69.Description of the Remuneration Policy of The Board Of Directors and other Statutory Governing Bodies, as provided for In Article 2 of Law No. 28/2009, of 19th June	52
70.Remuneration of the members of the Board of Directors	55
71.Variable remuneration of the Executive Directors	56
72.Deferred payment of the remuneration’s variable component	57
73.Criteria that underlies the allocation of variable remuneration in shares and their maintenance	57
74.Criteria that underlies the allocation of variable remuneration in options	58
75.Main parameters and reasoning concerning annual bonuses and any other non-cash benefits	58
76. Main characteristics of complementary pension or early retirement schemes for the directors approved at the shareholders’ general meeting	59
77.Indication of the annual remuneration earned, in aggregate and individual amount, by the company’s members of the Board of Directors	59

78.Any amounts paid by other controlled or group companies, or those under shared control	61
79. Remuneration paid in the form of profit sharing and/or bonus payments	61
80.Compensation paid or owed to former Executive Directors as a result of Loss of Office	61
81.Remuneration of the Statutory Audit Board	61
82.Remuneration of the Chairman of the Board of the Shareholders' General Meeting	62
83.Contractual limitations on compensations to be paid upon the director's dismissal without due cause and its relation with the variable component of remuneration	62
84.Reference to the existence and description, stating the sums involved, of the agreements between the Company and members of the Board of Directors, providing for compensation in case of dismissal without due cause or termination of the employment relationship, following a change of control of the Company	62
85.Identification of the plan and recipients	62
86.Plan features	62
87.Option rights granted to acquire shares ("stock options") where the beneficiaries are company employees	63
88.Control mechanisms in any system of employee participation in the share capital	63
89.Mechanisms for monitoring transactions with related parties	64
90.Transactions subjected to control during 2018	64
91.Description of the procedures and criteria for intervention of the statutory audit board, for the purpose of preliminary assessment of the business carried out between the Company and holders of qualified shareholdings or entities that are in a relation with them, under the terms of article 20 of the Portuguese Securities Code	64
92.Information on transactions with related parties	64
I – General Provisions	66
II – Shareholders and General Meetings	70
III – Non-Executive Management, Monitoring and Supervision	72
IV – Executive Management	75
V – Evaluation of Performance, Remuneration and Appointment	76
VI – Risk Management	81
VII – Financial Statements and Accounting	81
1.1. Professional qualifications and curricular references	85
1.2. Positions held in other entities	91
2.1. Professional qualifications and curricular references	95
2.2. Positions held in other entities	97



Part I:

Shareholders' structure organisation
and Corporate Governance



A- Shareholders' structure

I. Share capital structure

1. Share capital structure

The Company's share capital is 2,000,000,000 euro, fully subscribed and paid up, divided into 2,000,000,000 nominative ordinary shares, each with a nominal value of one euro.

The distribution of share capital and respective voting rights among the owners of qualified shareholdings is listed below in section II.7.

All the shares representing the Company's share capital are admitted to trading on the Euronext Lisbon regulated market.

2. Restrictions on the transfer and ownership of shares

There are no restrictions on the ownership or transfer of Company's shares.

3. Own shares – number, percentage of share capital they represent and percentage of voting rights that would correspond to own shares

The Company, on 31st December 2018, did not held, directly or indirectly, any percentage of own shares representing the Company's share capital.

4. Significant agreements with ownership clauses

There are no agreements executed by the Company incorporating clauses with the aim of setting up defensive measures to a change in its shareholders' control or that cease in case of a change of the Company's control following a takeover bid.

The majority of the share capital of the Company is attributable to a single shareholder.

The shareholders' agreement executed between the Company and Grosvenor Group Limited ("Grosvenor"), relating to Sonae Sierra, SGPS, SA, grants Grosvenor an exit right in the case of a change of control of the Company, but only in the particular and exclusive situation of the Company being directly or indirectly controlled by a third-party other than its present reference shareholder or any of its current shareholders or their relatives.

Sonae has, as well, contractual protection mechanisms, including a call-option right on Grosvenor shareholding in case the latter ceases to be controlled by its current reference shareholder.

5. Defensive measures in case of change of control

No defensive measures were adopted by the Company.

6. Shareholders' agreements

The Board of Directors has no knowledge of any joint venture agreements involving the Company.



II. Shareholdings and holdings of bonds

7. Qualified shareholdings

On 31st December 2018, relying on the notices received by the Company pursuant to article 16 and article 248-B of the Portuguese Securities Code, the owners of qualified shareholdings, the respective attributable share capital and voting rights percentage, as well as the source and grounds for such attribution, were the following:

Qualified shareholdings

Shares held and voting rights attributable to shareholders owning 2% or more of the share capital of Sonae - SGPS, SA, calculated in accordance with article 20 of the Portuguese Securities Code, as required by article 8, paragraph 1, subparagraph b), of the Portuguese Securities Market Commission (CMVM) Regulation no. 05/2008:

Shareholder	No. of shares	% Share capital and voting rights*	% of exercisable voting rights**
Efanor Investimentos, SGPS, SA (I)			
Directly	200,100,000	10.0050%	10.0050%
By Pareuro, BV (controlled by Efanor Investimentos, SGPS, SA)	849,533,095	42.4767%	42.4767%
By Maria Margarida CarvalhaisTeixeira de Azevedo (Director of Efanor Investimentos, SGPS, SA)	14,901	0.0007%	0.0007%
By Maria Cláudia Teixeira de Azevedo (Director of Efanor Investimentos, SGPS, SA)	377,318	0.0189%	0.0189%
By Duarte Paulo Teixeira de Azevedo (Director of Sonae, SGPS, SA and Efanor Investimentos, SGPS, SA)	805,730	0.0403%	0.0403%
By Migracom, SA (company controlled by Efanor Investimentos, SGPS, SA and Sonae SGPS SA's Director Duarte Paulo Teixeira de Azevedo)	2,874,339	0.1437%	0.1437%
By Linhacom, SGPS, SA (company controlled by Efanor Investimentos, SGPS, SA's Director Maria Cláudia Teixeira de Azevedo)	189,314	0.0095%	0.0095%
Total attributable to Efanor Investimentos, SGPS, SA	1,053,894,697	52.6947%	52.6947%
Banco BPI, SA			
Banco BPI, SA	132,851,868	6.6426%	6.6426%
Banco Português de Investimento, SA	365,199	0.0183%	0.0183%
Fundos de Pensões do Banco BPI	40,071,372	2.0036%	2.0036%
BPI Vida - Companhia de Seguros de Vida, SA	4,751,416	0.2376%	0.2376%
Total attributable to Banco BPI, SA (II)	178,039,855	8.9020%	8.9020%
Fundação Berardo, Instituição Particular de Solidariedade Social			
Fundação Berardo, Instituição Particular de Solidariedade Social	49,849,514	2.4925%	2.4925%
Total attributable to Fundação Berardo, Instituição Particular de Solidariedade Social	49,849,514	2.4925%	2.4925%
Invesco Ltd			
Invesco Asset Management Ltd	41,185,755***	2.0270%	2.0270%
Invesco Asset Management		0.0130%	0.0130%
Invesco Advisers		0.0200%	0.0200%
Total attributable to Invesco Ltd	41,185,755	2.0593%	2.0600%

Source: communications received by the Company regarding qualified shareholdings up to 31st December 2018

* Voting rights calculated based on the Company's share capital with voting rights, as per subparagraph b) of paragraph 3 of article 16 of the Portuguese Securities Code

**Voting rights calculated based on the Company's share capital with voting rights that are not subject to suspension of exercise

*** Information provided by the qualified shareholder on an aggregated basis.

(I) As from 29th November 2017, Efanor Investimentos SGPS, SA ceased to have any controlling shareholder pursuant to the set forth in articles 20 and 21 of the Portuguese Securities Code.

(II) total number of voting rights attributed to Banco BPI, SA as per article 20 of the Portuguese Securities Code

This information is disclosed in an Appendix to the Management Report.

Updated information regarding qualified shareholdings is available at the Company's website, <http://www.sonae.pt/en/investors/shareholder-structure/>.

8. Number of shares and bonds held by the members of the statutory governing bodies, submitted pursuant to paragraph 5 of article 447 of the Portuguese Companies Act

This information is disclosed in an Appendix to the Management Report, as follows:

Article 447 of the Portuguese Companies Act and article 14, paragraph 7, of the Portuguese Securities Commission (CMVM) Regulation no. 05/2008

Disclosure of the number of held shares and other securities issued by the Company and of the transactions executed over such securities, during the financial year in analysis, by the members of the statutory governing and auditing bodies and by people discharging managerial responsibilities ("dirigentes"), as well as by people closely connected with them pursuant to article 248 B of the Portuguese Securities Code:

	Date	Additions		Reductions		Position on 31.12.2018	Balance on 31.12.2018
		Quantity	Aver. Price €	Quantity	Aver. Price €		
Duarte Paulo Teixeira de Azevedo (*) (**) (***)							
Efanor Investimentos, SGPS, SA (1)						Minority	
Migracom, SA (3)						Dominant	
Sonae - SGPS, SA							805,730
Ângelo Gabriel Ribeirinho dos Santos Paupério (*) (**)							
Sonae - SGPS, SA							0
Sale	24-05-2018			212,987	1.152		
Enxomil - Consultoria e Gestão, SA (6)						Dominant	
Enxomil - Sociedade Imobiliária, SA (7)						Dominant	
Maria Margarida Carvalhais Teixeira de Azevedo (**)							
Efanor Investimentos, SGPS, SA (1)						Minority	
Sonae - SGPS, SA							14,901
Maria Cláudia Teixeira de Azevedo (**) (***)							
Efanor Investimentos, SGPS, SA (1)						Minority	
Sonae - SGPS, SA							377,318
Linhacom, SGPS, SA (5)						Dominant	
Nuno Miguel Teixeira de Azevedo (**)							
Efanor Investimentos, SGPS, SA (1)						Minority	

	Date	Additions		Reductions		Position on 31.12.2018	Balance on 31.12.2018
		Quantity	Aver. Price €	Quantity	Aver. Price €		
(1) Efanor Investimentos, SGPS, SA							
Sonae - SGPS, SA							200,100,000
Pareuro, BV (2)						Dominant	
(2) Pareuro, BV							
Sonae - SGPS, SA							849,533,095
(3) Migracom, SA							
Sonae - SGPS, SA							2,874,339
Imparfin - Investimentos e Participações Financeiras, SA (4)						Minority	
(4) Imparfin - Investimentos e Participações Financeiras, SA							
Sonae - SGPS, SA							4,105,280
(5) Linhacom, SGPS, SA							
Sonae - SGPS, SA							189,314
Imparfin - Investimentos e Participações Financeiras, SA (4)						Minority	
(6) Enxomil - Consultoria e Gestão, SA							
Sonae - SGPS, SA							2,021,855
(7) Enxomil - Sociedade Imobiliária, SA							
Sonae - SGPS, SA							662,987
Purchase	24-05-2018	212,987	1.152				

(*) Member of the Board of Directors of Sonae - SGPS, SA

(**) Member of the Board of Directors of Efanor Investimentos SGPS, SA (directly and indirectly dominant company) (1)

(***) Member of the Board of Directors of Imparfin - Investimentos e Participações Financeiras, SA (4)

9. Powers of the Board of Directors on share capital increase

The powers given by the Articles of Association to the Board of Directors to increase the Company's share capital were withdrawn in April 2011. As from that date, these powers are held exclusively by the Shareholders' General Meeting.

10. Relevant business relationship between owners of qualified shareholdings and the Company

There are no existing relevant business relationships between the Company and owners of qualified shareholdings notified to the Company.

Without prejudice to the aforementioned, Bank BPI, SA maintains a business relationship with the Company within the scope of the Company's corporate purpose, under market conditions and alongside with other national and international financial institutions.

B- Governing Bodies and Committees

I. Shareholders' General Meeting

a. Composition of the Board of the Shareholders' General Meeting

11. Board of the Shareholders' General Meeting: members and mandate

The Shareholders' General Meetings are directed by a Board elected by the shareholders for a four-year mandate which begins and ends within the same calendar mandate as that of the other statutory governing bodies.

The members of the Board of the Shareholders' General Meeting for the mandate 2015-2018 have been in office for 3 mandates, since they were first elected in 2007.

Board of the Shareholders' General Meeting

Manuel Cavaleiro Brandão, Chair

Maria da Conceição Cabaços, Secretary

b. Exercising Voting Rights


12. Restrictions on voting rights

12.1 Restrictions on voting rights depending on the number or percentage of shares ownership

The Company's share capital is entirely made up of a single class of ordinary shares, in which one share equals one vote, and where there are no statutory limitations on the exercise of the voting rights by any shareholder. Share blocking is not required in order to attend the Shareholders' General Meeting. In compliance with paragraph 1 of article 23-C of the Portuguese Securities Code, the "Registry date" is the key moment in time for the proof of the shareholder's legal entitlement to attend and exercise voting rights at the Shareholders' General Meeting. The "Registry Date" is also the decisive time reference regarding the application of the voting and attendance rule for professional shareholders who own shares in their own name but which are held on behalf of their respective clients.

12.2 Representation

The right to vote by proxy and the way in which this right is exercised is described in the respective notices convening Shareholders' General Meetings, in accordance with the law and the Company's Articles of Association.



Shareholders can be represented at the Shareholders' General Meetings by presenting a written representation document before the meeting begins, addressed and delivered to the Chairman of the Board of the Shareholders' General Meeting, stating the name and address of the proxy and the date of the meeting. The abovementioned information may be sent by using an electronic email address provided by the Company.

A shareholder can nominate different proxies for each group of shares held in different securities accounts, without prejudice to the principle of one share one vote, in accordance with article 385 of the Portuguese Companies Act. Shareholders who professionally own shares in their own name but which are held on behalf of their respective clients can vote in different ways.

The Company provides appropriate information on its website, at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/> to enable shareholders, who wish to be represented, to give their voting instructions to their respective proxy holders. Such information, which includes the proposals to be submitted to the Shareholders' General Meeting and a template of a representation letter, is disclosed on the website, within the legally established time limits.

12.3 Vote in writing

Shareholders can vote in writing in relation to all items on the agenda of the Shareholders' General Meeting. Without prejudice to the obligation of proving shareholding legal entitlement, written votes will only be taken into account when received at the Company's head office by registered post, with acknowledgement of receipt addressed to the Chairman of the Board of the Shareholders' General Meeting or by electronic means, at least three business days prior to the General Meeting. The voting ballot, if sent by registered post, must be signed by the owner of the shares or by a legal representative. In the case of an individual, it should be accompanied by an authenticated copy of his/her identity document, pursuant to subparagraph 2 of article 5 of Law no. 7/2007, of 5th February, with the wording introduced by Law no. 32/2017 of 1st July or, alternatively, the signature shall be authenticated pursuant to the legal applicable terms. In the case of a corporate entity, the signature should be authenticated with confirmation that the signatory is duly authorised and mandated for that purpose. If the ballot is sent by electronic means, it must respect the requirements and procedures established by the Chairman of the Board of the Shareholders' General Meeting as set out in the notice of the meeting, in order to ensure an equivalent level of security and authenticity.

It is the responsibility of the Chairman of the Board of the Shareholders' General Meeting, or the person replacing him, to verify compliance with written voting requirements, and those written votes which do not fulfil such requirements, will not be accepted and will be treated as null and void.

12.4 Voting by electronic means

Shareholders have the right to vote electronically, which is available as an electronic vote, and the manner by which such right can be exercised is set out in the notice convening the Shareholders' General Meeting. A template for requesting the technical information necessary for exercising the shareholders' right to vote by electronic means is also available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.


13. Maximum percentage of voting rights that may be exercised by a single shareholder or by a group of shareholders that are related to the latter as set forth in paragraph 1 of article 20 of the Portuguese Securities Code

There is no limitation on the number of votes that may be held or exercised.

14. Deliberative quorum

Under the terms of the Company's Articles of Association, the Shareholders' General Meeting may only adopt resolutions on the first occasion that it is convened, if shareholders holding more than 50% of the Company's share capital are present or represented.

If that quorum is not met and the meeting is reconvened, resolutions may be adopted by the Shareholders' General Meeting regardless of the number of shareholders present or represented and of the percentage of share capital held.



The rules regarding the deliberative quorum of the Shareholders' General Meeting comply with the Portuguese Companies Act.

II. Management and Supervision

a. Composition

15. Identification of the adopted governance model

The Company follows a one-tier governance model, where the management structure lies with the Board of Directors, and the supervisory structure includes a Statutory Audit Board and a Statutory External Auditor.

The Board of Directors is responsible for ensuring the management of the Company's business, exercising all management acts pertaining to the Company's corporate purpose, setting strategic guidelines and appointing and generally supervising the activity of the Executive Committee and of its specialised committees.

The Board of Directors' assessment is that the corporate governance model adopted is adequate to the performance of the governing bodies' duties, ensuring, in a well-balanced manner, their respective functional independence and interaction. Additionally, the specialised committees assigned to matters of particular relevance, optimise the Board of Directors' performance, ensuring the effectiveness of its decision-making process.

The Proposal for the Selection and Assessment Policy for Membership of the Statutory Governing Bodies was approved at the Shareholders' Extraordinary General Meeting held on 16th December 2015, in compliance with Articles 30 to 32 of the General Regime of Credit Institutions and Financial Companies ("Regime Geral das Instituições de Crédito e Sociedades Financeiras" - RGICSF). Such policy shall remain in force for as long as the Company remains within the scope of the RGICSF, which results from indirectly holding the majority of the voting rights of the financial entity Sonaegest-Sociedade Gestora de Fundos de Investimento, S.A..

The abovementioned policy is available at the Company's website, <https://www.sonae.pt/en/investors/shareholder-general-meeting/shareholders-extraordinary-general-meeting-16th-december-2015/>, referred to as Proposal number two of the Shareholders' Extraordinary General Meeting held on 16th December 2015.

The diversity policy applied by the Company with regards to its management and supervisory bodies is envisaged in said Selection and Assessment Policy for Membership of the Statutory Governing Bodies, which establishes the following general principles:

"The candidates for appointment as members of the Company's management and audit bodies shall:

- Have experience of holding sufficiently senior positions in similar companies or organisations, which will allow them to:
 1. Evaluate, challenge and develop the most senior managers of the Company;
 2. Evaluate and challenge the corporate strategy of the group and its main subsidiaries;
 3. Evaluate and challenge the operational and financial performance of the Company;
 4. Evaluate the level of compliance of the organisation with Sonae's values.
- In addition to the basic common minimum requirements expected of candidates, each candidate should offer an individual contribution so that the Board of Directors collectively holds the following knowledge or skills:
 1. A profound and international understanding of the principal sectors activity of Sonae;
 2. Knowledge of the main markets and geographies where the main Sonae businesses operate;
 3. Knowledge and competences in terms of the management skills and technologies, which are decisive for the success of sizeable business enterprises operating in the same sectors of activity as Sonae;
 4. The specialist knowledge necessary to ensure the effectiveness of the specialised committees of the Board of Directors.
- The candidates should have personal relationships skills, clarity of purpose, analytical capacity, ability to summarise succinctly and the communication skills required to allow them to handle a large number of diverse

and complex topics at the same time. Time for discussion will always be limited, but the topics must be covered in sufficient depth to allow high quality decisions to be taken in a timely fashion.

- Subject to fulfilling the other criteria established above, a significant representation of genders and nationalities should be sought.”

The composition of the statutory governing bodies appointed at the Shareholders’ General Meeting for the 2015-2018 mandate follows the guidelines of the Selection and Assessment Policy for Membership of the Statutory Governing Bodies, presenting a balanced diversity of gender, origin, qualifications and professional background.

In the Board of Directors and the Statutory Audit Board, whose composition is described in section 17 and Paragraph III, a) below, the proportion of persons of each gender respects, in advance, the threshold imposed by article 5 of Law no. 62/2017, of August 1st.

The diversity and the professional experience of the members of the Board of Directors and of the Statutory Audit Board are described in Annex I to this Report.

16. Rules for nominating and replacing board members

The members of the Board of Directors, under the terms of the Portuguese law and the Company’s Articles of Association, are elected to the Board of Directors, in accordance with the proposal approved at the Shareholders’ General Meeting.

Under the terms set forth in the Company’s Articles of Association, one Director may be individually elected if there are proposals submitted by shareholders who, either by themselves or together with other shareholders, hold shares representing between ten and twenty percent of the share capital. The same shareholder cannot propose more than one list. Each proposal should identify at least two eligible persons. If there are several proposals submitted by different shareholders or groups of shareholders, voting will take place on all lists.

The Company’s Articles of Association establish, in accordance with the applicable law, that the Board of Directors may co-opt a substitute in case of the death, resignation, temporary or permanent incapacity, or lack of availability of any member, as long as the vacating Board member has not been elected under the above described minority rule (in which case a new similar election shall take place). Such appointment is, nonetheless, subject to ratification by the shareholders at the next Shareholders’ General Meeting.

As part of the Board of Directors’ power to co-opt, the Board Nomination and Remuneration Committee is responsible for proposing potential candidates with the suitable profile for Board roles.

The definitive absence, for whatever reason, of a replacement director individually elected according to the abovementioned special minority rules, determines that a new election must take place at the Shareholders’ General Meeting.

The Board of Directors is responsible for the election of its Chairman.

17. Composition of the Board of Directors

Under the terms of the Company’s Articles of Association, the Board of Directors can be composed of an odd or even number of members, between three and eleven, elected by the shareholders at a Shareholders’ General Meeting, and the Chairman of the Board of Directors holds a casting vote.

During 2018, the composition of the Board of Directors was as follows:

Board of Directors
Duarte Paulo Teixeira de Azevedo
Ângelo Gabriel Ribeirinho dos Santos Paupério
José Manuel Neves Adelino
Andrew Eustace Clavering Campbell
Christine Cross

Tsega Gebreyes

Marcelo Faria de Lima

Dag Johan Skattum*

Margaret Lorraine Trainer

* Ceased his role as a board member by resignation as announced to the market on June 2018

The members of the Board of Directors were initially appointed as follows:

Appointment to the Board of Directors	First appointment	End of current mandate
Duarte Paulo Teixeira de Azevedo	2000	2018
Ângelo Gabriel Ribeirinho dos Santos Paupério	2000	2018
José Manuel Neves Adelino	2007	2018
Andrew Eustace Clavering Campbell	2015	2018
Christine Cross	2009	2018
Tsega Gebreyes	2015	2018
Marcelo Faria de Lima	2015	2018
Dag Johan Skattum	2015	2018*
Margaret Lorraine Trainer	2015	2018

* Ceased his role as a board member by resignation as announced to the market on June 2018

18. Distinction between executive and non-executive members of the Board of Directors


Board of Directors	
Duarte Paulo Teixeira de Azevedo	Chair of the Board of Directors and Co-CEO
Ângelo Gabriel Ribeirinho dos Santos Paupério	Co-CEO
José Manuel Neves Adelino	Senior Independent Non-Executive Director
Andrew Eustace Clavering Campbell	Independent Non-Executive Director
Christine Cross	Independent Non-Executive Director
Tsega Gebreyes	Independent Non-Executive Director
Marcelo Faria de Lima	Independent Non-Executive Director
Dag Johan Skattum*	Independent Non-Executive Director
Margaret Lorraine Trainer	Independent Non-Executive Director

* Ceased his role as a board member by resignation as announced to the market on June 2018

In the composition of the Board of Directors, a balance is maintained between the number of Executive Directors and the number of Non-Executive Directors. All of the Non-Executive Board Members are independent, in accordance with the independence criteria set out in paragraph 18.1 of Appendix I to the CMVM Regulation no. 4/2013 and IPCG Recommendation III.4 (2018).

Considering that the Chairman of the Board of Directors also carried out executive duties, under the provisions of paragraph 2 of Article 1 and Article 13 of the Internal Regulation of the Board of Directors (available at the Company's website <https://www.sonae.pt/en/investors/government-of-society/>), the director José Manuel Neves Adelino was appointed as Senior Independent Non-Executive Director, upon resolution of the Board taken in the meeting held on 4th May 2015. In that capacity, there were attributed, to this Director, the following duties:

- coordinate, in accordance with the Corporate Governance best practices, the effective performance of the Non-Executive Directors' duties, whether within the Board of Directors or within the Board's specialised committees,



in order to guarantee strengthened conditions for the independent and informed exercise of such directors' duties;

- ensure the existence of a continuous flow of information, necessary for the fulfilment of the legal and statutory duties inherent to the Non-Executive Directors' activities, through the adoption and timely compliance of transparent information-sharing procedures by the Executive Committee;
- supervise compliance of an information disclosure process which ensures a time-efficient access of the remaining governing bodies and committees to the necessary information for the execution of their legal and statutory duties, with the particular disclosure of all convening notices, minutes and documentation supporting the decision-making process;
- ensure the execution of scope and mission of the Ethics Committee, since the Senior Independent Non-Executive Director also chairs the Ethics Committee.

19. Professional qualifications and curricular references of the members of the Board of Directors

The curricula of the current members of the Board of Directors are disclosed in Appendix I of this Report.

20. Usual and significant family, business and commercial relationships between members of the Board of Directors and shareholders with attributed qualified shareholdings

The Chairman of the Board of Directors and Co-CEO, Duarte Paulo Teixeira de Azevedo, is a shareholder and member of the Board of Directors of Efanor Investimentos, SGPS, SA, the legal entity holding the majority of the share capital and voting rights of the Company.

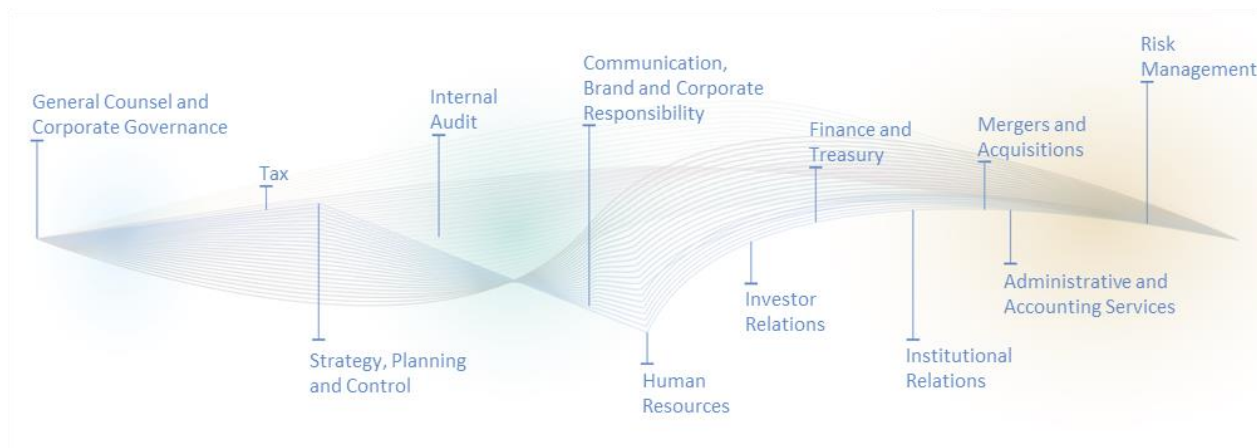
To the best of the Company's knowledge, there are no other significant or usual family, business and commercial relationships between shareholders with attributed qualified shareholdings higher than 2% of the voting rights, and the members of the Board of Directors.

21. Division of powers between the different boards, committees and/or departments within the company, including the delegation of powers, particularly with regards to the delegation of the Company's daily management

Competencies are divided among the various statutory governing bodies, in accordance with the following terms:



The corporate structure is supported by the following functional areas:



General Counsel and Corporate Governance

Main responsibilities:

- Provide legal advice to Sonae's business activity;
- Manage the relations with Euronext Lisbon, the Portuguese Securities Market Commission and with the shareholders in relation to legal matters;
- Manage the legal aspects of Corporate Governance and monitor the best corporate governance practice compliance;
- Coordinate and share legal knowledge in order to align the Company's position with that of other Sonae companies.

Tax

Main responsibilities:

- Develop, provide training for and share tax skills;
- Take part in defining tax strategy and objectives, in particular by giving support to the international expansion;
- Provide tax support to the Mergers and Acquisitions activity as well as to restructuring operations;
- Manage Institutional Relations, namely the proactive management of tax matters; ;
- Optimise tax efficiency, namely by:
 - Controlling and monitoring tax procedures;
 - Ensuring compliance with all tax requirements;
 - Controlling all group Companies' fiscal consolidation.
- Manage the price transfer dossier;
- Monitor all open litigation with the tax authorities;
- Provide tax consultancy by analysing several tax matters.

Internal Audit

Main responsibilities:

- Perform internal audits (business relevant processes, food safety and information systems) of Sonae's corporate centre and Retail, Commercial Centres, Investment Management and Financial Services;
- Provide operational support to Sonae's Audit Co-ordination Committee.

Communications, Brand and Corporate Responsibility

Main responsibilities:

- Manage the institutional image of Sonae and its brand;

- Manage Sonae's External Communications, namely the Company's online presence and relationship with the media – coordinate messages and lines of communication as well as crisis management;
- Manage Sonae's Internal Communications;
- Manage the Corporate Responsibility Department, including sustainability strategy development and implementation, volunteering actions development and patronage relationships management.

Finance and Treasury

Main responsibilities:

- Optimisation of the Company's financial function and retail business through the proposal, implementation and control of appropriate risk policies;
- Conduct of all financing operations of the Company and of the retail businesses;
- Negotiation and contracting of banking products and services for the Company and for the retail businesses;
- Treasury management and means of payment and receipt of the Company and the retail businesses;
- Management of the various financial risks of the Company and of the retail businesses;
- Development of credit risk policies suitable to the characteristics of Sonae's various businesses;
- Provide support to the different functional areas in the allocation of capital and financial risk management;
- Provide support on mergers, acquisitions, and divestment;
- Provide support to Sonae's businesses in the execution of transactions in monetary, interest rate or foreign exchange markets;
- Support the work of Sonae's Finance Committee;
- Preparation of financial reporting and monitoring of the main financial risks.

Mergers and Acquisitions

Main responsibilities:

- Core businesses and corporate M&A planning and execution across the Sonae Group;
- Identification, assessment, due diligence, negotiations and closing of acquisitions, divestitures, and joint ventures across the Sonae Group;
- Reinforcing Sonae's business networking with industry players and key M&A players.

Risk Management

Main responsibilities:

- Promotion of a culture of risk awareness throughout the organisation;
- Development of the risk management policy and keep it up to date;
- Development, implementation, revision and maintenance of the risk management processes and methodologies;
- Coordination of the risk management activities and report its results;
- Identification of the critical risks and monitorisation of the development and implementation of risk indicators and risk reduction measures;
- Supporting the development of procedures for assessing risks, particularly contingency and business succession planning;
- Supporting Sonae's Risk Management Consultation Group.

Group Strategy, Planning and Control

Main responsibilities:

- Support the development of the corporate and business units' strategy;
- Preservation of the annual strategic planning cycle;
- Coordinate Sonae's annual budgeting process, and performance of the report on budget execution;

- Challenge the businesses and corporate areas on their objectives in order to constantly improve and optimise Sonae's efficiency, performance and results;
- Preparing management information on individual businesses, and at a consolidated level, on a monthly, quarterly, and annual basis, as well as analysing deviations to budget and proposing correctives measures;
- Provide support to decisions about capital allocation to existing businesses and to new business opportunities (responsibility for analysing invested capital and its respective return);
- Sharing the latest trends, best practices and information between the different businesses and corporate areas;
- Monitor, interpret and share relevant macroeconomic insight and forecasts with the several businesses.

Human Resources

Main responsibilities:

- Manage Sonae's top management human resources;
- Define and implement the human resources strategy, planning and talent management;
- Support Sonae's Human Resources Consultation Group;

Investor Relations

Main responsibilities:

- Manage the relationship between Sonae and the financial community through the continuous preparation and disclosure of relevant and up to date information about the Company;
- Support the Executive Committee and the Board Directors, providing them with relevant information about the capital market;
- Support External Communication, contributing towards providing a consistent corporate message to the capital markets.

Institutional Relations

Main Responsibilities:

- Manage and coordinate Sonae's institutional relations with the government, European institutions, public entities, and non-governmental organisations;
- Develop effective and qualitative relationships with internal and external stakeholders, to pro-actively anticipate issues that could represent opportunities or risks for Sonae's activities, and promote corresponding roadmaps;
- Represent Sonae in Associations, Forums, and events (in Portugal and abroad) and promote strategic issues for the group.

Administrative and Accounting Services

Main responsibilities:

- Efficiently and effectively manage of all administrative processes of the Company and its retail businesses units;
- Effectively manage the administrative procedures relating to Accounts Payable, Accounts Receivable, Cash and Banks, Inventory and Tangible and Intangible Assets;
- Ensure the effective control of the processes, transactions, accuracy, and timely reporting of financial, tax and management information;
- Book all accounting transactions and prepare the individual and consolidated financial statements of Sonae companies.

The Company has also created the following knowledge sharing and specialised committees:

Corporate Finance and Treasury Committee

Sonae's Corporate Finance and Treasury Committee is chaired by Ângelo Paupério (Co-CEO), being composed of the directors responsible for corporate finance from each of Sonae's main business areas, as well as the managers of the Company's corporate centre functional team, who are relevant to the subjects on each meeting's agenda. The Committee meets monthly with the following main responsibilities:

- Analyse and discuss all financial matters considered relevant to Sonae's businesses;
- Keep track of the evolution of debt markets and bank relationships;
- Keep track of the evolution of capital markets;
- Keep track of developments in financial markets;
- Elaboration of reports regarding the financial status of Sonae Group and budget execution;
- Share experiences in the financial areas and best practices and coordinate approach to the financial markets;
- Monitor the financial evolution of the Group and funding policies of each business.

Audit Co-Ordination Committee

Sonae's Audit Co-ordination Committee assists the Executive Committee in defining policies, reviewing, and coordinating the activities of internal audit, and reviewing the internal control processes and systems. This committee, which meets quarterly, is chaired by Ângelo Paupério (Co-CEO), and includes Board members and Internal Audit Managers responsible for this role in the Company and in its business areas, the Board and Corporate Governance Officer and the Group Chief Risk Officer, and has the following main goals:

- Propose and give opinion to the Board of Directors regarding the internal audit policies and level of relation with external auditors;
- Apprise the internal audit plans of Sonae Companies;
- Monitor internal audit activities, namely through the analysis of quarterly reports, and recommended improvements;
- Monitor external audit activities through the analysis of the respective reports;
- Decide the execution of unplanned internal audits;
- Promote the development of internal audit human resources;
- Propose the acquisition, development and implementation of new internal audit systems and methodologies to be applied by the Sonae Companies;
- Give opinion and cooperate in the proposal for the selection of the Company's External Auditor;
- Develop and maintain a quality assurance and improvement program of the internal audit function;
- Promote the organisation of an annual even to exchange knowledge and experiences.

Sonae's Risk Management Consultation Group

Sonae's Risk Management Consultation Group supports the Executive Committee in defining risk management policies, having a duty to propose methodologies, standards, and tools, aligned with best practice and international standards, to follow up and coordinate risk management activities, and to promote risk management expertise and knowledge sharing amongst Sonae companies. This Group, which meets quarterly, is chaired by João Pedro Dolores and includes the Board members responsible for corporate finance and the Risk Managers responsible for this role in the Company and in its main business areas, the Board and Corporate Governance Officer, the Group Chief Internal Auditor and the Group Insurance Manager. This Group has the following main tasks:

- Review existing policies and propose new guidelines on risk management;
- Revise the risk management plans for each Sonae company;
- Monitor risk management activities execution, namely through the revision of periodic reports and proposal of recommendations;
- Propose unplanned risk management activities;
- Recommend the acquisition, development and implementation of new risk management systems and methodologies for the Group;
- Foster specialised knowledge in risk management issues.

Human Resources Consulting Group

The Human Resources Consulting Group supports Sonae Group in the analysis, discussion and validation of the best practices, policies and values of human resources and is chaired by José Corte-Real and is composed of members of Sonae's various business. This Group meets once every two months and has the main following tasks:

- Make recommendations on all policies directly related with the business strategy implementation at HR's level;
- Contribute to Sonae's culture dissemination and transversal policies follow-up;
- Encourage the dissemination and sharing of best practices regarding People and Talent Management between companies;
- Acquire synergies through the coordination and negotiation of investment related to the Human Resources areas, when applicable;
- Guarantee the articulation and coordination of the opinions provided to the various Sonae Management and Supervisory Bodies.

IOW Consulting Group

The Improving Our Work Consulting Group supports the Group's businesses to promote the adoption of the best practices of continuous improvement through the various businesses, aiming to promote a common approach across the Group. This Group meets quarterly and is Chaired by Ângelo Paupério (Co-Chairman of the Executive Committee), and has the following main tasks:

- Share continuous improvement activity in all companies;
- Share best practices and results of each company;
- Analyse and adapt case studies for internal use;
- Identify needs and adjustments to the ongoing IOW implementation and support efforts;
- Decide on resources allocation.

Sustainability Consulting Group

The Sustainability Consulting Group supports Sonae Group at coordinating policies and efforts in all sustainability areas, with the objective of increasing awareness across Sonae and identifying relevant common issues to encourage synergies and cohesion in the management of the various challenges in this area and generating an increasingly beneficial impacts in all stakeholders. This Group meets quarterly and is chaired by Isabel Barros, having the following main goals:

- Build a common vision on sustainability efforts and best practices developed across Sonae businesses;
- Develop and recommend the implementation of common sustainability guidelines along Sonae's three axes (Environment, People, Communities);
- Guarantee the communication of the drafted recommendations to the various Sonae Management Bodies;
- Coordinate the transversal group projects/work groups;
- Coordinate reporting practices among companies for a more transversal and broaden communication on sustainability.

Other than the Groups mentioned above, there are also the following specific specialist forums, ensuring the communication and sharing of the best practices in fields considered critical for the Group, namely:

- **FINOV**, a forum dedicated to innovation, with the purpose of stimulating and supporting an innovation driven culture at Sonae, capable of sustaining high levels of value creation;

- **Strategic Planning and Management Control Forum**, with the purpose of promoting and discussing the implementation of best control methodologies across the Company;
- **Legal Forum**, with the purpose of sharing experience and knowledge among legal teams, promoting the wide discussion of essential legal issues and a common approach to legal interpretations and procedures;
- **FINCO**, with the objective to increase the value of Information Technology within each business unit through knowledge sharing and promotion of innovative IT solutions;
- **E-commerce Forum**, aiming at fostering the excellence and growth of the several e-commerce channels across the Group;
- **International Forum**, aiming at promoting knowledge sharing on Sonae's internationalisation initiatives as a basis to support the effectiveness of the Group's efforts along this strategic pillar;
- **Administrative and tax forum**, aiming at sharing knowledge and experiences, promoting the existence of synergies between the administrative services department and tax department.

Each of these informal bodies meets several times during the year and often organises seminars, workshops, and internal training courses.

b. Functioning

22. Internal regulation of the Board of Directors

The Internal Regulation of the Board of Directors is available for consultation at the Company's website - <https://www.sonae.pt/en/investors/government-of-society/>.

23. Number of meetings held and attendance level of each Member of the Board of Directors

The Board of Directors meets at least four times a year, as required by the Company's Articles of Association and its Internal Regulation, and whenever the Chairman or two Board members call a meeting. The quorum for any Board meeting requires that the majority of the Board Members are present or represented by proxy.

Decisions are taken by a majority of the votes cast. When the Board of Directors is composed of an even number of members and there is a tied vote, the Chairman has a casting vote.

The Board of Directors receives information about the items on the agenda for the meeting at least fifteen days beforehand and receives supporting documents for any given meeting with at least three business days in advance.

Minutes are recorded in a minute book.

During 2018, 9 (nine) Board meetings were held. All the members of the Board of Directors had an attendance rate of 100% to the Board meetings, being present or represented at all meetings.

24. Competent bodies of the company to appraise the performance of Executive Directors

The Shareholders' Remuneration Committee, appointed by the Shareholders' General Meeting, is the committee responsible for approving the remuneration of the Board members and of other statutory governing bodies, on behalf of the shareholders, under the terms specified in the remuneration policy approved by the shareholders at a Shareholders' General Meeting.

The Board Nomination and Remuneration Committee supports the Shareholders' Remuneration Committee in carrying out its duties in relation to the assessment of the performance of the Executive Directors and the remuneration of the statutory governing bodies of the Company. In the execution of this duty, the BNRC and the Shareholders' Remuneration Committee may also be supported by international external consultants of recognised competency. The independence of such consultants is ensured by the fact that they are not bound in any way to the Board of Directors, to the Company nor to the Group, as well as by their broad experience and market recognition.

25. Predetermined criteria for evaluating the performance of Executive Directors

The performance evaluation of Executive Directors is based on predetermined criteria, consisting of objective performance indicators established for each appraisal period, which are aligned with the Group strategy for growth and business performance under a medium and long-term perspective.

Such indicators consist in business, economic and financial KPIs (Key Performance Indicators) and are divided into company, department and individual KPIs.

The business KPIs include economic and financial indicators based on the budget, on the performance of each business unit, as well as on the consolidated performance of Sonae.

In turn, the department business KPIs are similar in nature to the previous ones, assessing the performance of the Executive Director in the business areas.

The personal KPIs, which may include both subjective and objective indicators, are determined by the attainment of individual goals and commitments assumed by the respective Executive Director.

26. Availability of the members of the Board of Directors

Information on other positions simultaneous held by members of the Board of Directors in other entities, whether or not in Sonae Group, as well as information on other relevant activities exercised during 2018, is disclosed in Appendix I to the present Report.

c. Committees within the Board of Directors

27. Identification of committees created by the Board of Directors

The Board of Directors has created the Executive Committee, the Board Audit and Finance Committee and the Board Nomination and Remuneration Committee.

The internal regulations of these Committees are part of the Board's Internal Regulation and are available for consultation at the Company's website - <https://www.sonae.pt/en/investors/government-of-society/>.

Additionally, the Board of Directors has, during its previous mandate, appointed an Ethics Committee with specific competencies in promoting Sonae's Code of Ethics and Conduct, which is available for consultation at the Company's website <https://www.sonae.pt/en/investors/government-of-society/>.

27.1 Role and Duties of the Executive Committee

The Executive Committee has all the necessary powers to manage the Company on a day-to-day basis, under the terms of the delegation of powers and competencies granted by the Board of Directors.

The following matters were excluded from the terms of delegation by the Board of Directors and are considered to be matters exclusively of the competence of the Board of Directors:

- to appoint the Chairman of the Board of Directors;
- to co-opt a substitute for a member of the Board of Directors;
- to request the convening of the Shareholders' General Meetings;
- to approve, under the terms set forth by the applicable law, the Annual Report and Financial Statements;
- to grant any personal or asset secured guarantees;
- to decide on any change to the Company's registered office or to approve any share capital increases;
- to decide on mergers, de-mergers or modifications to the corporate structure of the Company;
- to approve the annual portfolio management strategy;
- to approve the Company's annual budget and the financial of the Group's Business plan and any significant changes thereto.

28. Composition of the Executive Committee

The Executive Committee is composed of members from the Board of Directors, as follows:



Management Team

Duarte Paulo Teixeira de Azevedo, Co-CEO

Ângelo Gabriel Ribeirinho dos Santos Paupério, Co-CEO

28.1 Operating Rules of the Executive Committee

The Executive Committee meets at least once every month and additionally whenever any of its members convenes a meeting by writing, with the minimum antecedence of three days prior to the date of the meeting. The quorum for any Executive Committee meeting requires that all its members are present or represented by proxy. The Executive Committee receives information about items on the agenda for the meeting at least 7 (seven) days in advance of the meeting and receives supporting documents for any given meeting at least 2 (two) days in advance.

The Executive Committee presents a summary in Portuguese and English of the main issues it has discussed, and the decisions taken, which is included among the documents distributed to Board members at each Board of Directors meeting.

The Executive Committee can set up internal committees, which will operate dependently to the Executive Committee, to monitor particular matters.

Whenever deemed convenient, the Executive Committee may submit to the consideration of the Board of Directors any matter within its competencies.

The decisions taken by the Executive Committee, and the announcement of the meetings to be held, are communicated to the remaining members of the statutory governing bodies, including the Senior Independent Non-Executive Director and to the Chairman of the Statutory Audit Board.

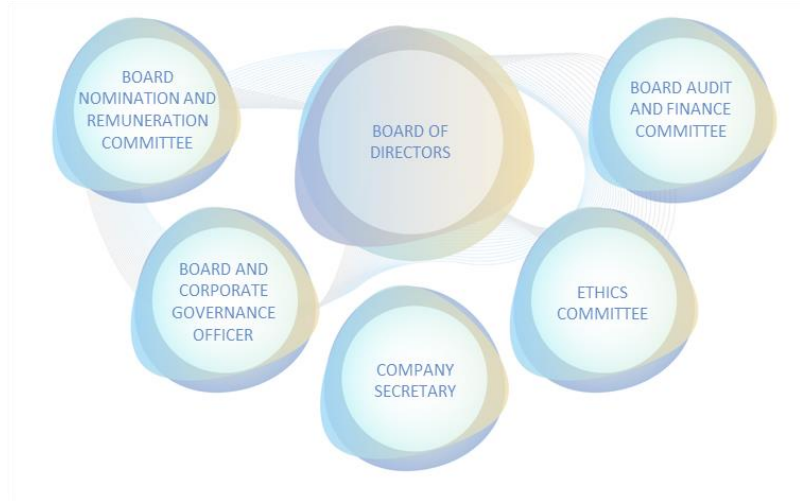
Whilst carrying out its general duty of ensuring access to fully adequate information regarding the correct assessment of its own overall performance, the Executive Committee must deliver periodic reports on its activity to the remaining members of the statutory governing bodies. The Committee must provide answers to their inquiries, in a timely and thoroughly manner, as well as implementing procedures aimed at facilitating the exercise of legal and statutory competencies attributed to such statutory governing bodies.

The members of the Executive Committee, as well as the remaining members of the Board of Directors, must obtain the previous approval of the Board of Directors, with the advice of the Board Nomination and Remuneration Committee, before accepting positions in governing bodies or other significant activities, in Companies that are not part of Sonae Group, with the exception granted to those that are authorised by the Shareholders' General Meeting, in compliance with the principles adopted by the Company regarding the prevention of conflicts of interest.

Minutes are recorded in the respective minutes book.

During 2018, 20 (twenty) Executive Committee's meetings were held with an overall attendance rate of 100%.

29. Board committees and other advisors to the Board



Board Audit and Finance Committee (“BAFC”)

Role

The BAFC is a committee appointed by the Board of Directors, composed of Independent Non-Executive Directors, and its terms of reference are set out in the Board’s Internal Regulation.

The BAFC is responsible for providing support to the Board of Directors and monitoring and evaluating the activity of the Executive Committee in carrying out its management responsibilities, not overstepping the Statutory Audit Board’s duties and responsibilities as an auditing body.

The BAFC regularly reports to the Board of Directors about its work, the conclusions that it has reached and proposes plans of action with the goal of proactively ensuring internal control and the functioning of the Company’s risk management system.

The duties of the BAFC, as a committee of the Board of Directors, are to:

- Review the Company’s annual and interim financial statements and earnings announcements to the market, and report its findings to the Board of Directors, giving the necessary support to the financial statements approval process;
- Advise the Board on its reports to shareholders and financial markets to be included in the Company’s Annual and Half-Year Financial Statements, as well as in the preparation of the quarterly earnings announcements;
- Advise the Board - including the evaluation of suggestions made by the Statutory Audit Board - on the adequacy and quality of information provided by the Executive Committee, and the systems and standards of internal business control applied by the Company;
- Monitor Internal Audit activity, in conjunction with plans validated by the Statutory Audit Board, reach conclusions, and put these forward for consideration to the Board of Directors;
- Assess operational procedures in order to ensure that internal control, effective management of risks, the timely distribution of information and the reliability of the process of preparing and disclosing financial information are monitored;
- Ensure the smooth flow of information to and from the Statutory Audit Board and process any requests made by the Statutory Audit Board to the Board of Directors;
- Ensure that the Corporate Governance policies adopted by the Company are complied with, and that financial reporting standards and practices are adhered to;

- Monitor formal and informal key financial indicators reported about the Company, including reports published by rating agencies;
- Give its opinion about significantly relevant transactions made by the Company with related parties.

Composition

The BAFC is composed of six members appointed by the Board of Directors. All members are Independent Non-Executive Directors. The composition of the Board Audit and Finance Committee during 2018 was as follows:

Board Audit and Finance Committee	
José Manuel Neves Adelino	Chair – Independent Non-Executive
Andrew Eustace Clavering Campbell	Independent Non-Executive
Christine Cross	Independent Non-Executive
Tsega Gebreyes	Independent Non-Executive
Marcelo Faria de Lima	Independent Non-Executive
Margaret Lorraine Trainer	Independent Non-Executive

Operating Rules

The BAFC meets at least five times a year and additionally whenever its Chairman, the Board of Directors or the Executive Committee deem necessary.

Minutes of all BAFC meetings are prepared and distributed to other Board members.

During 2018, 5 (five) meetings of the BAFC were held with an overall attendance rate of 90%.

Board Nomination And Remuneration Committee (“BNRC”)

Role

The BNRC operates according to the Internal Regulation of the Board of Directors, and is responsible for:

- Identifying potential candidates for appointment to the Board of Directors (in particular when the Board decides to co-opt a Board member) and provide oversight of succession planning, contingency planning and talent management in general for Board members and other senior management positions;
- Giving feedback, to the Board of Directors, on the proposed remuneration and compensation policy of the members of the Board of Directors prepared by the Executive Committee and to be subsequently submitted to the Board of Directors for review, before the Board submits a final proposal to the Shareholders’ Remuneration Committee for its approval and subsequent inclusion in the agenda of a Shareholders’ Annual General Meeting to obtain the approval of shareholders;
- Analysing, as required by the approved internal remuneration processes and policies, the proposals for the remuneration of the members of the Board of Directors, based on the respective performance appraisal, which are then subject to the approval of the Shareholders’ Remuneration Committee as the body responsible for approving such proposals. All proposals must be in line with the Company’s Remuneration and Compensation Policy approved at the Shareholders’ General Meeting;
- Supervising the remuneration decisions taken by the Executive Committee for the group senior executives and senior executives who report directly to the Executive Committee;
- Advising the Board of Directors on advance disclosures made by any of the members of the Board of Directors in relation to accepting Outside Directorships and Other Significant Roles or Activities, as required by the Company’s approved Independence and Conflicts of Interest Policy.

The BNRC shares with the Shareholders’ Remuneration Committee access to specialist third-party’s services from suitable entities recognised in the market as being competent and independent.

Composition

The BNRC is composed of the Chairman of the Board of Directors, and three Independent Non-Executive Directors, also appointed from among the Board of Directors. During the year of 2018, its composition was as follows:

Board Nomination and remuneration Committee	
Margaret Lorraine Trainer	Chair – Independent Non-Executive
Duarte Paulo Teixeira de Azevedo	Executive Chairman of the Board of Directors Non-Independent
José Manuel Neves Adelino	Independent Non-Executive
Christine Cross	Independent Non-Executive

Operating Rules

The BNRC meets at least once a year and additionally whenever its Chairman or the Board of Directors deem necessary. In addition to the formal meetings, BNRC members keep in touch through various forms of long distance communication. Minutes are kept of all meetings of this Committee.

During 2018, 3 (three) meetings of the BNRC were held, with an overall attendance rate of 92%.

Ethics Committee

The Company's Board of Directors approved in 2013 a new version of Sonae's Code of Ethics and Conduct, which was updated in 2017 and 2018.

Sonae's Code of Ethics and Conduct, in accordance with Sonae's principles and values, establishes rules of conduct as well as the ethical and moral principles and practices to be complied with by the members of the Board of Directors and of the other statutory governing bodies and employees.

The Code of Ethics and Conduct applies to all the companies directly or indirectly controlled by Sonae. The Code also sets out the values and forms of conduct required from individuals appointed by Sonae to the statutory governing bodies of companies or other entities in which Sonae participates. This applies to their respective individual functional duties and acts, and also requires them to promote the adoption of similar ethical principles and standards of conduct when establishing or amending codes of ethics and conduct or similar internal regulations at those companies or other entities.

Sonae's Code of Ethics and Conduct establishes a commitment for third party entities, hired by, or acting on behalf of Sonae, when the Company may be held accountable by their actions.

Sonae's Code of Ethics and Conduct is available at <https://www.sonae.pt/en/investors/government-of-society/> and has the fundamental objectives of:

- Establishing principles that guide the activities of the Sonae Group of companies, and setting rules of ethical and moral nature that are expected to guide the behaviour of all of its employees and governing bodies. It includes promoting the adoption of ethical and moral principles and practices by our partners;
- Promoting and encouraging the adoption of the guiding principles and rules of conduct defined in Sonae's Code of Ethics and Conduct, which reflect the Company's values, namely with regards to the relationships between employees, statutory governing bodies, Sonae, and its remaining stakeholders;
- Consolidating Sonae's institutional image, which is characterised by Determination, Dynamism, Enthusiasm, Creativity, and Openness.

In addition to Sonae's Code of Ethics and Conduct, internal regulations covering independence and conflicts of interest and related party transactions remain in force.

Employees are also made aware internally of Sonae's Code of Ethics and Conduct, which appears in periodic communications within the Sonae companies. During 2018, as in previous years, the Company promoted e-learning internal training courses concerning business ethics, covering whistleblowing policies and procedures, clarifying staff responsibilities as well as those of the Company's management bodies, and presenting practical examples of situations involving: conflicts of interest, privacy, information confidentiality and integrity, staff relationships and those with the

suppliers and business partners. During 2018, these e-learning training courses were made available to new employees and new members of the Company's management bodies.

Sonae's Board of Directors appointed an Ethics Committee with the following main tasks:

- Foster the existence of means to disseminate the Code of Ethics and Conduct to its main target audience;
- Consider and answer questions sent by the members of the statutory governing bodies of the Group's companies, as well as those sent by employees, partners or third parties which fall within its scope, making recommendations it deems appropriate to the nature of each case;
- Check the existence of internal mechanisms to report irregularities, making sure they comply with the law, particularly in terms of confidentiality, the handling of information and the non-existence of reprisals for participants;
- Propose to the Board of Directors, after consulting with Sonae's Executive Committee, the approval of changes to the Sonae Code of Ethics and Conduct, whenever considered appropriate;
- Issue clarifications regarding the interpretation of provisions in the Sonae Code of Ethics and Conduct, on its own initiative, or after being requested to do so, by members of the Governing Bodies or employees;
- Receive, evaluate and forward reports of irregularities, received on a non-anonymous basis by the Ethics Committee, to the respective governing bodies, whenever they consider such irregularities as violations of the rules in the Sonae Code of Ethics and Conduct;
- Forward to the Statutory Audit Board any reports that might indicate alleged irregularities, under the terms established in article 420, paragraph 1, subparagraph j) of the Portuguese Companies Act;
- Regulate its operation and regularly report its activities to the Board of Directors, and the entities it is legally bound to report to, according to legislation or the corporate governance model adopted.

Any report of irregularities must be sent, on a non-anonymous basis, to the email address of the Ethics Committee: comissaoetica@sonae.pt

The Ombudsman has the responsibility of receiving and forwarding reports involving employees, clients or suppliers and other service providers to the relevant bodies.

Other than communicating with the companies involved, the Ombudsman delivers a half-year summary of all irregularities to the Statutory Audit Board.

Reports addressed to the Ombudsman can be sent to his email address: provedoria@sonae.pt.

Composition

Ethics Committee	
José Manuel Neves Adelino Chair	Non-Executive Senior Independent Director
José Côrte-Real	Head of Human Resources
José Luís Amorim	Ombudsman
Luzia Gomes Ferreira	Head of General Counsel and Corporate Governance
David Graham Shenton Bain Secretary	Board and Corporate Governance Officer

Operating Rules

The Ethics Committee meets at least twice every year and whenever its Chairman or two of its members convene a meeting. In addition to formal meetings, and if deemed necessary, the Ethics Committee members keep in touch through various forms of long distance communication. Minutes are kept of all the Committee's meetings and are distributed to all Board Members.

During 2018, 2 (two) meetings of the Ethics Committee were held, with an overall attendance rate of 100%.

Board and Corporate Governance Officer (“BCGO”)

Main duties of the BCGO:

- Ensure the smooth running of the Board of Directors and Board Committees;
- Participate in Board Meetings and relevant Board Committee Meetings and, when appointed, serve as a member;
- Facilitate the acquisition of information by all Board and Committee members;
- Support the Board in defining its role, objectives and operating procedures;
- Take a leading role in organising Board evaluations and assessments;
- Keep under close review all Legislative, Regulatory and Corporate Governance issues;
- Support and challenge the Board of Directors to achieve the highest standards in Corporate Governance;
- Support the proceedings adopted by the Board of Directors to ensure that the stakeholders and the minority shareholders’ interests are taken into account by the Board when important business decisions are being taken;
- Support the procedure to nominate and appoint Directors and assist in the induction of new Directors;
- Act as a primary point of contact and source of advice and guidance for, particularly, Non-Executive Directors regarding the Company and its activities;
- Facilitate and support the independent Non-Executive Directors to assert their independence;
- Ensure compliance with the CMVM Recommendations for Portuguese listed companies;
- Participate in making arrangements for the Shareholders’ General Meetings;
- Participate in the arrangement of insurance cover for members of the statutory governing bodies;
- Participate, on behalf of the Company, in external initiatives to debate and improve Corporate Governance regulations and practices in Portugal.

BCGO reports to the Board of Directors through its Chairman as well as, when appropriate, through the Senior Independent Non-Executive Director.

Company Secretary

The Company Secretary is responsible for:

- Keeping the formal minute books and attendance lists at the Shareholders’ General Meetings;
- Forwarding the legal documentation to convene the Shareholders’ General Meetings;
- Supervising the preparation of supporting documentation for the Shareholders’ General Meetings and the meetings of the Board of Directors and preparing the respective formal minutes;
- Providing feedback, pursuant to the applicable legal provisions, to Shareholders’ requests for information;
- Executing the legal register of any act or resolutions of the Company’s statutory governing bodies.

29.1 Activity developed by the Committees created by the Board of Directors

Non-Executive Directors brought an independent perspective to the continuous monitoring of the Executive Committee, exercising a relevant influence in the strategy and structural decision-making process and particularly in the development of the corporate strategy, both within the Board of Directors, as well as in the specialised committees of the Board of which they were members (BAFC and BNRC).

During 2018, similarly to the previous years, the Executive Committee managed the Company on a day-to-day basis, monitoring the business activity and enhancing strategic decision-making in accordance with the decisions of the Board of Directors and under the terms of the delegation of powers to the Executive Committee with the adequate information contribute.

The Executive Committee reports to the Board of Directors and remaining governing bodies, including supervisory bodies, on the work performed during the financial year, providing information on the most significant decisions taken and the main actions implemented in the fulfilment of its competencies and duties.

The Ethics Committee has carried out its duties, supervised the dissemination of the Sonae’s Code of Ethics and Conduct, analysed the questions posed by members of the governing bodies, issuing recommendations and reporting its activity to the Board of Directors.

III. Audit

a. Composition

Statutory Audit Board
Daniel Bessa Fernandes Coelho Chair
Maria José Martins Lourenço da Fonseca
Manuel Heleno Sismeiro Óscar José Alçada da Quinta Substitute

30. Identification of The Supervisory Bodies

The Statutory Audit Board (SAB) and the Statutory External Auditor are, under the governance model currently adopted, the auditing bodies of the Company.

31. Composition

In accordance with the Company's Articles of Association, the Statutory Audit Board (SAB) shall be composed of an odd or even number of members, with a minimum number of three members and a maximum number of five members, elected for a four-year mandate. One or two substitute members may be appointed if the SAB is made up of three or more members, respectively.

The Statutory Audit Board members are elected at the Shareholders' General Meeting.

If the Shareholders' General Meeting fails to elect the members of the Statutory Audit Board, the Board of Directors must, and any shareholder may, petition the courts for the necessary appointment.

If the Shareholders' General Meeting does not designate the Chairman of the Statutory Audit Board, the Chairman shall be appointed by the members of the Statutory Audit Board.

If the Chairman leaves office prior to the end of the mandate for which he was elected, the other members must choose a substitute to exercise these duties until the end of the current mandate.

The members of the Statutory Audit Board who are temporarily unavailable, or who have resigned, shall be replaced by the substitute member.

Substitute members who replace members who have resigned, shall remain in office until the next Shareholders' Annual General Meeting, at which time the vacant positions shall be filled.

In the event of it not being possible to fill in a vacancy left by a member, due to a lack of an elected substitute member, the vacant positions, both of the member and of the substitute member, shall be filled by means of a new election.

The Chairman and the substitute member of the Statutory Audit Board were first elected on 3rd May 2007 and were later re-elected at the Company's Shareholders' Annual General Meeting, held on 27th April 2011, having concluded their mandate in 2014.

At the Shareholders' Annual General Meeting held on 30th April 2015, the Chairman and the substitute member of the Statutory Audit Board were re-elected for a third mandate within the present four-year term of 2015-2018.

The remaining members of the Statutory Audit Board were elected at the Shareholders' Annual General Meeting held on the 30th April 2015, for a first four-year mandate of 2015-2018.

32. Independence

All members of the Statutory Audit Board in 2018 are independent as required by article 414 paragraph 5 and are not in breach of any of the criteria for incompatibility as set out in article 414 A, paragraph 1, both of the Portuguese Companies Act. The Statutory Audit Board has carried out, in 2018, an assessment of the independence of its members, by obtaining an update on the written information previously provided on an individual basis.

33. Professional qualifications and curricular references of the members of the Statutory Audit Board

The qualifications, experience and responsibilities of the members of the Statutory Audit Board are disclosed in Appendix I of this Report.

b. Functioning

34. Internal regulation of the Statutory Audit Board

The Internal Regulation of the Statutory Audit Board is available at the Company's website, <https://www.sonae.pt/en/investors/government-of-society/>.

35. Statutory Audit Board Meetings

Decisions are taken by simple majority, the Chairman having a casting vote if the Statutory Audit Board is composed of an even number of members.

The Statutory Audit Board meets at least four times a year and every time the Chairman or two of its members convene a meeting. In addition to the formal meetings, and if necessary, the members of the Statutory Audit Board maintain contact through long distance communications.

During 2018, 13 (thirteen) meetings were held, with an overall attendance rate of 100%. Minutes of all meetings of the Statutory Audit Board were recorded.

36. Availability of the Statutory Audit Board members

Information on other positions currently held by members of the Statutory Audit Board in other entities, whether or not in Sonae Group, as well as information on other relevant activities exercised during the present mandate, are disclosed in Appendix I to this Report.

c. Duties and competencies

37. Role of the Statutory Audit Board in the hiring of additional services from the external auditor

The Statutory Audit Board is responsible for the approval of non-audit services from the External Auditor.

To that effect, the Statutory Audit Board establishes, in the first meeting of each year, a work plan and timetable, comprising among other subjects, the coordination of tasks with the External Auditor including:

- Approval of the annual work plan of the External Auditor;
- Follow-up of work performed and review of conclusions of the audit work and of interim and annual statutory audits;
- Overseeing the independence of the External Auditor;
- Decision on the approval of the provision of non-audit services, in compliance with 2018 IPCG Recommendation VII.2.1 iv and with Law no. 140/2015, of 7th September;
- External Auditor's annual activity assessment in compliance with 2018 IPCG Recommendation VII.2.3.

In the assessment of criteria that supports the hiring of additional work from the External Auditor, the Statutory Audit Board confirmed the existence of the following safeguards:

- the hiring of non-audit services has not affected the independence of the External Auditor;
- the non-audit services have represented a balanced consideration vis-à-vis the services provided;


- the non-audit services, duly framed, did not constitute forbidden services pursuant to no.8 of article 77 of the Law no. 140/2015;
- the non-audit services were provided with high quality and autonomy, as well as with independence from the ones executed under the audit process;
- the quality system used by PWC (internal control), according to the information provided to the Company, monitors the potential risks of a loss of independence and possible conflicts of interest with Sonae, while also ensuring that the quality of the services provided are in compliance with the rules of ethics and independence.

38. Other duties carried out by the Statutory Supervising Bodies

38.1 Statutory Audit Board

The Statutory Audit Board is the Company's supervisory body and its duties include, amongst others:

- i. Supervising the management of the Company;
- ii. Ensuring that the law, the Company's Articles of Association and internal procedures are observed;
- iii. Verifying the regularity of all books, accounting registers and supporting documents;
- iv. Verifying, whenever deemed convenient, and in the manner deemed appropriate, the extension of cash and of stock of any kind of goods or other values that belong to the Company or that were received by the Company as a guarantee, deposit or otherwise;
- v. Verifying the accuracy of the financial statements, monitoring the process of preparation and disclosure of financial information and presenting recommendations aimed at ensuring their integrity;
- vi. Verifying if the accounting policies and the valuation criteria adopted by the Company provide a correct evaluation of its assets and results;
- vii. Drawing up an annual report for shareholders on the supervision of the Company, which shall include a description of audit work carried out, possible restrictions encountered in the course of that work, and issuing a statement of opinion on the annual report, accounts and proposals presented by the management;
- viii. Convening the Shareholders' General Meeting, whenever the Chairman of the Board of the Shareholders' General Meeting fails to do this in circumstances when it was necessary;
- ix. Supervising the efficiency of the risk management system, the internal control system and the internal audit function;
- x. Receiving notification of irregularities presented by shareholders, Company's employees or others;
- xi. Appointing and hire services from experts to help one or more of its members in the exercise of their duties. The hiring and fees of these experts should take in consideration the importance of the underlying matters and the financial situation of the Company;
- xii. To oversee the process of preparation and disclosure of the financial information by the Board of Directors, including the suitability of the accounting policies, estimates, judgements, relevant disclosure and its consistent application between financial years in a duly documented and communicated form;
- xiii. Acting as the primary interface of the Company with the External Auditor and the Statutory External Auditor, approving the criteria for the selection of the Statutory External Auditor, and proposing the appointment or replacement of the External Auditor and the Statutory External Auditor, as well as their remuneration to the Shareholders' General Meeting, as well as the review of their performance, while ensuring that the right conditions exist within the Company for the appropriate carry out their work, being the first point of contact and the first to receive audit reports, without prejudice of the duties and competencies of the Board of Directors on this subject;
- xiv. Supervising the auditing of the Company's financial statements;
- xv. Supervising the existence and maintenance of the Statutory External Auditor's and the External Auditor's independence;
- xvi. Approving any audit or non-audit services to be provided by the External Auditor and approving the respective remuneration;
- xvii. Issuing a specific and well-sustained report that supports the decision of non-replacement of the External Auditor, giving due consideration to the degree of independence of the auditor under these circumstances and the advantages and costs of replacing them;
- xviii. Supervising the activity carried out by the internal audit;

- 
- xix. Giving a prior opinion about transactions involving significant business conducted between the Company and shareholders holding qualified shareholdings, or entities with which these are related, in the terms set forth in article 20 of the Portuguese Securities Code, and according to procedures and criteria to be defined by the Board;
 - xx. The supervisory governing body is subject to compliance with the competencies and duties established by Law no. 148/2015, of 9th September, which approves the Legal Framework of Auditing Supervision, transposing into national law the Directive 2014/56/EC of the European Parliament and of the Council, of 16th April 2014, amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, ensuring the execution into national law of Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16th April 2014, on specific requirements regarding statutory audit of public interest entities, namely those under article 3 of the preamble decree and article 24 of the Legal Framework of Auditing Supervision;
 - xxi. Comply with any other attributions defined by the applicable law or the Company's Articles of Association.

In order to carry out its duties, the Statutory Audit Board has a meeting at the beginning of each financial year to plan out the year's work. This plan includes:

A - monitoring the business activity of the company and the interaction with the executive committee and the board of directors through the board audit and finance committee, in particular:

- Assessing how the internal control and risk management systems are working;
- Assessing the financial statements and the disclosure of financial information;
- Issuing opinions and recommendations.

B - supervising the activity of internal audit and risk management, covering:

- Annual activity plan;
- Receiving periodic reports on their activity;
- Evaluating results and conclusions reached;
- Checking and evaluating the existence of possible irregularities that have been forwarded to them;
- Issuing guidelines, as and when deemed appropriate.

C - information on irregularities (whistleblowing):


The Ombudsman reports on a half yearly basis its activities to the Statutory Audit Board, for approval of procedures for the reception and treatment of claims and critical review of results.

The Statutory Audit Board is also responsible for receiving irregularities in strict accordance with article 420, paragraph 1, subparagraph j), of the Portuguese Companies Act, whether directly addressed to it, or reported to the Ethics Committee or another governing body.

38.2 Statutory External Auditor

The Statutory External Auditor is the statutory supervisory body responsible for legally certifying the Company's financial statements. Its main responsibilities are:

- i. Verifying the accuracy of all books of account, accounting transactions and supporting documents;
- ii. Whenever it deems convenient and by the means that it considers to be appropriate, verifying the accuracy of cash and stocks of any kind, of the assets or securities belonging to the Company or received by it by way of guarantee, deposit or other purpose;
- iii. Verifying the accuracy of the financial statements, and expressing an opinion on them in the Accounts Legal Certification and in the Audit Report;
- iv. Verifying whether the accounting policies and valuation criteria used lead to a fair valuation of the assets and results of the Company;

- 
- v. Carrying out any examinations and checks necessary to the audit and legal certification of the accounts and carrying out all procedures required by law;
 - vi. Verifying the application of remuneration policies and systems, and the effectiveness and working of internal control procedures, reporting any weaknesses to the Statutory Audit Board in accordance with, and within the limits of its legal and procedural duties;
 - vii. Attesting if the Company's Corporate Governance Report includes the information referred to in article 245-A of the Portuguese Securities Code.

Since the 1st January 2016, the duties and services provided by the Statutory External Auditor have been in strict compliance with the new Statute of the Portuguese Institute of the Statutory Auditors, under the terms established by Law no. 140/2015, of 7th September.

IV. Statutory External Auditor¹

39. Identification

The Company's Statutory External Auditor is PricewaterhouseCoopers & Associados, SROC, S. A., represented by the statutory auditor Hermínio António Paulos Afonso or by the statutory auditor António Joaquim Brochado Correia.

40. Permanence in functions

The Statutory External Auditor was elected at the Shareholders' General Annual Meeting held on 3rd May 2018, for the remainder of the mandate 2015-2018, by a proposal of the Statutory Audit Board.

For that purpose, the Statutory Audit Board organised an enlarged selection bid in accordance with the terms set forth in subparagraph f) of number 3 of article 3 of the Legal Framework of Auditing Supervision approved by Law no. 148/2015 and in article 16 of the EU Regulation no. 537/2014, completed with the proposal presented to the Shareholders' General Meeting.

The proposal presented by the Statutory Audit Board at the Shareholders' Annual General Meeting, held on 3rd May 2018, is available for consultation at the Company's website <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.

41. Other services provided to the Company

PricewaterhouseCoopers & Associados, SROC, S.A. (PwC) is also the Company's External Auditor. As the Statutory External Auditor, PwC did not provide any other services to the Company.

V. External Auditor²

42. Identification

The Company's External Auditor is, in compliance with the article 8 of the Portuguese Securities Code, PricewaterhouseCoopers & Associados, SROC, SA, represented by Hermínio António Paulos Afonso (ROC no. 712) or by António Joaquim Brochado Correia (ROC no. 1076).

43. Permanence in functions

The External Auditor, PricewaterhouseCoopers & Associados, SROC, SA, was elected at the Shareholders' Annual General Meeting held on 3rd May 2018, following a proposal of the Statutory Audit Board. The representing partners were also appointed in 2018 following the abovementioned election.

¹ Referred to as "Statutory Auditor" pursuant to Regulation (EU) no. 537/2014, of the European Parliament and the Council of 16th April 2014.

² Referred to as "Auditor" pursuant to Regulation (EU) no. 537/2014, of the European Parliament and the Council of 16th April 2014.

44. Policy and frequency of rotation of the external auditor

The Statutory Audit Board has adopted the recommended principle on the rotation of the External Auditor. Hence, the non-rotation of the External Auditor, after two four-year mandates may only exceptionally occur if, after careful assessment, the Statutory Audit Board has concluded that the non-replacement of the External Auditor does not affect its independence, the benefits outweigh the costs of such replacement and all the conditions set forth by paragraphs 4 and 5 of article 54 of the Law no. 140/2015 of 7th September are fulfilled.

Since the 1st January 2016, the term of the mandate is subject to the rules established in article 54 of the Law no. 140/2015, of 7th September.

45. Statutory governing body responsible for the external auditor's assessment

The Statutory Audit Board oversees the performance of the External Auditor and the work developed during each exercise, considers and approves beforehand the additional work to be provided and, annually, prepares an overall appraisal of the External Auditor, which includes an assessment of their independence.

46. Additional work, other than audit services, performed by the external auditor and respective hiring process

Non-audit services were provided by the External Auditor to the Company, and to Sonae Group companies, in accordance with the previously defined policy, specifically approved by the Statutory Audit Board, which recognised that the hiring of additional services did not affect the independence of the External Auditor, and were in the general interests of the Company, given the expertise of the service provider and the quality of the services provided in the areas concerned as well as the provider's knowledge of the Company and the Group.

As an additional safeguard, the following measures were taken:

- The hiring of non-audit services did not affect the independence of the External Auditor;
- The non-audit services have represented a balanced consideration vis-à-vis the services provided;
- The non-audit services, duly framed, did not constitute forbidden services pursuant to no.8 of article 77 of the Law no. 140/2015;
- The non-audit services were provided with high quality and autonomy, as well as with independence from the ones executed under the audit process;
- The total annual fees paid in Portugal by Sonae to the External Auditor, represent less than 15% of their overall fees in Portugal.
- The quality system used by PWC (internal control), according to the information provided to the Company, monitors the potential risks of a loss of independence and possible conflicts of interest with Sonae, while also ensuring that the quality of the services provided are in compliance with the rules of ethics and independence.

The Statutory External Auditor sent to the Statutory Audit Board, under the provisions of paragraph 6 of Article 24 of Law no. 148/2015, of 9th September, which approves the Legal Framework of Auditing Supervision, a statement of independence, in which the services rendered by it or by other entities and the precautionary measures taken are described. These measures are duly considered by the Statutory Audit Board, whose responsibility it is to give an opinion on their adequacy.

47. Remuneration of the external auditor

The remuneration paid to the Statutory External Auditor and to the External Auditor, PricewaterhouseCoopers & Associados, SROC, SA, by proposal of the Statutory Audit Board, and to other individuals and entities within its network, supported by the Company and/or by corporate entities in a control relation with the latter, are as follows, analysed by type of service:

Remuneration paid by the Company	2017*		2018*	
Statutory Audit and Accounts Certification	0	0	31,650	100%
Total	0	0	31,650	100%

*Amounts in euros.

Remuneration paid by the Group's Companies**	2017*		2018*	
Statutory Audit and Accounts Certification	0	0	531,661	52%
Other Compliance and Assurance Services	0	0	397,500	39%
Tax Consultancy Services	0	0	0	0%
Other services	0	0	96,464	9%
Total	0	0	1,025,625	100%

*Amounts in euros.

**Controlling companies or in a group relationship.

C- Internal Organization

I. Articles of association

48. Rules applicable in the case of amendments to the company's articles of association

Amendments to the Company's Articles of Association follow the terms set out in the Portuguese Companies Act, requiring a majority of two thirds of the votes cast for such a resolution to be approved at a Shareholders' General Meeting.

For a Shareholders' General Meeting to be held, in the first occasion it is convened, the Company's Articles of Association require that a minimum of 50% of the issued share capital should be present or represented at the meeting.

II. Reporting irregularities (whistleblowing)

49. Policy on reporting irregularities

Sonae's values and principles are widely spread and deeply rooted in its business culture and form the basis of its actions. These are founded upon principles of awareness and absolute respect for the rules of good conduct in the management of conflicts of interest and duties of diligence and confidentiality in dealings with third parties. The Company's values and principles can be consulted at - <https://www.sonae.pt/en/sonae/culture/>.

All reports of irregularities can be directly addressed, in writing, to the Statutory Audit Board to the following address: Lugar do Espido, Via Norte, 4470-157 Maia, as provided at the Company's website - <http://www.sonae.pt/en/contacts/>.

III. Internal Control and Risk Management

50. Individuals, bodies or committees responsible for internal audit and / or implementation of internal control systems

Risk Management is deeply rooted in Sonae's culture and is one of its key Corporate Governance practices. It forms part of all management processes and is the responsibility of all employees of Sonae, at all levels of the organisation.

The main goal of Risk Management is to create value by managing and controlling opportunities and threats that can affect business objectives and the going concern of Sonae's businesses. Risk Management, alongside with Environmental Management and Social Responsibility, are pillars of sustainable development in the sense that better understanding and more effective management of risks contribute to the sustainable development of businesses.

Risk Management is the responsibility of all Sonae's managers and employees, and is supported by the Risk Management, Internal Audit and Strategy, Planning and Control Departments, at all levels of the organisation, and through specialised teams, which report directly to their respective Boards of Directors.

The Risk Management department's mission is to help companies reach their objectives via a systematic and structured approach in identifying and managing risks and opportunities.

The Internal Audit department identifies and evaluates the effectiveness and efficiency of management and control of business processes and information systems. The Internal Audit department is supervised by the Statutory Audit Board.

The Strategy, Planning and Control department promotes and supports the integration of risk management into the management and planning control processes of the Company's businesses.

Financial and accounting information reliability and integrity risks are also evaluated and reported upon by the External Audit activity.

51. Hierarchy/or functional relationships with other company's bodies

The Statutory Audit Board monitors the internal control and risk management systems, supervises its activity plan, receives periodic reports on the work performed, assesses the results and conclusions drawn and gives guidelines as it deems necessary.

The External Auditor verifies the effectiveness and functioning of internal control procedures in accordance with the work plan appointed by the Statutory Audit Board, to which it reports the conclusions drawn.

The Board of Directors, through the Board Audit and Finance Committee, monitors the Internal Audit and Risk Management activities.

52. Other functional areas with risk control competencies

Each one of the Group's functional structures takes responsibility in controlling and monitoring risks related with their duties, namely the Strategy, Planning and Control, Legal Advisory and Corporate Governance, Finance, Tax, Human Resources, Communication, Brand and Corporate Responsibility, Institutional Relations, Investor Relations and Administrative Services departments.

53. Identification and classification of main risks

Economic risks

Macro-economic influences:

The uncertain economic environment impacts Sonae's businesses. Several initiatives have been launched to mitigate this risk, which include, inter alia, internationalisation of main businesses, stricter cost control measures, launching of innovative and alternative offers, and adapting to the economic context by launching promotions and products tailored to the changing consumer needs.

Competition:

The main competition risks are the entrance of new competitors, mergers and acquisitions opportunities, the repositioning of current competitors or the actions they might take to reposition themselves to win new markets and gain market share (promotional activity, new businesses, innovation). The inability to be competitive in areas such as pricing, product range, quality and service can have a negative impact on the financial results of the Group. In order to minimize this risk, Sonae constantly benchmarks competitor's actions and invests in improved or new formats, businesses and products/services in order to always offer its customers innovative proposals.

Customers:


One of the fundamental risk factors is the possibility of changes in consumer behaviour, especially as a consequence of economic and social factors. Customers frequently change their expectations and preferences, which imply a continuous adaptation and optimization of business concepts and offers.

To anticipate consumer needs and market trends, the Group companies analyse information about consumer behaviour on a regular basis with more than 400,000 customers interviewed per year. The introduction of new products, concepts and technologies is always tested using pilot schemes before being implemented globally. The Group also invests in the refurbishment of stores and of shopping centres and in launching IT services (including transactional sites) to ensure that they retain their attractiveness for customers and cope with the pace of technological innovation challenges.

Brand:

Sonae and its affiliated companies own several high value brands, and they are one of its main assets.

The risks associated with brands come from the negative impacts arising from extraordinary events affecting image and reputation. The Group periodically monitors brands image value, their attributes and their reputation through



customer opinion surveys, research by specialist entities and market studies. The Group also performs continuous follow-up of brand reputation, namely through press analysis, opinion articles issued by the media and social media. Sonae's brands are regularly granted national and international awards, which recognise excellence in specific products/services, business processes and innovation achievements.

Tangible asset risks

In 2018, preventive and safety audits were conducted in different locations of the business units. In the main business units, tests and simulations were made to emergency and preventive systems and plans, usually in the presence of civil protection services, security forces and fire brigades. The development and implementation of security standards, and related monitoring and self-assessment procedures (Control Risk Self-Assessment) also continued.

People safety risks

The Safety and Health of our staff is a key management feature. Every year, several Safety and Health initiatives and actions are launched, with the aim of increasing the commitment and involvement of all our staff in preventing and reducing professional risks, as well as promoting healthy behaviour, which may contribute to the well-being of our staff.

We promote a culture of zero accidents, investing in our business units to make them safe and healthy environments. Continuing the work done in previous years, the following initiatives have been implemented to strengthen our Safety Culture:

- At Sonae MC:
 - Conscious of the importance of a strong safety culture in operations, in 2018 we have double our efforts to increase the presence in the field of our Health & Safety specialists, with the aim of adding more value. We have performed 2.064 field visits. We want to “Be (more) present in the field – to know, to prevent, to act, to report... TO FOCUS!”;
 - We know that human behaviour factors are key to excel. For that, in March 2018, we launched a training program, SST 20/80 tailored for the Continente Bom dia Stores. 80% of the training is conducted in the actual work environment, with the main goal of raising awareness of unsafe behaviour, as well as to consolidate lessons learned in earlier training programs. This program encompassed a total of 101 stores and was attended by 3.762 trainees, achieving more than 1.100 training hours. We have also developed and implemented a simple and agile coaching program for leaders with the aim of enhancing the commitment and responsibility of leaders on Health & Safety. 616 leaders participated involving 194 training hours;
 - In 2018 we changed the way training contents are delivered to our staff and reviewed the existing training programs, with the objectives of updating contents and focussing more on behaviour and main causes of accidents in each business. In total we reviewed/developed 16 training programs;
 - Being aware that Safety Promoters foster safe behaviour, we continued, in 2018, to empower this function, launched in 2004, by increasing their skills and knowledge to make them more robust, autonomous and actionable. In 2018, 48 Workshops were made, reaching 279 participants;
 - We have launched, in 2018, the Fresh A to Z project, with the clear objectives of determining direct and indirect causes of work accidents, specialising teams in processes related to fresh products and eliminating forbidden “accidents”. The aim is to reduce by 20% accidents in operations of fresh products until 2019;
 - In Logistics, we value ergonomics at the workplace, and for that we have implemented in 2018 several operational improvements, ranging from more ergonomic machines, to replacement of equipment to reduce physical efforts, to purchasing equipment, to eliminate extreme and repetitive postures. From all the initiatives developed, we highlight proof of concept involving wearables to explore new technologies which may be positive contributors in the near future;
 - During 2018, we continued to develop the partnership/project with Fidelidade (our insurers), initially launched in July 2017. This project aims to improve processes, develop tools, both managerial and operational, to increase agility, transparency and control over the life cycle of a claim.

- **At Worten:**
 - Health & Safety information started to be made available at W-T@ALK (job instructions, procedures, safety measures, safety instructions, risk assessments, information about accidents, amongst other information);
 - We have produced 11 videos on Health & Safety for the Logistics Hub at Azambuja, not only for visitors but also for staff, on issues like: Health & Safety highlights, Individual Protection Equipment, Manual Handling of load cargos, falling objects, falls on the ground and from heights, cutting objects, work machines and equipment, emergencies, work accidents and environment.

- **At Sonae Sports & Fashion:**
 - We have implemented a new training methodology for Health & Safety Onboarding of all recently admitted staff both in the stores and logistics - ...More Fashion; More Agile; More Digital;
 - Safety Alerts – Information sharing with each business on health & safety, with the objectives of informing and raising awareness on risks and preventive measures to minimise them;
 - Train the Trainers on Logistics Machinery – in 2018 we have launched a training program for an internal team of trainers in mechanic handling of load cargos, enabling them to train the whole Logistics team.

These and other initiatives have contributed significantly to enhance Health and Safety at work and to improve, in Retail businesses, accident indicators (both at work and *in itinere*), with a reduction of 10% in frequency rate and of 6% in severity index. “Zero accidents” is the objective to which Sonae Sierra aspires through the implementation of its corporate Safety, Health and Environment Management System.

The set-up of Sonae Sierra’s Safety and Health culture began with the PERSONÆ Project in 2004, whose final output was a cross-organisational Safety and Health culture within Sonae Sierra. This required implementing processes and actions, strictly aligned with the corporate Safety and Health policy and objectives, aimed at minimizing and controlling all people related risks that arise from Sonae Sierra activities in all Shopping Centres in operation and in all Development Projects. In total, within the PERSONÆ project, 5 million euros were invested and the project involved more than 70,000 people among Sonae Sierra employees and tenants in Portugal, Spain, Italy, Germany, Greece and Brazil. This project, concluded in 2008, has evolved into Sonae Sierra’s Safety, Health and Environment Management System, which continues to hail the same high standards and commitment levels to minimise people related risks.

This effort was recognised through Sonae Sierra’s corporate OHSAS 18001 certification in 2008, which was the first ever awarded in Europe to a Shopping Centre company. OHSAS 18001 certifications were additionally attained for all new development projects since 2009 and, at the end of 2018, 42% of Sonae Sierra Shopping Centres are individually certified with OHSAS 18001.

In 2018 Sonae Sierra has reduced, when compared to the previous year, the number of serious accidents (medical treatment, lost-workday/life disruption and fatality/permanent disability cases) by 30% in its shopping centres. The frequency rate and the severity rate of accidents with staff have reduced 5% and 50%, respectively. Among service suppliers the accident frequency and severity rates decreased 37% and 46%, respectively.


Business continuity management:

In Sonae Core businesses, projects and programmes continued to be developed in order to guarantee the continuity of operations and information systems, through defining, revising and implementing procedures and processes to prepare for crisis and catastrophic scenarios, particularly through developing emergency, contingency and recovery plans for business and information systems.

Environmental risks:

In the area of environmental risks, several environmental certifications have been obtained, audits were performed and improvement actions were implemented as part of Environmental Management Systems processes in the Group’s sub-holdings.

Sonae Investimentos (currently Sonae MC, SGPS, SA) has been awarded certification for its corporate Environmental Management System in 2007 according to the ISO 14001 standard by Lloyds Register Quality Assurance, and has



renewed it over the years. In 2010, the EMS was adapted to the new Sonae Retail organization, and again has been certified.

In 2017, Sonae Retail's EMS was for the fourth time certified, this time against the most recent version of ISO 14001 standard, which is more demanding and complete in terms of identifying and managing risks and opportunities.

With 5 new units certified at the end of 2018, Sonae Retail holds, in Portugal, 76 certifications (41 Continente hypermarkets, 8 Continente Modelo supermarkets, 2 Continente Bom Dia supermarkets, 18 Worten stores and 7 Warehouses, plus the Meat Processing Centre), as well as 3 Worten units in Spain. These certified operational units act as models for the continuous improvements of the environmental performance of all other units.

Sonae Sierra's Safety, Health and Environment Management System covers these risks for all Sonae Sierra's activities, including procurement, construction and the operation of Shopping Centres.

At the end of 2018, 44% of Sonae Sierra Shopping Centres were individually granted ISO 14001 certification, setting the grounds for the following corporate achievements, in the period 2002 to 2018:

- Electricity consumption fell 49%;
- Recycling rates increased from 19% to 66% of total waste generated;
- Water efficiency improved 21%.

Environmental efficiency measures implemented since 2002, which led to the above results, allowed Sonae Sierra to avoid €25,000,000 (twenty five million euro) of costs in 2018.

During the development phase of Shopping Centres, 26 of Sonae Sierra's construction projects were granted individual ISO 14001 certification for their outstanding environmental practices during construction, up until now.

Sonae Sierra's performance in the Global Real Estate Sustainability Benchmark (GRESB) has been strong since its outset, and in 2018 we maintained our position among the leaders in the GRESB attaining 5 Star and Green Star status. The Sierra Fund was ranked 3rd in the non-listed European retail sector and 6th in European retail overall; the Sierra Portugal Fund was placed 13th and 18th in these respective categories, and Iberia Coop 17th and 22th. The three funds ranked 4th in the Health & Well-Being category amongst non-listed European retail companies.

External recognition of the work performed by Sonae Sierra is shown by the awards it was granted over the last years.

Some of the awards received by Sonae Sierra include:

- *Dupont Safety Award* in 2007 in the category Visible Management Commitment;
- *European Risk Management Award* in 2009, 2010 and 2011, respectively, in the categories *Best Risk Training Programme*, *Best Environmental Risk Control* and *Most Innovative Use of IT or other Technology*, for its inspection system in Health and Safety;
- *DuPont Safety Award* finalist, in 2011, for its exemplary performance and dedication to build safer Shopping Centres for children;
- *Forbes Green Awards*, in 2015, in the category Green strategy in developing and operating shopping centres;
- *Silver Stevie® Prize*, in 2018, in the category *Energy Industry Innovation of the Year* of the *International Business Awards®*, one of the largest company world recognition programmes.

Change project risks:

Risks associated with critical business processes and major change projects, especially the introduction of new processes and major changes to information systems, were assessed and monitored, both as part of Risk Management work as well as Internal Audit activity.

Insurable risks:

In relation to the transfer of insurable risks (technical and operational), the objective of rationalising the financial transfer of these types of risk continued, either by searching to establish a tailored insurance capital structure for the capital sums at risk, based on the constant changes in the businesses involved, or by reaching even greater critical mass for the kinds of risks involved. Insurance coverage and retention levels have also been optimised in accordance with the needs of each business, ensuring internally effective insurance management worldwide, using Brokers Link, Sonae's worldwide insurance brokerage network, coordinated by MDS, Sonae's insurance consultants.



Food safety risks:

In Sonae MC, a programme of food safety audits was implemented and consolidated in stores, cafeterias, warehouses and production centres, leading to reporting of main conclusions and recommendations for corrective actions.

This audit programme has the goal of checking systematically compliance with food safety regulations and internal procedures.

In 2018, 1400 food safety audits were performed.

Information, information systems and communication risks

Sonae's businesses Information Systems are characterised as being broad ranging, distributed and heterogeneous. From the information security point of view, several risk reduction actions have been developed to ensure confidentiality, availability and integrity of information, including: implementing high availability systems and network infrastructure redundancy; controlling the quality of flows between applications; managing accesses and profiles; and strengthening mechanisms for data network perimeter protection.

During 2018, several information systems security and personal data protection awareness-training sessions were undertaken, with the presence of staff at all levels and of all functions. Additionally, we have continued with the programme to adapt to the new General Data Protection Regulation, approved in May 2016.

During 2018, information audits were carried out, in several domains that support main business processes with the objective of identifying and correcting potential vulnerabilities that can have a negative impact in the business and in the protection of information. In addition, information systems management and governance audits were also undertaken using framework COBIT v5 as a reference.

Financial risks

The Group is exposed to a variety of financial risks (detailed and analysed in the Notes to the Consolidated Financial Statements of Sonae) that may impact on its equity value. Synthetically, we can group such risks by their nature:

1. Interest Rate Risks;
2. Exchange Rate Risks;
3. Liquidity Risks;
4. Credit Risks;
5. Market Risks;
6. Equity Risks.


In abstract, a financial risk shall be understood as a possibility of obtaining different results from the ones expected, and with a material impact in the Group. Sonae seeks, as much as possible, to control this volatility in order to protect its equity value.

Considering the multiple nature of the various businesses of the Group there isn't an individual policy for the management of these risks. There are generic principles that arise from the practices of good management, being, however, privileged an individual approach, well adapted to the characteristics of each business unit.

The Group's approach to financial risk management is conservative and prudent. Sonae does not assume any economically speculative positions, and therefore all operations carried out within the scope of financial risk management are solely for the purpose of controlling the risks to which the Group is already exposed.

Due to the nature of its business, the Group is particularly active in covering the exchange rate risk that arises essentially from the international sourcing activity, through purchases denominated for the most part in USD. These transactions are generally performed by the hiring of derivative financial instruments, with Sonae's reporting banks and the objective of permitting stable sourcing negotiations and decision making, by fixing exchange rates. Although with a smaller incidence, in the management of interest rate risk, whenever coverages are contracted, the proceedings are the same. Some companies of the Group have their operation in countries operating a currency different from the Euro, being the risk, in any such cases, managed by the policies defined by each of the businesses.

A substantial part of the Group's resources is obtained from relational banks and, occasionally from the capital markets and, accordingly, Sonae is, inevitably, exposed to its intrinsic volatility. In order to ensure that, at any moment, the Group has financial ability to honour its commitments, it follows financing policies that recommends that the



Group's needs are refinanced over a period of 18 months, plus predetermined prudential buffers, thus reducing the impact of a sudden disruption of the capital markets, in the activity of the Group. Additionally, Sonae seeks to reduce liquidity risk, by negotiating contractual clauses that disable the possibility of counterparties to demand unilaterally the anticipated repayment of financing and by negotiating with a diversity of counterparties to reduce the impact that any specific events, in any bank or country, may have in the Group's ability to access funds at the intended amounts and conditions.

Coverage of the clients' risks is an area that has been gaining expression over the past years, considering the growth of the sales channels of the various business units. Although this risk is relatively small, in consolidated terms, the expansion of the wholesale and franchising activities of the business units has forced Sonae to give particular attention to the management of such risks, either throughout the creation of policies suitable to the characteristics and nature of the different businesses, defining credit risk' limits, either throughout credit insurance, bank guarantees and stand-by letters of credit, among other similar instruments. Additionally, the Group has created individualised credit committees per business with a multidisciplinary participation so that the risk of defaults by client is mitigated and monitored systematically and in a timely manner.

Still regarding management of credit risk associated with financial instruments (financial applications and deposits in banks and other financial institutions or resulting from financial derivative instruments executed during the normal course of hedging operations) or loans to related entities, there are principles applicable to all the Sonae companies aiming at reducing the probability of violation of obligations, including, among others, the execution of operations with prestigious and nationally and internationally recognised counterparties, based on their credit rating, considering the nature, the maturity and the dimension of the operations.

The Group is exposed to share price risks arising from the strategic investments made in listed companies. The Group may use derivative instruments associated with its listed financial investments, and these risks are monitored on a recurring basis up to maturity.

The objectives of capital structure management (defined as the proportion between equity and net debt) are to safeguard the Group's ability to ensure the continuity and development of its operating activities, at the same time maximising shareholder returns and optimising financing cost.

The financial risk management policy is determined by each board of directors of each company within the Group, with the support of the Holding's central structure, being the risks identified and monitored in each of the Financial and Treasury departments of the businesses. This ensures a consistent and aggregated approach to the various risks that, at the end, impact on the Group.

Exposure to risks is also monitored by the Corporate Finance and Treasury Committee, where a consolidated risk analysis is reviewed and reported on a monthly basis, and guidelines on risk management policies are analysed and reviewed regularly.

The implemented system ensures that, in each moment, appropriate policies to manage financial risks are adopted, to avoid that such risks impair the achievement of the strategic objectives of the Sonae Group.

Legal, tax and regulatory risks


Sonae and its businesses have the support of legal and tax departments permanently dedicated to the respective activities and under management's supervision, and exercising their competencies in interaction with other functions and departments, in order to pre-emptively ensure the protection of Sonae's and its businesses interests in compliance with their legal obligations and best corporate governance practices.

The teams in these departments have specialised training and participate in in-house and external training courses to update their knowledge.

Legal and tax advice is also provided, nationally and internationally, by outsourced resources selected from firms with established reputation and which have the highest standards of competency, ethics and experience.

The Company's more relevant pending litigation is identified in the notes to Sonae's consolidated financial statements.

Sonae and its businesses are obliged to comply with national and international laws and regulations for each market in which they operate, aiming to ensure: consumer safety and protection, employees' rights, environmental protection and compliance with local and country planning regulations, compliance with sector regulations and the maintenance of open and competitive markets. Due to this fact, Sonae is naturally exposed to the risk of changes in



law and regulations that may impact business as usual and consequently affect or impede the achievement of its strategic objectives.

The Sonae Group acts in constant collaboration with the authorities in order to comply with laws and regulations. Such collaboration takes in some cases the form of comments on public consultation launched by national or international authorities. Moreover, the growing international presence of Sonae's companies involves specific risks related to the different nature of local legal frameworks.

54. Description of risk management processes: identification, assessment, monitoring, control and management

Risk Management is integrated into Sonae's entire planning process, as a structured and disciplined approach that aligns strategy, processes, people, technologies and knowledge. Its goal is to identify, evaluate and manage uncertainties and threats that Sonae's business units face in the pursuit of their business objectives and value creation.

Sonae's management and monitoring of its main risks are achieved through different approaches, including:

- As part of strategic planning, risks of the existing business portfolio, as well as those of new businesses and of relevant projects, are identified and evaluated, and strategies to manage those risks are defined;
- At the operational level business risks, and planned actions to manage those risks, are identified and evaluated, and are included and monitored in business unit and functional unit parts;
- For risks that cross business unit boundaries, such as large-scale organisational changes and contingency and business continuity plans, structural risk management programmes are developed involving all those responsible for the relevant units and functions;
- As far as risks to tangible assets and people are concerned, audits are carried out at the main business units. Preventive and corrective actions are implemented for the risks identified. The financial cover of insurable risks is reassessed on a regular basis;
- Financial risk management is carried out and monitored as part of the activity of the Company's and its businesses. Their work is reported to, coordinated with, and reviewed by the Corporate Finance and Treasury Committee and the Audit and Finance Committee of the Board of Directors;
- Management of legal risks is carried out and monitored by the legal and tax departments.

The risk management process is supported by a consistent and systematic methodology, based on international standards, including the following:

- Defining and grouping risks (risk dictionary, definition, business risk matrix and a common language);
- Systematically identifying the risks that can potentially affect the organisation (risk sources);
- Evaluating the level of importance and managing the prioritisation of risks as a function of their impact on the objectives of the business, and the likelihood of the risks occurring;
- Identifying the causes for the most important risks;
- Evaluating strategic risk management options (e.g. accept, avoid, treat, and transfer);
- Developing and implementing a risk management action plan to be integrated into the management and planning procedures of the units and functions of Sonae's businesses;
- Monitoring how risks evolve and report on progress made in the implementation of action plans.

Internal audit and risk management training and development

1. With regard to the Internal Audit function, in 2018 Sonae continued to support employee training for those who voluntarily put themselves forward for international certification programmes promoted by the IIA (The Institute of Internal Auditors) - Certified Internal Auditor (CIA) and Certification in Control Self-Assessment (CCSA). At the end of 2018, 31 certifications existed as follows:



2. The importance of continuous training, and the existence within the Group of people with knowledge and skills to train others (some of whom teach regularly outside the Group) were the basis for the establishment of the Internal Audit Academy, which has the following guidelines: definition of functional job descriptions; listing of core skills required for each function (technical and behavioural) and the training strategy for each function. In 2018, 13 training sessions were carried out, involving multidisciplinary teams and a total of 1,355 hours.

Sonae is one of the organisations with the most certified employees in internal audit and risk management in Portugal. In 2019, Sonae will continue to support this important training programme, and the international development and qualification of its internal audit and risk management staff, in line with international best practices.

Actions undertaken in 2018

In 2018, the annual Enterprise Wide Risk Management activities focused mostly on monitoring the implementation of action plans and the assessment of their impact in risk perception.

This process, across the entire Group, is supported by an internally developed application tool, which is based on the COSO International Standard.

The Risk Management Department continued to support management of risks in main organizational projects, as well as in the design of crisis management and business continuity plans. Regarding this subject, a crisis management application was developed to support the crisis management process.

Physical safety, customer safety and security audit programmes were also implemented, and fire prevention training events were held.

55. Description of the main features of Sonae's risk management and internal control systems in relation to the preparation and disclosure of financial information

The existence of an effective internal control environment, particularly with regard to financial reporting, is a commitment of the Sonae Board of Directors by way of identifying and improving the critical processes in terms of preparing and reporting financial information, keeping in mind the objectives of transparency, consistency, simplicity, reliability and materiality. The objective of the internal control system is to obtain reasonable assurance relating to the preparation of financial statements, complying with accounting principles and adopted policies, and warranting the quality of financial reporting.

The accuracy of financial information is assured by the clear segregation of duties between the preparers and its users, and the execution of several control procedures during the process of preparing and disclosing financial information.

The internal control system for the accounting department and the preparation of financial statements includes several key controls, namely:


- The process of reporting financial information is documented, the risks and key controls are identified. The criteria used in the process of preparing and reporting financial information is established and periodically reviewed;
- There are three types of control: High-level controls (entity level controls), information system controls and process controls. Those include a group of procedures related to the execution, supervision, monitoring and improvement of processes, with the main objective of preparing the financial reporting of the Company;
- Accounting principles used are disclosed in the notes to the financial statements and are fundamental bases for the internal control system;
- The business plans and budgets, and procedures and records of Group companies allow a reasonable assurance that the transactions executed are properly approved by management, and accounted for in compliance with accounting principles, ensuring that the financial statements respect accounting principles. It also ensures that the Company maintains proper record of its assets with their existence reconciled with the accounting records and adopting appropriate measures whenever differences are detected;
- Financial information is reviewed regularly, by the management of each business unit and by the persons in charge of the profit centres, ensuring continuous monitoring and related budget control;
- During the process of preparing and reviewing financial information, detailed schedules are established and shared with the areas involved, and all documents are reviewed in detail, including the review of principles used, verifying the accuracy of the information and its consistence with principles and policies defined and followed in previous periods;
- With regard to the separate entities, accounting records and financial statements are prepared by the different functions of administrative and accounting services, which warrant the recording of business processes transactions and the recording of balances of assets, liabilities and equity captions. Financial statements are prepared by certified accountants of each company, and reviewed by the Planning and Control and Tax departments;
- Consolidated financial statements are prepared quarterly by the departments of the administrative services (consolidation team) of each sub-holding and holding corporate centre. This process represents an additional control of the reliability of financial information, as regards the consistent application of accounting principles, cut-off procedures and control of related parties transactions and balances;

- The Management Report is prepared by the Investors Relations department and contributed to, and reviewed by, several business and support departments. The Corporate Governance Report is prepared by the General Counsel and Corporate Governance department;
- The Group financial statements are prepared under the supervision of the Executive Committee. The documents that constitute the Annual Report and Accounts are sent for review and approval by the Sonae Board of Directors. Once approved, the documents are sent to the External Auditor who issues the accounts legal certification and its report;
- The process of preparing separate and consolidated financial information and the Management Report is also supervised by the Statutory Audit Board and by the Board Audit and Finance Committee of the Board of Directors. These bodies meet quarterly to review the individual and consolidated financial statements and the management report. The Statutory External Auditor presents the main conclusions of the work carried out regarding the yearly financial information, directly to the Statutory Audit Board and to the Board Audit and Finance Committee;
- All the persons involved in analysis of company financial information are included in the list of persons with access to inside information, and are informed about the nature of their obligations, as well as possible sanctions resulting from the inappropriate use of such information;
- Internal rules applicable to the disclosure of financial information aim to warrant that information is disclosed to the market in a timely manner, in order to prevent information asymmetry.
- Among the risks that may materially affect the financial and accounting report, the following are worth highlighting:
 - Accounting estimates – major accounting estimates are described in the Appendix to the financial statements. Estimates are based on information available during the preparation of the financial statements and in the best knowledge and experience of past and present events;
 - Balances and transactions with related parties – balances and transactions with related parties are disclosed in the notes to the financial statements. These transactions are related mainly to the operational activities of the Group, and to the granting and obtaining of loans under arm's length conditions;
- In the Appendix to the financial statements additional information is disclosed regarding the abovementioned risks among others, as well as how they were mitigated.
- Sonae adopts several principles related to continuous improvement of the system of internal control of financial risks, including:
 - Improvement in the documentation of controls – following action taken in previous years, Sonae continued to improve the documentation and systematization of risks and internal control system related to the preparation of financial information in 2018. This includes the identification of risk causes (inherent risk), the identification of processes of higher material importance, the documentation of controls, and the analysis of residual risk after the execution and implementation of the potential control improvements;
 - Compliance analysis – the General Counsel and Corporate Governance department, working together with the Administrative Services, Investor Relations, Internal Audit and Risk Management departments, and, if necessary, other departments, coordinate the periodic analysis of compliance with legal requirements and regulations regarding governance processes and corresponding financial information that are reported on the Management Report and in the Company's Corporate Governance Report.

IV. Investor Relations

56. Investor Relations

Investor Relations is responsible for managing Sonae's relationship with the financial community – current and potential investors, analysts and market authorities – with the goal of enhancing their knowledge and understanding of Sonae by providing relevant, timely and reliable information.



In strict compliance with law and regulations, the Company keeps its shareholders and the market informed on all relevant facts concerning its activities, minimising delays between their occurrence and disclosure. The Company has fulfilled this commitment to the market over many years.

Investors Relations regularly prepares presentations to the financial community. Earning announcements covering the quarterly, half-year and annual results, as well as important announcements disclosing or clarifying any relevant event that could influence the share price, are issued to the market. On request, Investor Relations provides clarification about the Company's activities, by answering questions sent by email or by taking phone calls.

In addition to the existence of the Investors Relations team, all information is made publicly available on the Internet via the Portuguese Securities Market Commission site (<http://www.cmvm.pt/en/Pages/homepage.aspx>) and on the Company's own website (<http://www.sonae.pt/en/investors/releases-to-the-market/>). Additionally, at the website <http://www.sonae.pt/en/investors> general information is provided about Sonae, as required by article 3 of the CMVM Regulation no. 4/2013 and recommended by the IPCG Corporate Governance Code (2018), but also other relevant information, including:

- Institutional and other presentations of Sonae to the financial community;
- Quarterly, half yearly and annual results for the last five years;
- Sustainability Reports;
- Corporate Governance Reports;
- Internal Regulation of the Board of Directors, and committees created by the Board, and Internal Regulation of the Statutory Audit Board;
- Names of managers in the investor relations team, as well as their contact details;
- The Company's share performance on the Portuguese Stock Exchange;
- Notices of Shareholders' Annual General Meetings;
- Annual financial calendars, including Shareholders' General Meetings and the dates of disclosure of annual, half-yearly and quarterly results.

To further enhance effective communication with the capital market and guarantee the quality of information provided, the Investor Relations team organises road shows covering the most important financial centres of Europe and United States and participates in a number of conferences. A large number of investors and analysts also have the opportunity to talk to senior management in one-on-one meetings or conference calls.

Any interested party may contact Investor Relations via the following means:

Patrícia Vieira Pinto

Investor Relations Manager

Tel: (+351) 22 010 47 24

Fax: (+351) 22 948 77 22

Email: investor.relations@sonae.pt / pavpinto@sonae.pt

Address: Lugar do Espido Via Norte 4471-909 Maia Portugal

Site: <https://www.sonae.pt/en/>

The Company believes that the procedures described above ensure continuous contact with the market, respecting the principles of equal treatment of all shareholders and equal access to information for investors.

57. Legal representative for capital market relations

The legal representative for Capital Market Relations is Luzia Leonor Borges e Gomes Ferreira, with the following contacts:

Tel: +351 220104706

Fax: +351 229487722

Email: investor.relations@sonae.pt

Address: Lugar do Espido, Via Norte, 4471-909 Maia Portugal

58. Information requests

During 2018, Investor Relations received 290 information requests.

The average response time was of 1 business day. Notwithstanding, that the complexity of the matter may determine an extended response time in some cases.

V. Website

59. Address

Company's website: <http://www.sonae.pt/en/>.

60. Location of the information mentioned in article 171 of the Portuguese companies act

Website: <https://www.sonae.pt/en/investors/government-of-society/>.

61. Location for the provision of the articles of association, bodies and committees' regulations

Website: <https://www.sonae.pt/en/investors/government-of-society/>.

62. Location for the provision of information about the identity of the statutory governing bodies, the representative for market relations, the investor relations, respective functions and contact details

Website: <https://www.sonae.pt/en/investors/government-of-society/> and at <http://www.sonae.pt/en/contacts>.

63. Location for the provision of accounting documents and calendar of corporate events

Accounting Documents - <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/> and <https://www.sonae.pt/en/investors/financial-information/financial-data/>.

Calendar of corporate events- <http://www.sonae.pt/en/investors/financial-calendar/>.

64. Location for the provision of the notices for shareholders' general meetings and all related information

Website: <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.

65. Location where the historical archives are available with resolutions adopted at the shareholders' general meeting, the represented share capital and the voting results, with reference to the previous 3 years

Website: <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.

D- Remuneration

I. Power to establish

66. Responsibility for approving the remuneration of the company's statutory governing bodies, executive directors and persons discharging managerial responsibilities ("dirigentes")

The Shareholders' Remuneration Committee is responsible for approving the remuneration of Board members, members of the other statutory governing bodies and persons discharging managerial responsibilities, on behalf of shareholders, under the terms specified in the compensation policy approved by the shareholders at the Shareholders' General Meeting.

The Board Nomination and Remuneration Committee, mainly composed of Independent Non-Executive Directors, described in sections 15 to 29, supports the Shareholders' Remuneration Committee in carrying out its duties.

II. Remuneration committee

67. Composition of the Remuneration Committee, identification of other individuals and entities hired to provide support and advisors' statement of independence

The Shareholders' Remuneration Committee is composed of three members, elected at the Shareholders' General Meeting for a four-year mandate from 2015 to 2018. The Shareholders' Remuneration Committee has the following composition:

Shareholders' Remuneration Committee
Artur Eduardo Brochado dos Santos Silva, Chair
Francisco de La Fuente Sánchez
Carlos António Rocha Moreira da Silva

All members of the Shareholders' Remuneration Committee are independent from the Board of Directors and are not connected to any other interests' group.

The Shareholders' Remuneration Committee obtains annual benchmarking studies on remuneration levels and practices prepared by the internationally renowned consultants Hay Group and Mercer, in order to ensure that the statutory governing bodies' remuneration policy, to be submitted for the approval of the Shareholders' Annual General Meeting, is in line with the market comparable companies. The Shareholders' Remuneration Committee did not contract any third-party consultants during 2018.

68. Knowledge and experience of the members of the Remuneration Committee

The experience and professional qualifications of the members of the Shareholders' Remuneration Committee allows them to carry out their duties in a rigorous and competent manner, each of them having the appropriate skills to carry out their duties. Their qualifications can be consulted at <https://www.sonae.pt/en/investors/government-of-society/>.

The amount of fixed annual remuneration for members of the Shareholders' Remuneration Committee in 2018 was as follows:

Members of the Shareholders' Remuneration Committee	2017*	2018*
Artur Eduardo Brochado dos Santos Silva	7,000	7,000
Francisco de La Fuente Sánchez	5,000	5,000
Carlos António Rocha Moreira da Silva	5,000	5,000
Total	17,000	17,000

* Amounts in euros.

During 2018, 1 (one) meeting of the Shareholders' Remuneration Committee was held, with an overall attendance rate of 100%.

III. Remuneration Structure

69. Description of the Remuneration Policy of The Board Of Directors and other Statutory Governing Bodies, as provided for In Article 2 of Law No. 28/2009, of 19th June

69.1 Principles

Sonae's remuneration policy is structured in order to find a balance between the performance of Executive Directors in relation to goals established for them, and the Company's positioning in the market and comparable situations. Proposals for the remuneration of members of the statutory governing bodies are prepared taking into account:

- Overall market comparisons;
- Practices of comparable companies, including other business areas of Sonae that are in comparable situations;
- Each Executive Director's responsibilities and assessments made of their recent performance.

Remuneration policy at Sonae is used as a formal means of aligning the interests of the Company's management with those of the shareholders, given that, among the various component parts of the remuneration package, the variable component, the value of which depends on the individual's and the Sonae's performance, is given high importance. A management approach focusing on the long-term interests of the Company and, in which, business risks are carefully considered, is thereby encouraged.

The Sonae remuneration policy includes control mechanisms, which consider the link between individual and group performance, in such a manner as to avoid behaviour which is likely to involve taking excessive risk. This goal is also achieved by limiting the maximum value of each Key Performance Indicator (KPI).

The remuneration policy applicable to Sonae's statutory governing bodies is approved in advance by the shareholders at the Shareholders' General Meeting. The body responsible for presenting the Remuneration proposal and approving the remuneration of both executive and non-executive members of the Board of Directors and members of the other statutory governing bodies of the Company, is the Shareholders' Remuneration Committee, fully composed of independent members. The Committee's members are also elected, and their remuneration is decided upon by the Shareholders' General Meeting.

The Board Nomination and Remuneration Committee gives support to the Shareholders' Remuneration Committee in the determination of the Executive Directors' remuneration, by presenting remuneration proposals based upon the relevant data requested by the Shareholders' Remuneration Committee.


As part of the Company's principles of corporate governance, guidelines have been established for remuneration policy.

The Remuneration and Compensation Policy currently in operation was approved at the Shareholders' Annual General Meeting held on 3rd May 2018, and is based on the following principles, consistent with the policy previously adopted.

Remuneration policy features

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 can deliver a valuable and material contribution to the sustainability of the Company's business. The Policy is defined by benchmarking against the global market and with the practices of comparable companies, based on information furnished by the main annual 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 take into consideration, namely, alongside other factors, the profile and the background of the member, the nature and the description of the role and the competencies of the statutory governing body and of the individual member, as well as the degree of direct correlation between individual performance and business performance.

- For the assessment of the market practice reference values, it is considered, as reference, the median of the market value for the fixed remuneration and the third quartile for the variable remuneration for Europe's top tier executives. Additionally, and for remuneration purposes, it is considered the compensation practice of comparable companies. The companies that are considered to be comparable companies are those with securities traded at Euronext Lisbon regulated market.

Orientation 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 both individual and collective. In the case that the predefined objectives, measured by business and individual KPIs are not accomplished, the amount of short and medium incentives awarded will be totally or partially reduced.

Alignment with the interests of shareholders:

- Part of the variable bonus (the Medium Term Performance Bonus) of the Executive Directors is designed to enhance the sense of connection between the Executive Directors and the Company, aligning their interests with the interests of shareholders and increasing their awareness of their importance to the overall success of the organisation. The MTPB plans remain open for a 4 year period, covering the performance year and the 3 year deferral period that follows attribution. During the deferral period, the initial value awarded under the plans are subject to share price performance until they vest and are also adjusted to reflect the level of achievement of defined medium-term KPIs.

Transparency:

- Every aspect of the remuneration structure is clear and openly published, either internal 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, as well as focusing on talent retention.
- The Remuneration and Compensation Policy of the statutory governing bodies and of other persons discharging managerial responsibilities adheres to European Community directives, to Portuguese national law and to the recommendations of the Portuguese Securities Market Commission (CMVM).
- The Remuneration and Compensation Policy currently in operation was approved at the Shareholders' Annual General Meeting that took place on 3rd May 2018, continuing the policy consistently followed previously, and is based on the following principles:
- No compensation payments to board directors or members of statutory governing bodies related to the cessation of their duties, whether their resignation occurs according to their original mandate or whether it is anticipated for whatever reason, without prejudice to the obligation of the Company to comply with any relevant legislation in force in this area;
- Non-existence of any specific system of benefits, in particular relating to retirement, in favour of members of the Board of Directors, supervisory bodies and other persons discharging managerial responsibilities;
- When applying the Remuneration and Compensation Policy, consideration is given to roles and responsibilities performed in subsidiaries.

69.2 Competitiveness of the Remuneration Policy

The remuneration package applicable to Executive Directors is based on comparisons with the market, using market studies on top managers' remuneration packages in Portugal and across Europe, seeking, regarding comparable market situations, to ensure that fixed remuneration is equal to the median market value, the variable remuneration is close to the market third quartile and the total remuneration is set between the median and the market third quartile.

Who are our benchmark/peer group companies?

- At Sonae, remuneration policy is determined by comparison with the overall market and the practices of comparable companies. This information is obtained from the main remuneration surveys carried out independently for Portugal and the principal European markets. Currently, the market surveys conducted by Mercer and the Hay Group are used as references.
- The median value for top managers in Europe is used to determine the figures of the fixed remuneration for the overall market. Additionally, and for remuneration purposes, it is considered the remuneration practice of comparable companies included in the Portuguese stock market index, the PSI-20.

69.3 Risk Control in relation to remunerations

Sonae reviews its remuneration policy annually, as part of its risk management process in order to ensure that it is entirely consistent with its desired risk profile. During 2018, no problems relating to payment practice were found that posed significant risks.

In designing remuneration policy, care has been taken not to encourage excessive risk-taking behaviour, attributing significant importance, but at the same time a balanced approach, to the variable component, thus closely linking individual remuneration to group performance.

Sonae has in place internal control procedures concerning remuneration policy, which target the identification of potential risks.

Firstly, the remuneration structure is designed in such a way as to discourage excessive risk-taking behaviour to the extent that remuneration is linked to the evaluation of performance. The existence of objective KPI constitutes an efficient control mechanism.

Secondly, Sonae does not allow contracts to be signed that would minimise the importance of the MTPB plan. This policy includes forbidding any transaction that might eliminate or mitigate the risk of share price variations.

69.4 Remuneration Policy Approval Process

The Board Nomination and Remuneration Committee submits remuneration proposals for the members of the Board of Directors to the Shareholders' Remuneration Committee, in accordance with the approved internal procedure.

Month	Remuneration Cycle
January	<p>Reception of market surveys and benchmarking of remuneration trends and expectations using external benchmarking studies.</p> <p>Board Nominations and Remuneration Committee (BNRC) Meeting in mid-March:</p> <p>Closing of prior year and preparation for the current year, reviewing:</p> <ul style="list-style-type: none"> -Annual Appraisal Process; -Remuneration Policy Proposal; -Proposals for the award of variable remuneration for previous year, including the deferred component; -Proposals for fixed remuneration for the current year;
March	<p>-Proposals for variable remuneration target values for performance in the current year.</p> <p>Shareholders' Remuneration Committee (SRC) Meeting later in March, after the BNRC has met:</p> <p>Closing prior year and preparing current year, <u>approving or deciding</u> the following:</p> <ul style="list-style-type: none"> -Proposals for the award of variable remuneration for the previous year, including the deferred component; -Proposals for fixed remuneration for the current year; -Proposals for variable remuneration target values for performance in the current year.
April	<p>Shareholders' Annual General Meeting in late April: Shareholders vote on Remuneration Policy proposed by the SRC.</p>
May	<p>SRC Meeting in early May:</p> <p>Only if Board membership or responsibility changed at the Shareholders' Annual General Meeting.</p>
June	<p>BNRC Reporting: Update on current year KPIs (if necessary).</p>
to	<p>SRC Meeting: Only if there are any Board membership or responsibility changes.</p>
October	<p>BNRC Meeting:</p> <ul style="list-style-type: none"> -Progress on current year KPIs (if required); -Review status of Medium Term Variable Remuneration plans and shares retained; -Review of Talent Management, and Contingency and Succession Planning;
November	<ul style="list-style-type: none"> -Review Nomination Process (if required); -Review BNRC Terms of Reference and Annual Plan for next year; -Review Compensation Policy, including MTIP. <p>SRC Meeting:</p> <p>Only if there are any Board membership or responsibility changes.</p>
December	<p>BNRC Reporting: Update on current year KPIs (if required);</p> <p>SRC Meeting:</p> <p>Only if there are any Board membership changes.</p>

70. Remuneration of the members of the Board of Directors

70.1 Executive Directors

The remuneration of Executive Directors is determined according to the level of responsibility of the member of the Board of Directors involved and is subject to annual review.

Above and beyond the fixed remuneration, Executive Directors are also entitled to a variable remuneration, in accordance with Sonae's Remuneration Policy.

Variable remuneration is awarded in the first quarter following the year to which it relates and linked to performance in the prior year, and aims to motivate and compensate Executive Board Directors for achieving predefined objectives. It is divided into two equal parts:

a) Short Term Performance Bonus (STPB) 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 – see section 71 for further details;

b) Medium Term Performance Bonus (MTPB), paid after a deferral period of 3 years and on the year that follows - see sections 71, 72 and 73 for further details.

The various components of the annual remuneration – fixed and variable - are summarised in the following table:

	Components	Description	Objective	Market Positioning
FIXED	Base salary	Annual salary (in Portugal the annual fixed salary is paid in 14 monthly amounts)	Appropriate to the hierarchical level and responsibility of the director	Median
VARIABLE	Short Term Performance Bonus (STPB)	Performance bonus paid in the first quarter of the following year, after calculation of the financial results for the performance year	Aims to ensure the competitiveness of the remuneration package and link remuneration to Company's objectives	Third Quartile
	Medium Term Performance Bonus (MTPB)	Compensation deferred for three years, the amount awarded is linked to the share price and business performance	Aims to link remuneration to medium to long-term performance and provide alignment with shareholders	Third Quartile

The obligation to pay in cash the bonus incentive may be fulfilled as permitted by law and by the Company's articles of association.

Currently, no scheme involves the award of share purchase options.

70.2 Non-Executive Directors

The remuneration of Non-Executive members of the Board of Directors is exclusively composed of fixed values determined by reference to market values, accordingly with the following principles: (i) attribution of a Fixed Remuneration; (ii) attribution of an annual responsibility allowance. No variable bonus of any kind is paid to Non-Executive Directors.

This remuneration is paid quarterly in arrears.

71. Variable remuneration of the Executive Directors

Variable remuneration is of a discretionary nature and, in view of the fact that it is dependent on the achievement of objectives, payment is not guaranteed. Variable remuneration is determined annually with the value based on a predefined percentage between 30% and 60% of total annual remuneration (fixed remuneration plus variable remuneration using target values).

The variable component is determined by evaluating a number of performance indicators concerning the different businesses, namely economic and finance indicators – “Key Performance Indicators of Business Activity” (Business KPIs).

Approximately 70% of the variable component is determined by business, economic and financial KPIs, namely, turnover, EBITDA, net result and share price performance.

The Executive Directors' appraisal is based on the average achievement of said KPIs in each business.

The KPIs and their specific importance in determining the effective remuneration ensure the alignment of the Executive Directors with the strategic objectives defined and the fulfilment of the legal requirements applied to the activity of the Company.

The amount of each bonus has a minimum of 0% and a maximum limit of 140% of the predefined bonus objective.

72. Deferred payment of the remuneration's variable component

The payment of at least 50% (fifty percent) of the remuneration's variable component is deferred after a 3 (three) year period, in a total of 4 years, under the terms described in the previous section 70.1 (Medium Term Performance Bonus).

73. Criteria that underlies the allocation of variable remuneration in shares and their maintenance

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

MTPB is one of the components of Sonae's remuneration policy. This component distinguishes itself from the remaining since it is restricted and voluntary, and its attribution is subject to the eligibility criteria hereby described.

MTPB allows the beneficiaries to share with shareholders the value generated through their involvement in the strategy and management of Sonae's businesses in the just measure of the results of their annual assessment of performance.

2. MTPB Scheme

MTPB aligns the interest of Executive Directors with the organisation's objectives, reinforcing their compromise and strengthening their view over the importance of their performance for Sonae, and expressed in Sonae share market capitalisation.

3. Eligibility

Sonae and Sonae companies' Executive Directors are eligible for attribution of MTPB. Employees may also be eligible for attribution of the MTPB pursuant to the remuneration policy approved by the Board of Directors specifically for employees.

Eligible Members	Reference value for medium term bonus plan (% total target variable remuneration)
Sonae Executive Directors	At least 50%
Sonae Business Units Executive Directors	At least 50%
Employees	To be defined by each Company's Board of Directors

4. Duration of the MTPB plan


The MTPB plan contemplates a four-year period, which includes the relevant year (the "performance year") and a three-year deferral period. As from the third consecutive plan, it will occur in each moment the overlapping of three three-year plans.

5. Valuation of the of MTPB plan

The MTPB is based on the initially attributed value, and is subject to the following variation factors, during the deferral period: (i) the representative share price; (ii) dividend corrective action or share capital variation; and (iii) the degree of achievement of medium term KPIs.

The share price of the Company on the Portuguese stock exchange is used to establish the value of MTPB initially attributed, using as a reference the most favourable price, between the closing price on the first business day after the Shareholders' General Meeting, or the average price (using for this average the closing price for the 30 days prior to the date of the Shareholders' General Meeting).

If, subsequently to being awarded the right to this kind of remuneration and before exercising this right, 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, then the number of MTPB shares will be adjusted to an equivalent number, taking into account the impact of these changes.

During the deferral period, the amount of the bonus, converted into shares, may additionally be adjusted to match the success degree in achieving a medium-term objective KPI, in order to ensure the continued alignment with the business medium terms sustainability objectives. This KPI consists of the return on invested capital by reference to the Company's consolidated accounts.

In line with the policy for enhancing the alignment of Executive Directors with the Company's medium and long term interests, the Shareholders' Remuneration Commission 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. The remaining employees to whom such right has been conferred, may acquire shares under the terms defined by each Company's Board of Directors.

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, in substitution of the shares, the cash equivalent amount to the share market value at the date of the exercise of the right.

7. MTPB plan vesting

The MTPB plan contemplates a four-year period, which includes the performance year and a three-year deferral period.

8. Termination of the MTPB plan

The right to acquire shares attributed under the MTPB plan expires when the beneficiary no longer works with Sonae before the end of the vesting period, without prejudice to the provisions set forth in the following paragraphs.

The right to receive payment may however remain in case of permanent disability or decease, with the due amount being paid to the member of the Board of Directors or to his/her heirs at the normal time for payment at the vesting period.

If the beneficiary retires, any right to awards can be exercised on the due date of payment.

In order to ensure the effectiveness and transparency of the objectives of the Remuneration and Compensation Policy, it was determined that the Executive Directors shall not sign contracts with the Company or with third parties that would have the effect of mitigating the risks inherent in the variable nature of the remuneration that the Company has established for them.

74. Criteria that underlies the allocation of variable remuneration in options

The Company did not establish any variable remuneration in options.

75. Main parameters and reasoning concerning annual bonuses and any other non-cash benefits

Main parameters and reasoning about variable remuneration are detailed in the above paragraph 71.

76. Main characteristics of complementary pension or early retirement schemes for the directors approved at the shareholders' general meeting

The Company does not have any complementary pension or early retirement schemes for Directors, nor does it attribute any relevant non-pecuniary benefits.

IV. Disclosure of Remuneration

77. Indication of the annual remuneration earned, in aggregate and individual amount, by the company's members of the Board of Directors

Directors' remuneration, awarded by the Company during the years 2017 and 2018, is summarised in the tables below:

Individual Detail	2017*				2018*			
	Fixed Remuneration	STPB	MTPB	TOTAL	Fixed Remuneration	STPB	MTPB	TOTAL
EXECUTIVE DIRECTORS								
Duarte Paulo Teixeira de Azevedo (1)	241,800	205,300	205,300	652,400	240,300	209,800	209,800	659,900
Ângelo Gabriel Ribeirinho dos Santos Paupério (2)	276,800	219,800	219,800	716,400	275,300	224,600	224,600	724,500
Sub-total	518,600	425,100	425,100	1,368,800	515,600	434,400	434,400	1,384,400
NON-EXECUTIVE DIRECTORS								
José Manuel Neves Adelino	66,900	-	-	66,900	66,900	-	-	66,900
Andrew Eustace Clavering Campbell	46,500	-	-	46,500	46,500	-	-	46,500
Christine Cross	48,500	-	-	48,500	48,500	-	-	48,500
Tsega Gebreyes	51,500	-	-	51,500	46,500	-	-	46,500
Marcelo Faria de Lima	51,400	-	-	51,400	51,400	-	-	51,400
Dag Johan Skattum (3)	46,500	-	-	46,500	18,750	-	-	18,750
Margaret Lorraine Trainer	54,500	-	-	54,500	54,500	-	-	54,500
Sub-Total	365,800			365,800	333,050	-	-	333,050
TOTAL	884,400	425,100	425,100	1,734,600	848,650	434,400	434,400	1,717,450

* Amounts in Euros.

(1) Remuneration packages for 2017 and 2018 were reduced proportionally to reflect planned time commitment to Sonae during the respective years.

(2) Also received remuneration from subsidiaries of the Company, as reported in section 78.

(3) Ceased his role as board member as announced to the market on June 2018, having been remunerated until the 31st May 2018.

Open MTPB plans attributed to the Executive Directors:

EXECUTIVE DIRECTORS	Plan (Performance Year)	Award Date	Vesting Date	Amount Vested and Paid Off in 2018*	Open Plans Value at Award Date* **	Open Plans Value at 31 December 2018* **
Duarte Paulo Teixeira de Azevedo	2014	March 15	March 18	296,700	0	0
	2015	March 16	March 19		264,600	166,356
	2016	March 17	March 20		190,500	197,047
	2017	March 18	March 21		205,300	181,110
	Total			296,700	660,400	544,513
Ângelo Gabriel Ribeirinho dos Santos Paupério	2014	March 15	March 18	264,603	0	0
	2015	March 16	March 19		333,100	248,728
	2016	March 17	March 20		340,100	342,781
	2017	March 18	March 21		361,900	300,390
	Total			264,603	1,035,100	891,899
TOTAL			561,303	1,695,500	1,436,412	

* Amounts in Euros.
 ** Calculated considering the share market closing price of 2018 last trading day.

78. Any amounts paid by other controlled or group companies, or those under shared control Directors' remuneration, awarded by the Company during the year 2017 and 2018, is summarised in the table below:

INDIVIDUAL DETAIL		2017*				2018*			
		Fixed Remuneration	STPB	MTPB	TOTAL	Fixed Remuneration	STPB	MTPB	TOTAL
EXECUTIVE DIRECTORS									
Duarte Paulo Teixeira de Azevedo		-	-	-	-	-	-	-	-
Ângelo Ribeiro dos Santos	Gabriel Paupério	183,900	142,100	142,100	468,100	183,900	145,600	145,600	475,100
<i>Sub-total</i>		183,900	142,100	142,100	468,100	183,900	145,600	145,600	475,100
NON-EXECUTIVE DIRECTORS									
José Manuel Neves Adelino		-	-	-	-	-	-	-	-
Andrew Eustace Clavering Campbell		-	-	-	-	-	-	-	-
Christine Cross		-	-	-	-	-	-	-	-
Tsega Gebreyes		-	-	-	-	-	-	-	-
Marcelo Faria de Lima		-	-	-	-	-	-	-	-
Dag Johan Skattum **		-	-	-	-	-	-	-	-
Margaret Lorraine Trainer		-	-	-	-	-	-	-	-
<i>Sub-Total</i>		-	-	-	-	-	-	-	-
TOTAL		183,900	142,100	142,100	468,100	183,900	145,600	145,600	475,100

*Amounts in Euros.

**Ceased his role as a board member as announced to the market on June 2018.

79. Remuneration paid in the form of profit sharing and/or bonus payments

The variable remuneration of the Executive Directors was determined in accordance with the performance assessment and the remuneration policy approved in the Shareholders' General Meeting held on 3rd April 2018, as detailed in section 71 above and in the remuneration table in section 77 above.

The remuneration paid in the form of profit sharing is included in the Short Term Performance Bonus (STPB), disclosed in section 77 above.

80. Compensation paid or owed to former Executive Directors as a result of Loss of Office

During 2018, no compensation was paid or owed to former Executive Directors in relation to loss of office.

81. Remuneration of the Statutory Audit Board

The remuneration of the members of the Statutory Audit Board is made up of fixed annual fees, based on the Company's financial situation and market practice, and does not include any variable remuneration.

The amount of fixed annual remuneration for members of this body in 2017 and 2018 was as follows:

Member of the Statutory Audit Board	2017*	2018*
Daniel Bessa Fernandes Coelho	13,900	13,900
Manuel Heleno Sismeiro	10,900	10,900

Maria José Martins Lourenço da Fonseca	10,900	10,900
Óscar José Alçada da Quinta(1)		
Total	35,700	35,700

* Amounts in euros.

(1) Substitute Member

82. Remuneration of the Chairman of the Board of the Shareholders' General Meeting

The remuneration of the members of the Board of the Shareholders' General Meeting is made up of a fixed fee, as follows:

Board of the Shareholders' General Meeting	2017*	2018*
Manuel Eugénio Pimentel Cavaleiro Brandão	7,500	7,500
Maria Conceição Henriques Fernandes Cabaços	2,500	2,500
Total	10,000	10,000

* Amounts in euros.

V. Agreements with remuneration implication

83. Contractual limitations on compensations to be paid upon the director's dismissal without due cause and its relation with the variable component of remuneration

There are no agreements in place with members of the Board of Directors or persons discharging managerial responsibilities, that establish amounts to be paid in case of any dismissal without due cause, without prejudice to the applicable legal provisions.

84. Reference to the existence and description, stating the sums involved, of the agreements between the Company and members of the Board of Directors, providing for compensation in case of dismissal without due cause or termination of the employment relationship, following a change of control of the Company

There are no agreements made between the Company and members of the Board of Directors, that provide for compensation in cases of dismissal, unfair dismissal or termination of employment following a change in Company control.

VI. Share Attribution Plans or Stock Options

85. Identification of the plan and recipients

The share attribution plan includes the medium-term variable remuneration and the main recipients are the Executive Directors, in terms detailed in section 73 above, as well as employees of group companies, in accordance to terms and conditions defined by the respective Boards of Directors.

86. Plan features

A thorough description of the share attribution plan is detailed in sections 71, 72 and 73 above.

The remuneration policy for the statutory governing bodies, as well as the current share attribution plan, were approved at the Company's Shareholders' Annual General Meeting, held on 3rd May 2018, as per the terms of the

proposal presented by the Shareholders' Remuneration Committee, in compliance with article 2, Law no. 28/2009, of 19 June and Recommendations V.2.1 and V.22 of the IPCG Corporate Governance Code 2018.

The remuneration policy under proposal of the Shareholders' Remuneration Committee, approved the non-transfer of shares accessed by the Company's Executive Directors via MTPB, in accordance with the 2013 CMVM Recommendation III.6.

Information on resolutions taken at the Shareholders' Annual General Meeting can be found in <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.

The movements in the open MTPB plans of the Company's Executive Board Directors, during 2018, can be summarised as follows:

	Total		
	Aggregated number of plans	Number of Shares	Euros
Outstanding at 31.12.2017:	6	1,218,417	1,371,939
Movements in the year:	0	101,449	-302,847
Awarded	2	378,203	425,100
Vested	-2	-400,869	-440,555
Cancelled/Lapsed/Adjustments(1)	0	124,115	-287,392
Outstanding at 31.12.2018:	6	1,319,866	1,069,092

(1) Changes in the number of shares due to dividends paid and to the effects of Medium Term KPIs. Changes to the values are for the same reason, as well as from the effect of changes in the Sonae share price.

The present chart does not include information regarding share plans that may be attributed to the directors of Sonaecom and Sonae Sierra.

Summary of the MTPB Plans of the Company's Executive Board Directors, including the MTPB Plans of Sonae Business Units' executive directors, by reference to the year ended on 31st December 2018:

Sonae SGPS Share Plans Outstanding during 2018	Vesting Period			At 31 December de 2018	
	Share Price at Award Date	Award Date	Vesting Date	Aggregate number of participants	Number of Shares
2015 Plan	1.278	March 2015	March 2018	18	0
2016 Plan	0.970	March 2016	March 2019	18	1,478,737
2017 Plan	0.906	March 2017	March 2020	19	1,839,375
2018 Plan	1.124	March 2018	March 2021	23	2,009,597

The present chart does not include information regarding share plans that may be attributed to the directors of Sonaecom and Sonae Sierra.

87. Option rights granted to acquire shares ("stock options") where the beneficiaries are company employees

No option rights to acquire shares were granted.

88. Control mechanisms in any system of employee participation in the share capital

There are no control mechanisms established to control employee participation in the Company's capital.



E- Relevant Transactions with Related Parties

I. Mechanism of control procedures

89. Mechanisms for monitoring transactions with related parties

Sonae endeavours to carry out transactions with related parties based on principles of rigour and transparency, and in strict observance of the rules of market competition. Such transactions are subject to specific internal procedures based on mandatory standards, in particular transfer pricing rules, or on voluntarily adopted internal systems of checks and balances – for example, formal validation or reporting processes, depending on the value of the transaction in question.

In this regard, the Company has adopted specific procedures in order to prevent conflicts of interest, promoting communication between the Board Audit and Finance Committee of the Board of Directors, the Statutory Audit Board and the Executive Committee, which provides the necessary clarifications to assure that transactions are concluded under normal market conditions.

90. Transactions subjected to control during 2018

As stated in section 10 above, there were not, during 2018, any significant relations, of a commercial nature or otherwise, between qualified shareholders and the Company. The executed transactions, without any significant relevance, fall within the Company's scope of activity, were executed on arm's length conditions and side-by-side with other equivalent transactions executed with national and international parties, as described in the Appendix to the Consolidated Financial Statements' according to the information provided in section 92.

91. Description of the procedures and criteria for intervention of the statutory audit board, for the purpose of preliminary assessment of the business carried out between the Company and holders of qualified shareholdings or entities that are in a relation with them, under the terms of article 20 of the Portuguese Securities Code

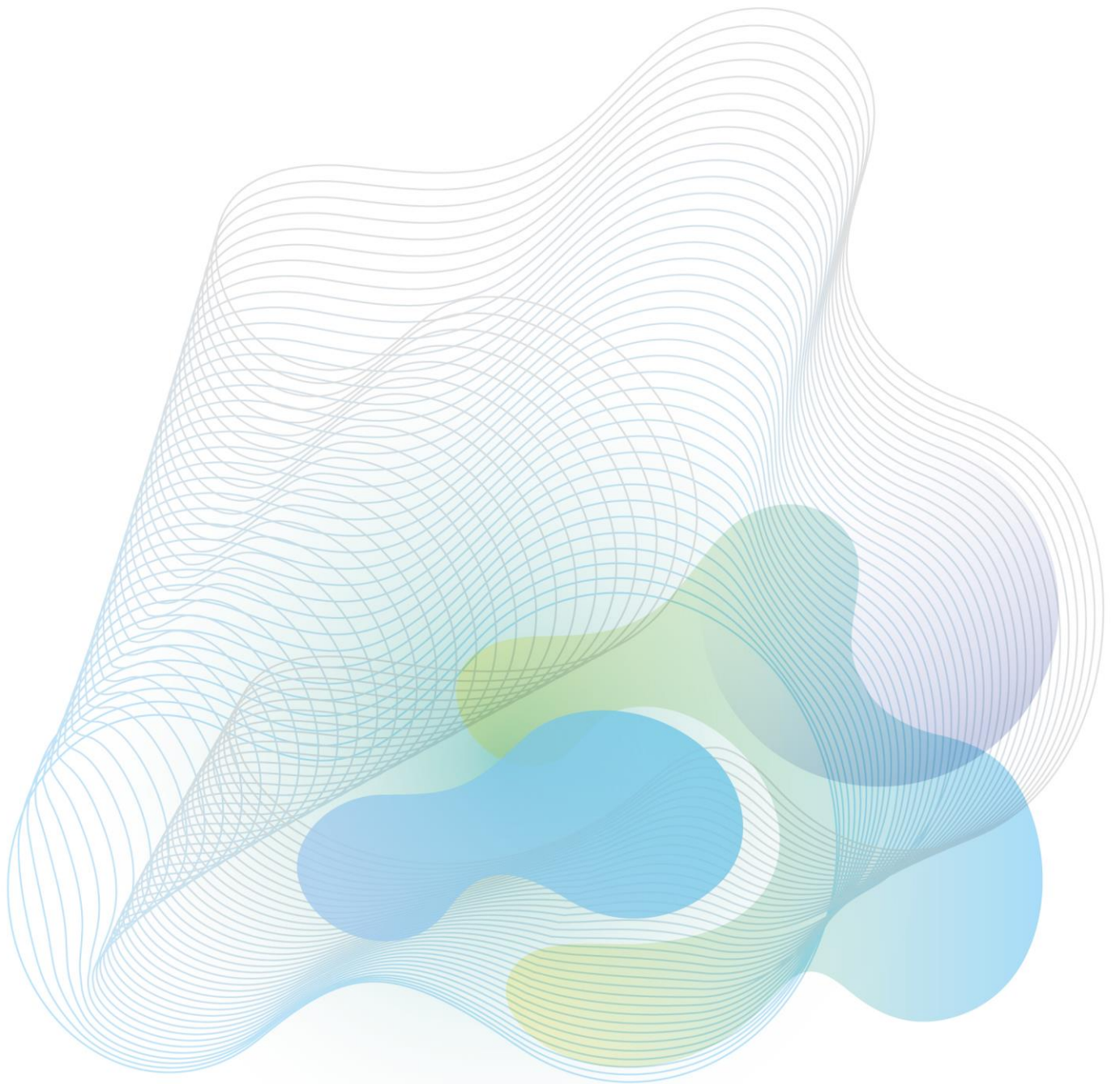
Transactions of a value exceeding 100 million euros with owners of qualified shares or with entities related in any way with them, under the terms of article 20 of the Portuguese Securities Code, are subject to a formal prior opinion by the Board Audit and Finance Committee and the Statutory Audit Board.

In addition, all transactions with related parties in excess of 10 million euros, are also reported to these two entities every six months by the Secretary of the Executive Committee.

II. Elements related to transactions

92. Information on transactions with related parties

Information on transactions with related parties, in accordance with IAS 24, can be found in note 43 of the 2018 Consolidated Financial Statements' Appendix.



Part II:

Statement of compliance

1. Identification of the adopted Corporate Governance Code

The Corporate Governance Report provides a description of the Corporate Governance structure and practices followed by the Company under the terms of article 245-A of the Portuguese Securities Code and information duties required by the Portuguese Securities Commissions (CMVM) Regulation no. 4/2013, of 1st August. The Report additionally discloses, in light of the principle of comply or explain, the terms of compliance by the Company with the CMVM Recommendations contained in the IPCG Corporate Governance Code (2018).

The Report should be read as an integral part of the Annual Management Report and the Individual and Consolidated Financial Statements for the financial year of 2018.

The requirements for the provision of information as per article 3 of Law no. 28/2009, of 19th June, articles 447 of the Portuguese Companies Act and 245-A of the Portuguese Securities Code and of CMVM Regulation no. 7/2018, have also been fulfilled.

All of the rules and regulations mentioned in this Report are publicly available at www.cmvm.pt and at <https://cgov.pt/> Unless otherwise expressly stated, all remissions to be read as being made to the Report itself.

2. Analysis of compliance with the adopted Corporate Governance Code

I – General Provisions

General Principle:

Corporate Governance should promote and enhance the performance of companies, as well as of the capital markets, and strengthen the trust of investors, employees and the general public in the quality and transparency of management and supervision, as well as in the sustained development of the companies.

1.1. Company's relationship with investors and disclosure

Principle:

Companies, in particular its directors, should treat shareholders and other investors equitably, namely by ensuring mechanisms and procedures are in place for the suitable management and disclosure of information.

Recommendations:


1.1.1. The Company should establish mechanisms to ensure, in a suitable and rigorous form, the production, management and timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.

RECOMMENDATION FULLY ADOPTED

The Company has, in its corporate structure, departments with specific competencies for the production, treatment and timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, to the financial analysts and the market in general: the Investor Relation Department and the Communication, Brand and Corporate Responsibility Department, more detailed in point 21 of this Report. The Investor Relations' Department has the main following tasks: i) ensure the symmetry of the information disclosed to the market and the correspondent equal treatment of the shareholders, investors and other stakeholders with the production and immediate disclosure to the market of inside information; ii) ensure the compliance with the mandatory periodic disclosure of financial information; iii) analyse, actively and in a timely manner, the information publicly disclosed by the financial analysts that assess the Company's performance, acting, whenever necessary, by providing clarifications regarding inaccurate or outdated information disclosed by any such analysts. The Communication, Brand and Corporate Responsibility Department permanently follows-up the information disclosed in any media about the Company, promoting a transparent, up to date and consistent line of communication with the activity developed by the Company to the public in general.

1.2. Diversity in the composition and functioning of the company's governing bodies

Principle:



1.2.A. Companies ensure diversity in the composition of its governing bodies, and the adoption of requirements based on individual merit, in the appointment procedures that are exclusively within the powers of the shareholders.

1.2.B. Companies should be provided with clear and transparent decision structures and ensure a maximum effectiveness of the functioning of their governing bodies and commissions.

Recommendations:

1.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.

RECOMMENDATION FULLY ADOPTED

The Company approved, at the Shareholders' Extraordinary General Meeting held on 16th December 2015, the Selection and Assessment Policy for Membership of the Statutory Governing Bodies in compliance with articles 30 to 32 of the General Regime of Credit Institutions and Financial Companies (RGICSF), which terms comply with the goals of this recommendation. The full content of the policy is available at <https://www.sonae.pt/en/investors/shareholders-general-meeting/shareholders-extraordinary-general-meeting-16th-december-2015/> and is described in section 15 of this Report.

1.2.2. The company's managing and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, and detailed minutes of the meetings of each of these bodies should be carried out.

RECOMMENDATION FULLY ADOPTED

The Board of Directors and its internal committees, as well as the Statutory Audit Board have internal regulations governing the exercise of the respective competencies and the framework of the duties of its members, as well as their internal functioning. Minutes of all the meetings are recorder. The composition of these governing bodies and committees, including the chairmanship, are permanently available at the Company's website at <https://www.sonae.pt/en/investors/government-of-society/>, and is described at points 17, 18, 29, III a) and 31 of this Report.

The Board of Directors' Internal Regulation, where it is included the regulation of the respective internal committees and the Statutory Audit Board's Internal Regulation are available, both in the Portuguese and in the English versions, at the Company's website available at <https://www.sonae.pt/en/investors/government-of-society/>, having the Company's Secretary the duty to keep the minutes of the meetings.


1.2.3. The internal regulations of the governing bodies — the managing body, the supervisory body and their respective committees — should be disclosed, in full, on the company's website.

RECOMMENDATION FULLY ADOPTED

The Board of Directors' Internal Regulation, where it is included the regulations of the respective internal committees as well as the Statutory Audit Board's Internal Regulation are available, both in the Portuguese and English versions, at the Company's website available at <https://www.sonae.pt/en/investors/government-of-society/>.

1.2.4. The composition, the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.

RECOMMENDATION FULLY ADOPTED



The composition of the Board of Directors, including the internal committees created by the Board, and the composition of the Statutory Audit Board are permanently available, both in the Portuguese and the English version, at the Company's website at <https://www.sonae.pt/en/investors/government-of-society/>.

1.2.5. The company's internal regulations should provide for the existence and ensure the functioning of mechanisms to detect and prevent irregularities, as well as the adoption of a policy for the communication of irregularities (whistleblowing) that guarantees the suitable means of communication and treatment of those irregularities, but safeguarding the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality requested.

RECOMMENDATION FULLY ADOPTED

The Ethics Committee, appointed by the Board of Directors, and chaired by an independent director, has as one of its main duties, to verify the existence of internal mechanisms for the communication of irregularities, ensuring that any such mechanisms comply with the applicable law, namely regarding confidentiality, treatment of the information and the non-existence of reprisals against the whistleblower (see point 29 of this Report and https://www.sonae.pt/fotos/governo_sociedade/cod_etica_en_int_1902_v02_8870871625c791fafe05f1.pdf).

The Statutory Audit Board, in line with its competencies and with its Internal Regulation available at https://www.sonae.pt/fotos/governo_sociedade/statutory_audit_board_internal_regulation_106323265c127984e0a26.pdf, receives the communications of irregularities presented by, among other, shareholders and employees of the Company, and keeps record of the communications of irregularities sent to it, promoting, whenever it deems convenient, the necessary proceedings with the Board of Directors, the internal and/or external audit or with any other body and prepares a report about such irregularities, adopting the measures it deems convenient in light of the Statutory Audit Board's duties. With the same purpose, the Statutory Audit Board receives and analyses the quarterly report of the Ombudsman, requesting from the Ombudsman all the necessary information for its clarification, also receiving the reports made to the Company's Ethics Committee, that constitute irregularities subject to its competency in accordance with the legal and recommendatory applicable terms.

The Ombudsman has the duty, in accordance with the terms set forth in the Board of Directors' Internal Regulation, available at https://www.sonae.pt/fotos/governo_sociedade/bod_regulationset2015_953163875570ce7ea9023f.pdf to receive, analyse and give response to the communications involving employees, customers, suppliers and other service providers, as well as to forward any such communications to the competent bodies.

The Company has permanent contacts available for the communication of irregularities to the Statutory Audit Board (see point 49 of this Report), to the Ethics Committee and to the Ombudsman (see point 29 of this Report). The contacts are available at <https://www.sonae.pt/en/sonae/contacts/>.

1.3. Relationship between the company bodies

Principle:


Members of the company's boards, especially directors, should create, considering the duties of each of the boards, the appropriate conditions to ensure balanced and efficient measures to allow for the different governing bodies of the company to act in a harmonious and coordinated way, in possession of the suitable amount of information in order to carry out their respective duties.

Recommendations:

1.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.

RECOMMENDATION FULLY ADOPTED

The Chairman of the Board of Directors, the Chairmen of the internal committees created by the Board, and the Senior Independent Director, ensure in a time-efficient manner the flow of information necessary for the execution of the



legal and statutory duties of the remaining bodies and committees, providing the necessary resources for the disclosure of all convening notices, minutes and documentation supporting the decision-making process, in accordance with the set forth in the Board of Directors' Internal Regulation available at <https://www.sonae.pt/en/investors/government-of-society/>.

1.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and committees.

RECOMMENDATION FULLY ADOPTED

All the information mentioned in this recommendation is made available to all the members of the Board of Directors and the Chairman of the Statutory Audit Board.

Furthermore, considering that the Chairman of the Board of Directors is also Co-Chairman of the Executive Committee, the Board of Directors has appointed a Senior Independent Non-Executive Director who, under the terms of the Board of Directors' Internal Regulation and Corporate Governance best practices, ensures, in a timely and suitable manner, the proper flow of information for the exercise of the legal and statutory role of all the remaining governing bodies and committees.

1.4. Conflict of interest

Principle:

The existence of current or potential conflicts of interest, between members of the company's boards or committees and the company, should be prevented. The non-interference of the conflicted member in the decision process should be guaranteed.

Recommendations:

1.4.1. The duty should be imposed, to the members of the company's boards and committees, of promptly informing the respective board or committee of facts that could constitute or give rise to a conflict between their interests and the company's interest.

RECOMMENDATION FULLY ADOPTED

The Conflict of Interest' Policy approved by the Company and the Board of Directors' Internal Regulation establish internal mechanisms regarding potential conflict of interests involving members of the Board of Directors, including internal committees and employees. The policy sets out an obligation to immediately notify, to the competent governing body, any situation of real or potential conflict of interest.

The Board of Directors' Internal Regulation, available at <https://www.sonae.pt/en/investors/government-of-society/>, imposes the immediate notification to the Board of any fact that may constitute or give rise to a conflict of interest, as well as any circumstance that may affect the Directors' independence and impartiality.

1.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.

RECOMMENDATION FULLY ADOPTED

The Conflict of Interest' Policy adopted by the Company and the Board of Directors' Internal Regulation, available at <https://www.sonae.pt/en/investors/government-of-society/>, determine that any member who has a conflict of interest regarding any item of the agenda of any meeting of a governing body or internal committee, shall not intervene in the decision-making process, without prejudice to the duty to provide information and clarifications to the body, the committee or the other members, if required to do so.

1.5. Related parties' transactions

Principle:

Due to the potential risks that they may hold, transactions with related parties should be justified by the interest of the company and carried out under market conditions, subject to principles of transparency and adequate supervision.

Recommendations:

1.5.1. The managing body should define, in accordance with a previous favourable and binding opinion of the supervisory body, the type, the scope and the minimum individual or aggregate value of related party transactions that: (i) require the previous authorization of the managing board, and (ii) due to their increased value require an additional favourable report of the supervisory body.

RECOMMENDATION FULLY ADOPTED

Sonae approved and has in force a formal internal procedure embodied in the Board of Directors' Internal Regulation and the Statutory Audit Board's Internal Regulation, determining that the Executive Committee shall notify and obtain a prior opinion from the Statutory Audit Board and from the Board Audit and Finance Committee before executing any transaction with qualified shareholders or any related parties, when such transactions are in an amount higher than the one determined in these Regulations. All the transactions executed with the aforementioned entities that reach the amount determined in the abovementioned Regulations shall be reported, on a half-year basis, to the Statutory Audit Board and to the Board Audit and Finance Committee.

1.5.2. The managing body should report all the transactions contained in Recommendation 1.5.1. to the supervisory body, at least every six months.

RECOMMENDATION FULLY ADOPTED

All the transactions in an amount higher than the one determined in the Board of Directors' Internal Regulation and in the Statutory Audit Board's Internal Regulation shall be notified to the Statutory Audit Board and to the Board Audit and Finance Committee on a half-year basis.

II – Shareholders and General Meetings

Principles:

II.A. As an instrument for the efficient functioning of the company and the fulfilment of the corporate purpose of the company, the suitable involvement of the shareholders in matters of corporate governance is a positive factor for the company's governance.

II.B. The company should stimulate the personal participation of shareholders in general meetings, which is a space for communication by the shareholders with the company's boards and committees and also of reflection about the company itself.


II.C. The company should also allow the participation of its shareholders in the general meeting through digital means, postal votes and, especially, electronic votes, unless this is deemed to be disproportionate, namely taking into account the associated costs.

Recommendations:

II.1. The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.

RECOMMENDATION FULLY ADOPTED

The Company encourages its shareholders to participate in General Meetings, in particular by assigning to each share one vote and by not limiting the number of votes that may be held or exercised by each shareholder.



II.2. The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.

RECOMMENDATION FULLY ADOPTED

The Company's Articles of Association do not set a resolution-fixing quorum that exceeds that fixed by law.

II.3. The company should implement adequate means for the exercise of voting rights through postal votes, including by electronic means.

RECOMMENDATION FULLY ADOPTED

The Company makes available to shareholders the means necessary to exercise written voting and voting by electronic means.

Additionally, the Company publishes on its website, from the date of notice for convening each Shareholders' General Meeting, standard documentation for attending the Shareholders' General Meeting, thereby facilitating the shareholders' compliance with the applicable legal attendance requirements. To this effect, the Company also makes available a specific email address to answer shareholders' enquiries. The Company allocates, as well, a work team especially dedicated to providing assistance to the Chairman of the Shareholders' General Meeting and to shareholders overall.

II.4. The company should implement adequate means in order for its shareholders to be able to digitally participate in general meetings.

RECOMMENDATION FULLY ADOPTED

The Company makes available to shareholders the means necessary to exercise written voting and voting by electronic means, considering, by its experience up until this moment, that the use of digital means for the participation at the General Meetings does not lead to an increasing attendance of the shareholders, being the effort for the implementation of any such means, when assessed in light of the principle described above in II.C, disproportionate considering the lack of any practical effect.


II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution, all votes cast will be counted without observation of the imposed limits.

RECOMMENDATION FULLY ADOPTED

The Company's Articles of Association do not establish any limitation on the number of votes that may be held or exercised by a shareholder.

II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.

RECOMMENDATION FULLY ADOPTED



The Company does not adopt policies leading to any of the restrictions mentioned in the recommendation. The contracts executed by the Company reflect the defense of the Company's corporate purpose, bearing in mind the long-term sustainability of the business within the market conditions' context.

III – Non-Executive Management, Monitoring and Supervision

Principles:

III.A. The members of governing bodies who possess non-executive management duties or monitoring and supervisory duties should, in an effective and judicious manner, carry out monitoring duties and incentivise executive management for the full accomplishment of the corporate purpose, and such performance should be complemented by committees for areas that are central to corporate governance.

III.B. The composition of the supervisory body and the non-executive directors should provide the company with a balanced and suitable diversity of skills, knowledge, and professional experience.

III.C. The supervisory body should carry out a permanent oversight of the company's managing body, also in a preventive perspective, following the company's activity and, in particular, the decisions of fundamental importance.

Recommendations:

III.1. Without prejudice to question the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator (lead independent director), from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.

RECOMMENDATION FULLY ADOPTED

Considering that, during the 2015-2018 mandate, the Chairman of the Board of Directors has also exercised executive duties as the Co-Chairman of the Executive Committee, it was, upon resolution of the Board of Directors taken at the meeting held on 4th May 2015, appointed the director José Manuel Neves Adelino as Senior Independent Non-Executive Director. Under the provisions of paragraph 2 of Article 1 and Article 13 of the Internal Regulation of the Board of Directors (available at <https://www.sonae.pt/en/investors/government-of-society/>), the Senior Independent Non-Executive Director has the responsibility to coordinate the work of the Non-Executive Directors', both at Board level as well as at Board's specialised committees; to guarantee the existence of the necessary conditions to underpin an independent and informed performance of their non-executive role; and to ensure the continuous flow of information for the proper fulfillment of their legal and statutory duties.

III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed.


RECOMMENDATION FULLY ADOPTED

The number of non-executive members of the Board of Directors, as well as the number of members of the Statutory Audit Board (as detailed in sections 18 and III a) of this Report, respectively), both comply with this recommendation.

III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.

RECOMMENDATION FULLY ADOPTED

The Board of Directors is composed of eight members, six of which are non-executive (see section 18 of this Report).



III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:

- i. having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis;*
- ii. having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years;*
- iii. having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person;*
- iv. having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties;*
- v. having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or*
- vi. having been a qualified holder or representative of a shareholder of qualifying holding.*

RECOMMENDATION FULLY ADOPTED

The Board of Directors is composed of six non-executive independent directors that fulfill the independence criteria of this recommendation (see section 18 of this Report).

The maintenance of the independence criteria is periodically assessed, being the independent directors obliged to immediately notify any fact or situation that may determine the loss of their independence.

III.5. The provisions of (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).

RECOMMENDATION NOT APPLICABLE

By reference to the mandate ended on 31st December 2018, there is no member of the Board of Directors subject to the cooling-off period established in this recommendation (see sections 17 and 18 of this Report).

III.6. Non-executive directors should participate in the definition, by the managing body, of the strategy, main policies, business structure and decisions that should be deemed strategic for the company due to their amount or risk, as well as in the assessment of the accomplishment of these actions.

RECOMMENDATION FULLY ADOPTED

Non-Executive Directors bring an independent perspective to the continuous monitoring of the Executive Committee, exercising an important influence in the decision-making process and in the development of strategy and policy, both within the Board of Directors as well as in the specialised committees of the Board of which they are members to (Board Audit and Finance Committee and Board Nomination and Remuneration Committee) – see section 29 of this Report.

III.7. The supervisory body should, within its legal and statutory competences, collaborate with the managing body in defining the strategy, main policies, business structure and decisions that should be deemed strategic for the company due to their amount or risk, as well as in the assessment of the accomplishment of these actions.

RECOMMENDATION NOT APPLICABLE

The adopted governance model does not include a General and Supervisory Board.

III.8. The supervisory body, in observance of the powers conferred to it by law, should, in particular, monitor, evaluate, and pronounce itself on the strategic lines and the risk policy defined by the managing body.

RECOMMENDATION FULLY ADOPTED

The Board of Directors proactively ensures the working of the internal control and risk management systems. The Statutory Audit Board evaluates the effectiveness of these systems, proposing measures to optimise their performance, as deemed necessary, and giving its opinion on these systems in its annual report and opinion, as attached to the Company's Annual Management Report and accounts available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.

III.9. Companies should create specialised internal committees that are adequate to their dimension and complexity, separately or cumulatively covering matters of corporate governance, remuneration, performance assessment, and appointments.

RECOMMENDATION FULLY ADOPTED

The Board of Directors has set-up two specialised committees that continuously exercised their attributions during the mandate, to ensure the effectiveness and the quality of the work performed. The Committees currently in existence are the Board Audit and Finance Committee and the Board Nomination and Remuneration Committee and their respective competencies are detailed in this Report (see section 29).

III.10. Risk management systems, internal control and internal audit systems should be structured in terms adequate to the dimension of the company and the complexity of the inherent risks of the company's activity.

RECOMMENDATION FULLY ADOPTED

The risk management, internal control and internal audit systems fully comply with this recommendation (see sections 21, 50 to 55 and 69.3 of this Report).


III.11. The supervisory body and the committee for financial affairs should supervise the effectiveness of the systems of risk management, internal control and internal audit, and propose adjustments where they are deemed to be necessary.

RECOMMENDATION FULLY ADOPTED

The Statutory Audit Board establishes, together with the internal audit department, a plan of action, supervises its activities, receives periodic reports on the work performed, assesses the results and conclusions drawn, checks for possible irregularities, and gives guidelines as it deems necessary (see section 38 of this Report).

The Statutory Audit Board evaluates the effectiveness of the internal control and risk management systems, proposing measures to optimise their performance, as deemed necessary, and giving its opinion on these systems in its annual report and opinion, as attached to the Company's Annual Management Report and accounts available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.

III.12. The supervisory body should provide its view on the work plans and resources of the internal auditing service, including the control of compliance with the rules applied to the company (compliance services) and of internal audit,



and should be the recipient of the reports prepared by these services, at least regarding matters related with approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.

RECOMMENDATION FULLY ADOPTED

The Statutory Audit Board establishes, together with the internal audit department, a plan of action, supervises its activities, assesses its suitability in terms of means and objectives, and receives periodic report on the work performed, namely regarding financial information and reporting, conflict of interests' prevention and evaluation of the existence of irregularities. The Statutory Audit Board also reviews the results and conclusions drawn and gives guidelines as it deems necessary (see section 38 of this Report).

IV – Executive Management

Principles:

IV.A. As way of increasing the efficiency and the quality of the managing body's performance and the suitable flow of information in the board, the daily management of the company should be carried out by directors with qualifications, powers and experience suitable for the role. The executive board is responsible for the management of the company, pursuing the company's objectives and aiming to contribute towards the company's sustainable development.

IV.B. In determining the number of executive directors, it should be taken into account, besides the costs and the desirable agility in the functioning of the executive board, the size of the company, the complexity of its activity, and its geographical spread.

Recommendations:

IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors and how these are to carry out their executive functions in entities outside of the group.

RECOMMENDATION FULLY ADOPTED

The Board of Directors' Internal Regulation available at <https://www.sonae.pt/en/investors/government-of-society/>, and the Conflict of Interests Policy in force determine that the acceptance of any duties, by any member of the Board of Directors, either as a member of a governing body or for the exercise of any other significant activity in a Company outside Sonae Group, not authorised by the Shareholders' General Meeting, shall be previously approved by the Board of Directors, with the opinion of the Board Nomination and Remuneration Committee (see section 29 of this Report – Board Nomination and Remuneration Committee).

IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards:


- i. the definition of the strategy and main policies of the company;*
- ii. the organisation and coordination of the business structure;*
- iii. matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.*

RECOMMENDATION FULLY ADOPTED

The Board of Directors has delegated in the Executive Committee the day-to-day management of the Company, being the Executive Committee's competencies described in the Company's Annual Corporate Governance Report (see sections 27 and 28 of this Report). The matters excluded from the terms of the delegation by the Board of Directors are also described in this Report and comply with the rules set forth in this recommendation (see section 27.1 of this Report).

IV.3. In matters of risk assumption, the managing body should set objectives and look after their accomplishment.

RECOMMENDATION FULLY ADOPTED



The Board of Directors sets objectives regarding risk management, in particular risk taking, and ensures its continuous monitoring (see sections 21, 50 to 55 and 69.3 of this Report).

IV.4. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.

RECOMMENDATION FULLY ADOPTED

The Board of Directors proactively ensures the working of the internal control and risk management systems. The Statutory Audit Board evaluates the effectiveness of these systems, supervising and proposing measures to optimise their performance, as deemed necessary, acting, namely in interaction with the Board of Directors, through the Board Audit and Finance Committee, and giving its opinion on these systems in its annual report and opinion, as attached to the Company's Annual Management and Report and Accounts, available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/> (see section 38 of this Report).

V – Evaluation of Performance, Remuneration and Appointment

V.1. Annual evaluation of performance

Principle:

The company should promote the assessment of performance of the executive board and of its members individually, and also the assessment of the overall performance of the managing body and its specialized committees.

Recommendations:

V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and delegated directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.

RECOMMENDATION FULLY ADOPTED


The assessment of the performance of the Board of Directors is carried out in accordance with the principles, valuation criteria and rules established in the Remuneration Policy presented by the Shareholders' Remuneration Committee, and annually approved by the Shareholders' General Meeting.

The Shareholders' Remuneration Committee, appointed by the Shareholders' General Meeting, is responsible for the approval of the remuneration of the members of the Board of Directors and other governing bodies, in representation of the shareholders and in accordance with the Remuneration Policy approved by the Shareholders General Meeting. The Board Nomination and Remuneration Committee supports the Shareholders' Remuneration Committee in carrying out its duties in relation to the assessment of the performance and remuneration of the Executive Directors (see sections 24, 29, 66 and 67 of this Report).

V.1.2. The supervisory body should supervise the company's management, especially, by annually assessing the accomplishment of the company's strategic plans and of the budget, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.

RECOMMENDATION FULLY ADOPTED

The Statutory Audit Board carried out its tasks, as described in section 38.1 of this Report, having, in compliance with the set forth in its Internal Regulation available at <https://www.sonae.pt/en/investors/government-of-society/>, supervised the management of the Company, according to best corporate governance practices and in line with the Statutory Audit Board's competencies, regarding the Board of Directors' compliance with the strategic plan, risk management, as well as the Board's other responsibilities, including those related to the required interaction with the



auditing and management bodies, in order to prevent conflict of interests. The Statutory Audit Board has not issued any report, nor has it made any admonishment, regarding the compliance with the Company's strategic plan and budget, having acted in accordance with the legal applicable rules determining its competency, capacity and duty to intervene.

V.2. Remuneration

Principle:

The remuneration policy of the members of the managing and supervisory boards should allow the company to attract qualified professionals at an economically justifiable cost in relation to its financial situation, induce the alignment of the member's interests with those of the company's shareholders — taking into account the wealth effectively created by the company, its financial situation and the market's — and constitute a factor of development of a culture of professionalization, promotion of merit and transparency within the company.

Recommendations:

V.2.1. The remuneration should be set by a committee, the composition of which should ensure its independence from management.

RECOMMENDATION FULLY ADOPTED

The remunerations are set by the Shareholders' Remuneration Committee, appointed by the Shareholders' General Meeting. The three appointed members of the Shareholders' Remuneration Committee are independent and act in that capacity, thus fulfilling the necessary conditions for the body's independent performance and decision-making process. All the members of the Shareholders' Remuneration Committee have relevant and sufficient knowledge and experience in the field of remuneration policies.

V.2.2. The remuneration committee should approve, at the start of each term of office, execute, and annually confirm the company's remuneration policy for the members of its boards and committees, including the respective fixed components. As to executive directors or directors periodically invested with executive duties, in the case of the existence of a variable component of remuneration, the committee should also approve, execute, and confirm the respective criteria of attribution and measurement, the limitation mechanisms, the mechanisms for deferral of payment, and the remuneration mechanisms based on the allocation of options and shares of the company.

RECOMMENDATION FULLY ADOPTED

The statement on the Company's remuneration policy was presented to the Shareholders' Annual General Meeting held on the 3rd of May 2018, and includes the information referred to in this recommendation.

The statement on the remuneration policy is available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.

V.2.3. The statement on the remuneration policy of the managing and supervisory bodies, pursuant to article 2 of Law no. 28/2009, 19th June, should additionally contain the following:

- i. the total remuneration amount itemised by each of its components, the relative proportion of fixed and variable remuneration, an explanation of how the total remuneration complies with the company's remuneration policy, including how it contributes to the company's performance in the long run, and information about how the performance requirements were applied;*
- ii. remunerations from companies that belong to the same group as the company;*
- iii. the number of shares and options on shares granted or offered, and the main conditions for the exercise of those rights, including the price and the exercise date;*
- iv. information on the possibility to request the reimbursement of variable remuneration;*

v. information on any deviation from the procedures for the application of the approved remuneration policies, including an explanation of the nature of the exceptional circumstances and the indication of the specific elements subject to derogation;

vi. information on the enforceability or non-enforceability of payments claimed in regard to the termination of office by directors.

RECOMMENDATION FULLY ADOPTED

The statement on the Company's remuneration policy presented to the Shareholders' Annual General Meeting includes the information referred to in this recommendation. Payments for the dismissal or termination of appointment of directors are not, subject to the applicable legal provisions, enforceable.

The statement on the remuneration policy is available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.

V.2.4. For each term of office, the remuneration committee should also approve the directors' pension benefit policies, when provided for in the bylaws, and the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office.

RECOMMENDATION NOT APPLICABLE

Payments for the dismissal or termination of appointment of directors are not, subject to the applicable legal provisions, enforceable. Additionally, the approved remuneration policy does not establish any system of retirement benefits.

V.2.5. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.

RECOMMENDATION FULLY ADOPTED

The Shareholders' Remuneration Committee is aligned with this recommendation.

V.2.6. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties. The remuneration committee should ensure that the services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee

RECOMMENDATION FULLY ADOPTED


It is the Shareholders' Remuneration Committee policy to hire internationally recognised consultants to provide support in the carrying out of its duties. The independence of such consultants is ensured by the fact that they are not in any way related to the Board of Directors, to the Company or to the Group, and by their self-evident broad experience and recognised by the market (see section 67 of this Report).

V.3. Directors' Remuneration

Principle:

Directors should receive compensation:

- i) *that suitably remunerates the responsibility taken, the availability and the competences placed at the disposal of the company;*

- 
- ii) *that guarantees a performance aligned with the long-term interests of the shareholders, as well as others expressly defined by them; and*
 - iii) *that rewards performance.*

Recommendations:

V.3.1. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.

RECOMMENDATION FULLY ADOPTED

The remuneration components are disclosed in the Company's Remuneration Policy, which was approved by the Shareholders' Annual General Meeting, and is available at the Company's website at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/> and is further described in sections 69-76 of this Report.

The remuneration policy provides a solid relationship between the fixed and variable component of the remuneration which is suitable to the Company and Group profile, as perceived by the shareholders who approve it on an annual basis at the Shareholders' General Meeting.

V.3.2. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, thereby connecting it to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.

RECOMMENDATION FULLY ADOPTED

The Remuneration Policy, proposed by the Shareholders' Remuneration Committee and approved at the Shareholders' Annual General Meeting held on 3rd May 2018 (available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>), respects the deferral period contained in this recommendation and its vesting value is dependent on the Company's performance during said period, as detailed in sections 69-76 of this Report.

V.3.4. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.

RECOMMENDATION NOT APPLICABLE

The approved remuneration policy does not include the allocations of options.

V.3.5. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.


RECOMMENDATION FULLY ADOPTED

The remuneration of the non-executive members of the Board of Directors consists solely of a fixed amount, without any connection with the Company's performance or its value.

The Company's Remuneration Policy was approved at the Shareholders' Annual General Meeting, held on 3rd May 2018, and is available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/> and is further described in sections 69 to 76 of this Report.

V.3.6. The company should be provided with suitable legal instruments so that the termination of a director's time in office before its term does not result, directly or indirectly, in the payment to such director of any amounts beyond those foreseen by law, and the company should explain the legal mechanisms adopted for such purpose in its governance report.

RECOMMENDATION FULLY ADOPTED



The Company's Remuneration Policy approved at the Shareholders' Annual General Meeting held on 3rd May 2018, available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/> embodies the principle of not attributing any compensation to members of the Board of Directors or members of the statutory governing bodies, related to the loss of office, whether their resignation occurs according to their original mandate or whether it is anticipated for whatever cause or reason, without prejudice to the obligation of the Company to comply with any relevant legislation in force in this area.

V.4. Appointments

Principle:

Regardless of the manner of appointment, the profile, the knowledge, and the curriculum of the members of the company's governing bodies, and of the executive staff, should be suited to the functions carried out.

Recommendations:

V.4.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.

RECOMMENDATION FULLY ADOPTED

The Company approved at the Shareholders' Extraordinary General Meeting, held on 16th December 2015, the Selection and Assessment Policy for Membership of the Statutory Governing Bodies, in compliance with Articles 30 to 32 of the General Regime of Credit Institutions and Financial Companies, applicable to the Company for as long as it holds the majority of the share capital and voting rights of the financial entity Sonaegest – Sociedade Gestora de Fundos de Investimento, S.A., available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/shareholders-extraordinary-general-meeting-16th-december-2015/>, and which complies with this recommendation.

V.4.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee, unless this is not justified by the company's size.

RECOMMENDATION FULLY ADOPTED

The Board of Directors created an internal committee specialised in this matter, the Board Nomination and Remuneration Committee, with the nomination competencies described in this Report (see point 29 of this Report).

V.4.3. This nomination committee includes a majority of nonexecutive, independent members.


RECOMMENDATION FULLY ADOPTED

The Board Nomination and Remuneration Committee is composed of a majority of non-executive independent members, as detailed in this Report (see section 29 of this Report).

V.4.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.

RECOMMENDATION FULLY ADOPTED

The terms of reference of the Board Nomination and Remuneration Committee are included in the Board of Directors' Internal Regulation and are available at the Company's website at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.



The Board Nomination and Remuneration Committee has the competencies described in this Report (see section 29) that comply with the terms of this recommendation, and can in particular engage the services, together with the Shareholders' Remuneration Committee, of external specialised consultants with market recognised independence, suitability and competency.

VI – Risk Management

Principle:

Based on its mid and long-term strategies, the company should establish a system of risk management and control, and of internal audit, which allow for the anticipation and minimization of risks inherent to the company's activity.

Recommendations:

VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include a definition of the levels of risk considered acceptable.

RECOMMENDATION FULLY ADOPTED

The Board of Directors determines the strategy and risk policy of the Company, defining and monitoring the existence of acceptable risk levels. The Board Audit and Finance Committee (BAFC) regularly reports to the Board of Directors about its work, the conclusions that it has reached and proposes plans of action with the goal of proactively ensuring internal control and the functioning of the Company's risk management system (see section 29 of this Report).

VI.2. Based on its risk policy, the company should establish a system of risk management, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; (iv) the monitoring procedures, aiming at their accompaniment; and (v) the procedure for control, periodic evaluation and adjustment of the system.

RECOMMENDATION FULLY ADOPTED

The Board of Directors has established internal risk control systems with appropriate components (please refer to sections 50 to 55 of this Report).

VI.3. The company should annually evaluate the level of internal compliance and the performance of the risk management system, as well as future perspectives for amendments of the structures of risk previously defined.

RECOMMENDATION FULLY ADOPTED

The Board of Directors has established an ongoing assessment system of the risk management system performance, aiming to adapt it to new circumstances and contingencies (see sections 38.1 A and B, 50 to 52 and 54 to 55 of this Report).

VII – Financial Statements and Accounting

VII.1. Financial Information

Principles:

VII.A. The supervisory body should, with independence and in a diligent manner, ensure that the managing body complies with its duties when choosing appropriate accounting policies and standards for the company, and when establishing suitable systems of financial reporting, risk management, internal control, and internal audit.

VII.B. The supervisory body should promote an adequate coordination between the internal audit and the statutory audit of accounts.

Recommendations:

VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.

RECOMMENDATION FULLY ADOPTED

The Statutory Audit Board's Internal Regulation includes these responsibilities and is available at <https://www.sonae.pt/en/investors/government-of-society/>.

VII.2. Statutory audit of accounts and supervision

Principle:

The supervisory body should establish and monitor clear and transparent formal procedures on the form of selection of the company's statutory auditor and on their relationship with the company, as well as on the supervision of compliance, by the auditor. with rules regarding independence imposed by law and professional regulations.

Recommendations:

VII.2.1. Through the use of internal regulations, the supervisory body should define:

- i. the criteria and the process of selection of the statutory auditor;*
- ii. the methodology of communication between the company and the statutory auditor;*
- iii. the monitoring procedures destined to ensure the independence of the statutory auditor;*
- iv. the services, besides those of accounting, which may not be provided by the statutory auditor.*

RECOMMENDATION FULLY ADOPTED

The Statutory Audit Board's Internal Regulation, available at the Company's website at <https://www.sonae.pt/en/investors/government-of-society/> defines the Statutory Audit Board' competencies, including the ones referred to in this Recommendation.

VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.

RECOMMENDATION FULLY ADOPTED

The Statutory Audit Board is responsible for proposing the appointment and dismissal of the Statutory External Auditor and of the External Auditor, approving the remuneration, overseeing the work performed and verifying their independence. The Statutory Audit Board is also primordially responsible for receiving the Statutory External Auditor and the External Auditor's reports and for the direct interaction, pursuant to Statutory Audit Board's competencies and its respective Regulation, available at the Company's website <https://www.sonae.pt/en/investors/government-of-society/>.


VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.

RECOMMENDATION FULLY ADOPTED

The assessment of the work performed by the Statutory External Auditor can be checked in the Statutory Audit Board's annual report and opinion.

VII.2.4. The statutory auditor should, within their powers, verify the application of policies and systems of remuneration of governing bodies, the effectiveness and the functioning of the mechanisms of internal control, and report any irregularities to the supervisory body.

RECOMMENDATION FULLY ADOPTED



The Statutory External Auditor has evaluated the activities carried out during 2018 financial year in its annual audit report, which is subject to approval by the Shareholders' Annual General Meeting and is available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.

VII.2.5. The statutory auditor should collaborate with the supervisory body, immediately providing information on the detection of any relevant irregularities as to the accomplishment of the duties of the supervisory body, as well as any difficulties encountered whilst carrying out their duties.

RECOMMENDATION FULLY ADOPTED

The Statutory External Auditor is aligned with this Recommendation.

The Statutory Audit Board is responsible for overseeing the work performed by the Statutory External Auditor and primordially receives its reports, directly interacting with the Statutory External Auditor, pursuant to the Statutory Audit Board's competencies and the rules set forth in its Internal Regulation available at <https://www.sonae.pt/en/investors/government-of-society/>.



Appendix

1. Board of Directors

1.1. Professional qualifications and curricular references

Duarte Paulo Teixeira de Azevedo	
Date of Birth	31 st December 1965
EDUCATION	
1986	Graduate Degree in Chemical Engineering – Federal Polytechnic School of Lausanne
1989	Master in Business Administration – Porto Business School
EXECUTIVE EDUCATION	
1994	Executive Retailing Program – Babson College
1996	Strategic Uses of Information Technology Program – Stanford Business School
2002	Breakthrough Program for Senior Executives – IMD Lausanne
2008	Proteus Programme – London Business School
2012	Corporate Level Strategy – Harvard Business School
PROFESSIONAL EXPERIENCE	
	Sonae Group
1988-1990	Project manager and analyst of new investments at Sonae Tecnologias de Informação
1990-1993	Organisational Development Project Manager and New Businesses Commercial Manager for Portugal at Sonae Indústria, SGPS, S.A. (Wood Based Panels)
1993-1996	Head of Strategic Planning and Control and Organisational Development of Sonae Investimentos – SGPS, SA (currently Sonae - SGPS, SA)
1996-1998	Executive Member of the Board of Directors of Modelo Continente Hipermercados (Merchandising, IT and Marketing Retail)
1998-2000	Executive Member of the Board of Directors of Optimus - Telecomunicações, SA (Mobile Operator)
2000-Abril 2007	Executive Director of Sonae - SGPS, SA
2000-2007	CEO of Sonaecom, SGPS, SA
2002-2007	Chairman of the Supervisory Board of Público Comunicação Social, SA
2003-2007	Chairman of the Supervisory Board of Glunz, AG
2004-2007	Chairman of the Board of Directors of Tableros de Fibras, SA (Tafisa)
2007-2014	Chairman of the Board of Directors of Sonaecom, SGPS, SA
2007-April 2015	CEO of Sonae – SGPS, SA
2007 – March 2015	Vice-Chairman of the Board of Directors of Sonae Indústria, SGPS, SA
2007-2018	Chairman of the Board of Directors of Sonae Investimentos, SGPS, S.A (currently known as Sonae MC, SGPS, S.A.)
2008-2014	Chairman of the Board of Directors of MDS, SGPS, SA
2009-2013	Chairman of the Board of Directors of Sonaegest – Sociedade Gestora de Fundos de Investimento, SA
2010-2016	Chairman of the Board of Directors of Sonae – Specialised Retail, SGPS, S.A.
2010-January 2019	Chairman of the Board of Directors of Sonae MC – Modelo Continente, SGPS, S.A. (currently known as Modelo Continente, SGPS, SA)
2013-2018	Chairman of the Board of Directors of Sonae MC, Serviços Partilhados, SA (formerly known as Sonae Center Serviços, II, SA)
Since May 2007	Chairman of the Board of Directors of Sonae Sierra, SGPS, SA
Since March 2015	Chairman of the Board of Directors of Sonae Capital, SGPS, SA
Since March 2015	Chairman of the Board of Directors of Sonae Indústria, SGPS, SA
Since April 2015	Chairman of the Board of Directors and Co-CEO of Sonae - SGPS, SA
Since May 2016	Chairman of the Board of Directors of Sonae Arauco Portugal, SA
Since 2018	Chairman of the Board of Directors of Sonae Corporate, SA
Other Entities	
2001-2002	Chairman of Apritel – Associação dos Operadores de Telecomunicações (Association of Electronic Telecommunication Companies)
2001-2008	Member of the Supervisory Board of Porto Business School
2004-2011	Member of the Supervisory Board of IPCG – Instituto Português do Corporate Governance
2006-2013	Member of the Board of Founding Members of Casa da Música Foundation
2008-2009	Member of the Supervisory Board of AEP – Portuguese Entrepreneurship Association
2009-2014	Member of the Board of Curators of AEP - Portuguese Entrepreneurship Association
2009-2015	Chairman of the Board of Curators of Oporto University
2012-2015	Director of Cotec
2012-2017	Member of the Board of Curator of the Belmiro de Azevedo Foundation
Since 2008	Member of the European Round Table of Industrialists (ERT)

Since 2013	Member of International Advisory Board of Allianz SE
Since 2015	Member of Consejo Iberoamericano para la Productividad y la Competitividad

Ângelo Gabriel Ribeirinho dos Santos Paupério

Date of Birth
14th September 1959

EDUCATION

1982 Graduate Degree in Civil Engineering – FEUP
1988-1989 Master in Business Administration – Porto Business School

PROFESSIONAL EXPERIENCE

1982-1984	Structural Design Project Manager at Tecnopor (Civil Engineering)
1984-1989	Manager at EDP (Energy)
1989-1991	Leader of the Television Project Team at Sonae Tecnologias de Informação, SA
1989-2007	Member of the Board of Directors of Modelo Continente Hipermercados, SA
1991-1994	Head of Planning and Management Control at Sonae Investimentos - SGPS, SA (currently Sonae - SGPS, SA)
1994-1996	Director of several businesses within Sonae Distribuição SGPS, SA (currently Sonae MC - SGPS, SA) (Retail)
1996-2007	CFO of Sonae Distribuição SGPS, SA (currently Sonae MC - SGPS, SA)
1996-2007	Executive Member of the Board of Directors of Sonae Capital, SGPS, SA
2000-2007	Executive Member of the Board of Directors, CFO and member of the Finance Committee of Sonae - SGPS, SA
2004-2009	Member of the Board of Directors of MDS – Corretor de Seguros, SA
2005-2016	Executive Member of the Board of Directors of Sonae Investments BV
2006-2016	Executive Member of the Board of Directors of Sontel BV
2007-April 2015	Vice-CEO of Sonae – SGPS, SA
2007-March 2018	Member of the Board of Directors of MDS, SGPS, SA (Chairman of the Board of Directors since October 2014)
2010-2016	Vice-Chairman of the Board of Directors of Sonae – Specialized Retail, SGPS, SA (Merger Sonae MC – Modelo Continente, SGPS, SA)
2010-2016	Chairman of the Board of Directors of Sonae RP – Retail Properties, SA
2010-2016	Chairman of the Board of Directors of MDS Auto, Mediação de Seguros, SA
2010-2016	Member of the Supreme Counsel of Universidade Católica Portuguesa
2010-2018	Member of the Board of Directors of Sonae Center Serviços II, SA (currently Sonae MC – Serviços Partilhados, SA)
2011-2015	Member of the Superior Counsel of Porto Business School
2012-2016	Chairman of the Board of Directors of Sonaecom – Serviços Partilhados, SA
2013-2016	Chairman of the Board of Directors of Sonae RE, SA
2013-2016	Chairman of the Board of Directors of Sonaegest – Sociedade Gestora de Fundos de Investimento, SA
Since 2007	Non-Executive Member of the Board of Directors of Sonae Sierra, SGPS, SA
Since 2007	Member of the Board of Directors of Sonae Investimentos, SGPS, S.A. (currently Sonae MC, SGPS, SA) (Chairman of the Board of Directors since October 2018)
Since 2007	Executive Chairman of the Board of Directors of Sonaecom, SGPS, SA
Since 2007	Non-Executive Chairman of the Board of Directors of Sonae Investment Management – Software and Technology, SA
Since 2007	Non-Executive Chairman of the Board of Directors of Público – Comunicação Social, SA
Since 2009	Executive Chairman of the Board of Directors of Sonae MC – Modelo Continente, SGPS, SA (currently Modelo Continente, SGPS, SA)
Since 2012	Executive Member of the Board of Directors of ZOPT, SGPS, SA
Since 2013	Non-Executive Member of the Board of Directors of NOS, SGPS, SA
Since 2014	Chairman of the Board of Directors of Sonae Financial Services, SA (currently performing non-executive tasks)
Since April 2015	Co-Chairman of the Executive Committee of Sonae – SGPS, S.A.
Since 2016	Chairman of the Board of Directors of SFS, Gestão e Consultoria, SA
Since 2018	Vice-Chairman of the Board of Directors of Iberian Sports Retail Group, S.L.
Since 2018	Chairman of the Board of Directors of Sonaecenter, Serviços, SA
Since 2018	Member of the Board of Directors of Sonae Corporate, SA

José Manuel Neves Adelino

Date of Birth
19th March 1954

EDUCATION

1976 Graduate Degree in Finance, Universidade Técnica de Lisboa
1981 DBA, Finance, Kent State University

PROFESSIONAL EXPERIENCE

1978-1981 Teaching Fellow, Kent State University
1981-1986 Member of the Directive Council, Faculty of Economics, Universidade Nova de Lisboa
1981-2012 Professor, Faculty of Economics, Universidade Nova de Lisboa
1986-1989 Assistant Professor, Universidade Católica Portuguesa
1987-1989 Assistant Professor, Bentley College
1988 Assistant Professor, ISEE
1990-1996 Dean, MBA Program and Executive Program, Faculty of Economics, Universidade Nova de Lisboa
1992-1994 Non-Executive Member of the Board of Directors, BPA
1994-2002 Member of the Management Board of the Deposit Guarantee Fund
1999-2002 Dean, Faculty of Economics, Universidade Nova de Lisboa
1999-2004 Member of the Global Advisory Board of Sonae - SGPS, SA
2003-2006 Non-Executive Member of the Board of Directors and Chairman of the Audit Committee of EDP
2003-2006 Strategy Advisory Board of PT
2003-2007 Member of the Board Nomination and Remuneration Committee of Sonae - SGPS, SA
2003-2010 Member of the Investment Committee of Fundo Caravela
2008-2014 Member of the Statutory Audit Board of Banco BPI
2010-2014 Non-Executive Member of the Board of Directors of Cimpor
2012-2014 Finance and Investment Director - Calouste Gulbenkian Foundation

Andrew Eustace Clavering Campbell

Date of Birth
3rd August 1950

EDUCATION

1969-1973 MA in Economics – Edinburgh University
1976-1978 MBA – Harvard Business School

PROFESSIONAL EXPERIENCE

1978-1984 Mckinsey & Co, Consultant
1984-1987 Professor at the London Business School
Since 1987 Director of Ashridge Strategic Management Centre Part of Ashridge Business School
Since 2014 Director of Campbell Associates Consulting Ltd

Christine Cross

Date of Birth
13th June 1951

EDUCATION

1973 B.Ed. (Distinction), Food Science and Nutrition, Newcastle University
1983 MSc in Food Science (Distinction), University of Reading
1990 Degree in Management Studies – Open University (OU)

PROFESSIONAL EXPERIENCE

1975-1978 Lecturer in Food and Nutrition - Edinburgh University
1979-1985 Senior Lecturer - Bath SPA University College
1985-1989 Principal Lecturer and Dean of BSc (Hons) Programme - Bath SPA University College
1989-2003 Tesco PLC

1989-1990	Head of Consumer Services
1990-1994	Divisional Director, Technical Services
1994-1997	Commercial Director
1998-2002	World Non Food Retail Procurement Director
2002-2003	Group Business Development Director
1997-2003	Visiting Professor, , Consumer Studies - University of Ulster
2002-2005	Non-Executive Director of George Wimpey, plc
2003-2011	Non-Executive Director (Member of the Nomination and Remuneration Committee) of Sobeys Inc, Canada
2005-2006	Non-Executive Director of Fairmont Hotels Inc
2005-2014	Non-Executive Director (Member of the Audit, Remuneration and Nomination Committee) Next plc
2006-2013	Retail Advisor of Apax Private Equity
2006-2014	Retail Advisor of Warburg Pincus Private Equity
2007-2009	Visiting Professor, University of Hull Business School
2008-2009	Non-Executive Director of Premier Foods plc
2009-2016	Non-Executive Director of Plantasien (Apax PE)
2010-2013	Chief Retail Advisor, PwC
2012-2015	Non-Executive Director (PPC Chair) of Woolworths (Australia) plc
2012-2017	Non-Executive Director of Kathmandu (New Zealand) plc
2014-2015	Board Advisor of Javelin ecommerce
2014-2017	Non-Executive Director of Brambles (Australia) plc
2014-2018	Non-Executive Director of Fenwick (UK)
Since 2003	Director of Christine Cross Ltd (retail independent consultancy firm)
Since August 2013	Consultant at MHJL
Since May 2015	Board Advisor of River Island
Since March 2016	Non-Executive Director of Hilton Food Group
Since May 2016	Non-Executive Director of Coca Cola European Partners
Since October 2016	Non-Executive Director of Pollen Estate

Tsega Gebreyes

Date of Birth
14th December 1969

EDUCATION

1986-1990	<p>Rhodes College Awarded Dual-Degree Received highest honors distinction for major in economics and cum laude for major in International Studies Received Summa Cum Laude distinction for a senior thesis Elected president of Economics Honor Society and member of International Studies Honor Society Appointed Editor of Economics Journal and elected President of Investment Group, a student managed fund Received Sophomore Woman of the Year award and the Ralph C. Hon Leadership award Elected member of two leadership honor societies Appointed member of college's Board of Trustees Elected Student Government class representative and appointed President of New York area Alumni Club</p>
1994-1996	<p>Harvard University Graduate School of Business Administration, Boston, USA Candidate for Master in Business Administration degree, June 1996 Project team leader for Volunteer Consulting Organization, client: National Foundation for Teaching Entrepreneurship. Elected section student Career Representative Project team member for European Business Conference Member of Finance Club and Venture Capital Club</p>

PROFESSIONAL EXPERIENCE

1990-1994	<p>Citicorp Securites, INC Capital Markets: Associate Received special appointment to core team of six professionals who structured investment grade, tradable securities from a \$1 billion fund of non-investment grade, airline industry related, financial assets Co-designed and built extensive financial models to value each class of cash flow. Analysed alternatives and developed a method for measuring return volatility and correlation with other financial instruments. Persuaded rating agency to assign investment grade rating to a large portion of the fund Jointly marketed non-investment grade portion of the fund to principal and hedge funds. Identified investor concerns, developed alternative solutions, selected best alternative and convinced investors and project team members of its merit</p>
-----------	---

	<p>Researched, analysed and integrated legal, tax, accounting and investor restrictions across several country jurisdictions to develop an optimal fund structure. Jointly-persuaded senior management to underwrite \$1B of assets</p> <p>Executed due diligence and independently valued debt and equity instruments purchased for inclusion in the fund</p>
1995-1996	<p>Mckinsey & Company, INC. Business Strategy Associate</p> <p>Member of team that explored diversification strategy for a major English food retail chain. Designed economic analysis of proposition and estimated market potential. Authored and presented findings to senior client managers. Evaluated product/market fit for major U.K. clothing retail chain. Performed market research, analysed store operations and identified drivers of success</p>
1996-2000	<p>New Africa Opportunity Fund, LLP (re-named Zeypher Opportunity Fund, LLP) Partner</p> <p>OPIC-backed private equity fund focused on making investments in SADC region in Africa Founding partner</p> <p>Responsible for identifying, analyzing and selecting investments within the Northern SADC countries Reviewed and selected investments in wide range of industries with primary focus on telecommunication, media, financial institutions, services and fast moving consumer goods sectors</p> <p>Jointly marketed the Fund to investors to close \$120 million fund from US investors; raised \$40 million in equity to underpin the OPIC guarantee of \$80 million</p> <p>Established a regional office in Kenya to support activities Provided support to the various portfolio companies as a Board director and through managing fundraising activities, identifying strategic partners and recruiting talent</p>
2000-2007	<p>Celtel International BV/Zain Director Mobile Commerce and New Product Development</p> <p>Developed mobile commerce business strategy and manage business operations and service deployment Deployed payment processing business with 30% enterprise value increase on organization Managed private equity placement efforts during 2000-1Q 2001 Implemented first African mobile payment operation for Celtel Worked on design of global roll out plan for Pan-African expansion</p>
2003	<p>Chief Business Development and Mergers & Acquisitions Officer Member of executive management team reporting to Board Participated in setting strategy and reviewing overall performance as a member of executive management team Served on Boards of subsidiary companies to support general corporate governance Responsible for identifying and acquiring businesses in new countries Responsible for identifying new lines of business and areas of new growth within existing countries Lead negotiations, analysis and relationship development to create entry into new area of expansion</p>
2005	<p>Chief Strategy and Development officer Member of executive management team reporting to Board Continued previous responsibilities in addition to taking oversight for strategy and communications Completed a number of acquisitions and investments in mobile companies across Africa, including \$1.2 billion in Nigeria; \$ 100 million in Madagascar; \$250 million in Kenya; \$40 million in Tanzania Led M&A sale of Celtel to MTC which resulted in \$3.4 billion to shareholders</p>
2007	<p>Senior Group Advisor Provided business development support and advice. Sat on various boards representing companies, including: Celtel Kenya Board Member, Chair, Audit Committee Celtel Ghana advisor Celtel Nigeria Board Member, Audit Committee</p>
Since 2007	<p>Satya Capital Limited Founding Director, Managing Partner</p> <p>Investment Group focused on private equity opportunities in Africa Established business with responsibility for full range of activities ranging from legal & office set-up to recruitment of other partners and Investment Professionals Defined investment strategy, recruited Board and sector advisors and Investors Raised \$200 million seed funding and planning to raise additional \$400-600 million</p>

Marcelo Faria de Lima

Date of Birth

1st December 1961

EDUCATION

1981-1985 Graduate Degree in Economics Pontifical Catholic University of Rio de Janeiro, Rio de Janeiro, Brazil

PROFESSIONAL EXPERIENCE

1988-1989 Professor, Pontifical Catholic University of Rio de Janeiro, Rio de Janeiro, Brazil

1989-1996 Commercial Banker of ABN AMRO Bank, São Paulo, Brazil/ Chicago, United States

1996-1998	Vice-Chairman of Banco Garantia, São Paulo, Brazil Investments Bank
1998-2000	Manager of Donaldson, Lufkin & Jenrette, São Paulo, Brazil Investments Bank
2000	Co-founder and CEO of Areautil, São Paulo, Brazil Internet gateway for property business
2000-2003	Co-founder and CEO of EugênioWG, São Paulo, Brazil Advertising Agency
2002-2005	Member of the Board of Directors of Neovia Telecomunicações SA, São Paulo, Brazil Wi-Fi Company/ WiMax at São Paulo State
2007-2016	Vice-Chairman of the Board of Directors of Produquímica Indústria e Comércio SA, São Paulo, Brazil Leadership company in the solutions production in micronutrient for agriculture and animal food, which also produces ingredients for the treatment of water for industrial processes
2009-2016	Member of the Board of Directors of C1 Financial Inc., Saint Petersburg, Florida, United States Public company registered in the Securities and Exchange Commission of the United States, being its shares negotiated at NYSE under the ticker BNK. Commercial Bank acting in Florida, United States, with total assets in an amount higher than US\$ 1.500 million. This company was incorporated by another bank in 2016
Since February 2003	Shareholder and Co-founder of Artesia Gestão de Recursos SA, São Paulo, Brazil Company authorised by CVM – Securities and Exchange Commission of Brazil for the professional exercise of the Management of the Securities Investors Portfolio
Since January 2004	Chairman of the Board of Directors of Metafrio Solutions SA, São Paulo, Brazil Public company, with shares negotiated in BM&FBovespa under the ticker FRIO3, it is a Brazilian multinational company, and one of the world's largest manufacturers of commercial refrigeration equipment Plug-In type, operating in Brazil, United States of America, Mexico, Denmark, Turkey, Russia, Ukraine, Indonesia and India
Since January 2008	Vice-Chairman of the Board of Directors of Restoque Comércio e Confecções de Roupas SA, São Paulo, Brazil Public company, with shares negotiated at BM&FBovespa under the ticker LLIS3, it is one of the largest retail companies in the high pattern apparel and accessories sector, cosmetics and decoration articles, in Brazil, with annual income of over R\$ 1.000 million
Since March 2008	Chairman of the Board of Directors of Klimasan Klima Sanayi ve Ticaret A.Ş. Izmir, Turkey Public company, duly registered in Turkey's Capital Markets Board, being its shares negotiated at Istanbul Stock Exchange under the ticker KLMSN. Company controlled by Metafrio Solutions SA, Klimasan operates in the commercial refrigeration sector, Plug-In type

Dag Johan Skatum

Date of Birth

19th April 1961

EDUCATION

1980	Science Gjovik, Norway, High School
1984	Bachelor of Arts, Allegheny College, Meadville, PA (USA),
1986	MBA Simon School of Business, University of Rochester, Rochester, NY (USA)

PROFESSIONAL EXPERIENCE

1986-2007	J.P.Morgan Various roles, including head of North American M&A and European M&A
2007-2013	Partner London office of TPG
2013-2014	Consulting business of Abingdon Partners LLC
2013-2014	Managing Director of One Thousand & Voices
2000 - Present	Allegheny College Trusted advisor to prior and current President of the College Co-chaired capital campaigns
2011 - Present	Right to Play Member of the Board of Directors (Toronto, Canada HQ) Member of the Board of Directors at the UK and the US Chairman of the Human Resources Committee Chair of CEO Succession Committee (non completed) and CEO Integration Committee Trusted advisor to CEO and Founder (on going)
2012 - Present	Myelona Institute, Little Tock, Arkansas Vice Chairman of the Board of Directors

	Co-chaired CEO succession committee of the Board
	Trusted advisor to prior and current director of cancer institute (on going)
2014 - Present	Nabors Industries
	Member of the Board of Directors recruited for expertise in corporate finance and strategy (on going)
Since 2015	Vice-Chairman of J.P.Morgan Limited

Margaret Lorraine Trainer	
Date of Birth	13th March 1952
EDUCATION	
1970-1971	Diplome Superieur, Sorbonne Paris
1971-1975	M.A.(2i) French, St Andrews University
PROFESSIONAL EXPERIENCE	
1975-1990	Citibank NA
1975-1986	H.R. roles of both specialist and generalist natures
1986-1988	Chief of Staff to Head of UK Treasury
	A non-HR role including assignments in capital hedging, risk assessment, speech writing, and foreign exchange and funding limits management
1988-1989	Head of HR UK and N. Europe, London
1989-1990	Head of HR for EMEA based in Frankfurt
1990-1994	London Stock Exchange
	Head of Human Resources and member of the Executive Board, responsible for formulating strategy and leading the Exchange from being a trade association to an organisation using current commercial practices
1994-2000	Coutts Natwest Group
	Head of Human Resources and Organisation Development responsible for all HR activities in International Private Banking
2001-2006	De Beers LV Ltd
	Member of the start-up team for this joint venture created in 2001 between LVMH and De Beers to launch a global retail diamond jewellery business, advising on organisation and people strategy
2005-2013	Aegis PLC
	Non-Executive Member of the Board of Directors and Chairman of Remuneration Committee (since 2010)
2006-2008	Manchester Square Partners
	Working with the founding partners to support them in developing a search-based business mentoring practice at board level
2008-2015	Sonae - SGPS, SA
	Advice to Chairman
	Providing board level succession planning services, and director development
2013-2015	Colt SA
	Non-Executive Member of the Board of Directors and since 2014 Chairman of Remuneration Committee. Member of the Nomination Committee. Fidelity purchased all the independent shareholdings and independent directors stood down
2010-2018	Jupiter Fund Management PLC
	Non-Executive Member of the Board of Directors and Member of the Audit Committee and the Nomination Committee. Member of the Remuneration Committee
Since 2018	TP ICAP
	Non-Executive Member of the Board of Directors, Chairman of the Nomination and Remuneration Committee and Member of the Audit Committee
Since 2013	Essentra PLC
	Non-Executive Member of the Board of Directors and, since 2014, Chairman of the Remuneration and Nomination Committee. Member of the Audit Committee.

1.2. Positions held in other entities

Duarte Paulo Teixeira de Azevedo

Offices held in other companies within Sonae

Chairman of the Board of Directors of Sonae Sierra, SGPS, SA

Chairman of the Board of Directors of Sonae Corporate, SA

Offices held in other companies outside Sonae

Chairman of the Board of Directors of Sonae Indústria, SGPS, SA

Chairman of the Board of Directors of Sonae Arauco Portugal, SA

Chairman of the Board of Directors of Sonae Capital, SGPS, SA

Chairman of the Board of Directors of Migracom, SA

Chairman of the Board of Directors of Imparfin – Investimentos e Participações Financeiras, SA

Member of the Board of Directors of Efanor Investimentos, SGPS, SA

Member of the Board of Directors of EFANOR – Serviços de Apoio à Gestão, SA

Member of the Board of Directors of BA Glass I – Serviços de Gestão e Investimentos, SA

Manager Partner of OKUK, Lda

Member of the European Round Table of Industrialists (ERT)

Member of International Advisory Board of Allianz SE

Member of Consejo Iberoamericano para la Productividad y la Competitividad

Ângelo Gabriel Ribeirinho dos Santos Paupério

Offices held in other companies within Sonae

Executive Chairman of the Board of Directors of Sonaecom, SGPS, SA

Non-Executive Chairman of the Board of Directors of Sonae Investment Management – Software and Technology, SA

Non-Executive Chairman of the Board of Directors of Público - Comunicação Social, SA

Executive Member of the Board of Directors of ZOPT, SGPS, SA

Non-Executive Member of the Board of Directors of NOS, SGPS, SA

Non-Executive Chairman of the Board of Directors of Sonae Financial Services, SA

Chairman of the Board of Directors of SFS – Gestão e Consultoria, SA

Chairman of the Board of Directors of Modelo Continente, SGPS, SA

Chairman of the Board of Directors of Sonae MC, SGPS, SA

Vice-Chairman of the Board of Directors of Iberian Sports Retail Group, SL

Chairman of the Board of Directors of Sonaecenter, Serviços, SA

Member of the Board of Directors of Sonae Corporate, SA

Non-Executive Member of the Board of Directors of Sonae Sierra, SGPS, SA

Offices held in other companies outside Sonae

Member of the Board of Directors of Efanor Investimentos, SGPS, SA

Member of the Board of Directors of Love Letters – Galeria de Arte, SA

Chairman of the Board of Directors of Enxomil – Consultoria e Gestão, S.A

Chairman of the Board of Directors of Enxomil – Sociedade Imobiliária, S.A.

Chairman of the Board of Directors of APGEI (Associação Portuguesa de Gestão e Engenharia Industrial)

José Manuel Neves Adelino

Offices held in other companies within Sonae

None

Offices held in other companies outside Sonae

Member of the Board of Directors of the Calouste Gulbenkian Foundation



Andrew Eustace Clavering Campbell

Offices held in other companies within Sonae

None

Offices held in other companies outside Sonae

Director of Ashridge Strategic Management Centre Part of Ashridge Business School

Director of Campbell Associates Consulting Ltd

Christine Cross

Offices held in other companies within Sonae

None

Offices held in other companies outside Sonae

Director of Christine Cross Ltd

Non Executive Director of Hilton Food Group

Non-Executive Director of Coca Cola European Partners

Non-Executive Director of Pollen Estate

Board Advisor of MHJL

Board Advisor of River Island

Tsega Gebreyes

Offices held in other companies within Sonae

None

Offices held in other companies outside Sonae

Founding Director of Satya Capital Limited

Director of SES, SA

Director of TYMM Partners

Marcelo Faria de Lima

Offices held in other companies within Sonae

None

Offices held in other companies outside Sonae

Shareholder and Co-founder of Artesia Gestão de Recursos SA

Member of the Board of Directors of Amber International LLC

Member of the Board of Directors of Alper Consultoria e Corretora de Seguros, SA

Manager of Baixo Augusta Hotel, Lda

Managing Partner of CBM Holding Qualified Family, LP (Canada)

Member of the Board of Directors of CBM Holding Qualified Family, LP (New Zealand)

Managing Partner of CBM Holding Subsidiary, LP (Canada)

Chairman of Colfax Participações, SA

Director of Dover Participações, SA

Manager of GCR Administração e Participações, Lda

Chairman of the Board of Directors of Klimasan Klima Sanayi ve Ticaret AŞ
Managing Partner of Lima & Smith Ltda
Chairman of the Board of Directors of Metalfrio Servicios SA de CV
Member of the Board of Directors of Metalfrio Solutions AS
Chairman of the Board of Directors of Metalfrio Solutions SA
Chairman of the Board of Directors of Metalfrio Solutions Sogutma Sanayi Ve Ticaret AS
Director of Nova Bahia Empreendimentos
Member of the Board of Directors of Peach Tree LLC
Chairman of the Board of Directors of Restoque Comércio e Confecções de Roupas SA
Manager of Rio Verde Consultoria e Participações Ltda
Manager of Tira-Chapéu Empreendimentos Ltda
Member of the Board of Directors of Turquoise Capital CV

Dag Johan Skattum

Offices held in other companies within Sonae

None

Offices held in other companies outside Sonae

Allegheny College
Trusted advisor to prior and current President of the college
Right to Play
Board member global board (Toronto, Canada HQ)
Member of the Board of Directors at the UK and the US
Chairman of the Human Resources Committee
Chair of CEO succession committee (not completed) and Chairman of the CEO's Integration Committee
Trusted advisor to CEO and Founder (on going)
Myelona Institute, Little Tock, Arkansas
Vice Chairman of the Board of Directors
Co-chaired CEO succession committee of the board
Trusted advisor to prior and current director of cancer institute (on going)
Member of the Board of Directors of Nabor Industries
Vice-Chairman of J.P. Morgan Limited
Vice-Chairman of J.P. Morgan Securities PLC

Margaret Lorraine Trainer

Offices held in other companies within Sonae

None

Offices held in other companies outside Sonae

Non-Executive Director and, since 2014, Chairman of the Nomination and Remuneration Committee and Member of the Audit Committee at Essentra PLC
Non-Executive Director, Chair of Nomination and Remuneration Committee and Member of Audit Committees of TP ICAP

2. Statutory Audit Board

2.1. Professional qualifications and curricular references

Daniel Bessa Fernandes Coelho	
Date of Birth	6th May 1948
EDUCATION	
1970	Graduate Degree in Economics – University of Oporto
1986	Phd in Economics – Universidade Técnica de Lisboa
PROFESSIONAL EXPERIENCE	
1970-2009	Lecturer at the University of Oporto:
1970-1999	- Faculty of Economics
1988-2000	- ISEE (Institute for Entrepreneurship Studies)
1989-2002	- Faculty of Engineering
2000-2008	- EGP (currently Porto Business School)
2008-2009	- EGP – University of Porto Business School (currently Porto Business School)
2009-2009	- Faculty of Economics
1978-1979	Dean of the Faculty of Economics of the University of Oporto
1989-1990	Chairman of the Founding Committee of the School of Technology and Management (ESTG) of the Polytechnic Institute of Viana do Castelo (IPVC)
1990-1995	Vice-Dean of the Financial Management Guidance of the University of Oporto
1995-1996	Minister of Economy of the Portuguese Government
1996-2000	Executive Director of AURN – Associação das Universidades da Região Norte
1996-2006	Non-Executive Member of the Board of Directors of CELBI - Celulose Beira Industrial
1997-1999	Non-Executive Member of the Board of Directors of INPARSA – Indústrias e Participações, SGPS, SA
1997-2007	Chairman of the Statutory Audit Board of SPGM - Investment Company
1997-2008	Member of the Board of Directors of Finibanco, SA
1999-2002	Chairman of the Board of the Shareholder's General Meeting of APDL –Management of Douro and Leixões Ports
1999-2006	Member of the Advisory Board of Sonae – SGPS, SA and Sonae Industria, SGPS, SA
2000-2012	Chairman of the Advisory Board of IGFCSS – Portuguese Institute for Welfare Funds Management
2001-2003	Advisory member of the Consulting Council of Electric and Telephone Conductors Industries F. Cunha Barros, SA
2001-2011	Member of the Board of Directors of Finibanco Holding, SGPS, SA
2003-2014	Responsible for the Mission PRASD – Program for the rehabilitation of sectors within the Ministry of Economics, Ministry of Social Security and Ministry of Labour of the Portuguese Government
2004-2013	Non-Executive Member of the Board of Directors of Efacec Capital, SGPS, SA
2007-2011	Non-Executive Member of the Board of Directors of the Agency for Investment and External Commerce of Portugal - AICEP, E.P.E.
2009-2016	Managing Director of COTEC Portugal, Business Association for Innovation
2011-2012	Member of the Supervisory Board of Banco Comercial Português, SA
2016-2019	Non-Executive Member of the Board of Directors of Amorim Turismo, SGPS, SA
2016-2019	Non-Executive Member of the Board of Directors of Sociedade Figueira Praia, SA
2017-2019	Non-Executive Member of the Board of Directors of SFP Online, SA
Since 2003	Member of the Board of Directors and of the Executive Committee of Fundação Bial
Since 2008	Member of PVCI Investment Committee – Portuguese Venture Capital Initiative, entity created by FEI – Fundo Europeu de Investimento
Since 2017	Chairman of the Board of Trustee of the Belmiro de Azevedo Foundation (since November 2017). Previously (January 2014 to November 2017), he joined this organ as a vowel.
Since 2007	Member of the Statutory Audit Board of Sonae – SGPS, SA

Maria José Martins Lourenço da Fonseca	
Date of Birth	4th September 1957
EDUCATION	
1984	Graduate Degree in Economics at Oporto University, Faculty of Economics - <i>Doutor António José Sarmento Prize</i>

1987	Post graduate Program in European Studies at European Studies Center, Universidade Católica Portuguesa (Centro Regional do Porto)
1992	Participation in Young Managers Programme at INSEAD – European Institute of Business Administration, Fontainebleau
2002	Master in Business and Administrations, with specialisation in Accounting and Management Control at Oporto University, Faculty of Economics
2015	PhD in Business and Administrations, with specialisation in Accounting and Management Control at Oporto University, Faculty of Economics

PROFESSIONAL EXPERIENCE

1984-1985	Invited Assistant at Oporto University, Faculty of Economics
1985-1990	Technician in the Department of Economic Studies and Planning of BPI – Banco Português de Investimentos, S.A.
1990-1992	Senior Analyst as technician at the Corporate Banking Department of BPI – Banco Português de Investimento, S.A.
1991-1999	Invited Assistant at Oporto University, Faculty of Economics, in the Accounting area
1992-1996	Vice-manager at the Corporate Banking Department of BPI – Banco Português de Investimento, S.A.
1996-2006	Cooperation with the Portuguese Institute of Statutory Auditors (OROC), as trainer for the External Auditor Preparatory Course
2002-2008	Cooperation with the Certified Public Accountant Association (OTOC), in the field of professional formation
2008-2009	Cooperation with the Portuguese Institute of Statutory Auditors (OROC), in the field of professional formation
2015	Member of the Selection Board of the Oral Test for External Auditor (ROC)
2015-2019	Cooperation with the Portuguese Institute of Statutory Auditors (OROC), as trainer for the External Auditor Preparatory Course
Since 1996	Lecturer at Católica Porto Business School (Universidade Católica Portuguesa), in the Accounting area. Responsible for the International Accounting course, in the MSc in Auditing and Taxation.
Since 2008	Consulting activity through the Centro de Estudos de Gestão e Economia Aplicada (CEGEA) of Católica Porto Business School (Universidade Católica Portuguesa)
Since 2016	Member of the Statutory Audit Board of Sonaecom, SGPS, SA
Since 2017	Chairman of the Statutory Audit Board of AEGE – Associação para a Escola de Gestão Empresarial
Since 2017	Member of the Statutory Audit Board of Ibersol, SGPS, SA
Since 2018	Member of the Statutory Audit Board of Sonae MC, SGPS, SA
Since 2018	Member of the Statutory Audit Board of SDRS – Sports Division SR, SA

Manuel Heleno Sismeiro

Date of Birth
5th January 1945

EDUCATION

1964	Accountant, ICL, Lisbon
1971	Graduation in Finance, ISCEF, Lisbon

PROFESSIONAL EXPERIENCE

1965-1966	Industrial and Commercial School of Leiria: Accounting and Commercial Calculus teacher in the general Commerce course
1970-1971	Banc of Agriculture: performed functions at the Organization and Methods division
1971-1981	Instituto Superior de Economia, Lisboa: assistant of Mathematics, Statistics, Econometry and Operational Investigation
1974-1975	Arthur Young & Co: already qualified and registered as Statutory Auditor and audit assistant
1974-1976	Universidade Católica de Lisboa: assistant (first year) and regent (second year) of Accountancy in the Business Administration course
1980-2008	Banco Borges & Irmão: performed functions at the Economic Studies Department and at the Control Department of associated companies
1977-1980	CTT – Correios e Telecomunicações de Portugal: Responsible for the Warehouse Management and Control division. Responsible for stock management of central warehouses and of a project aimed at implementing a computer tool for stock management and control
1980-2008	Partner of Coopers & Lybrand and of Bernardes, Sismeiro & Associados, since 1998 PricewaterhouseCoopers - auditors and statutory auditors. Responsible for the audit and statutory audit in several industries. More important companies: Sonae (group); Amorim (group); Unicer (group); Sogrape (group); Barros (group); TMG (group); Lactogal (group); Aveleda (group); RAR (group); Cires; Ford; REN Responsible for the management of the Oporto office of the mentioned companies - 1982 at 2008

	Manager of the Audit department in the period 1998-2002 and member of the management board of PricewaterhouseCoopers, in the same period
2009-2017	Chairman of the Statutory Audit Board of Sonae Indústria, SGPS, SA
2010-2017	Chairman of the Shareholders' General Meeting of Segrafedo Zanetti (Portugal) – Comercialização e Distribuição de Café, SA
Since 2014	Chairman of the Statutory Audit Board of Sonae MC, SGPS, SA (formerly known as Sonae Investimentos, SGPS, SA)
Since 2015	Chairman of the Shareholders' General Meeting of Banif – Banco de Investimento, SA
Since 2008	Consultant in internal audit and internal control fields
Since 2009	Chairman of the Statutory Audit Board of OCP Portugal – Produtos Farmacêuticos, SA
Since 2015	Member of the Statutory Audit Board of Sonae Capital, SGPS, SA
Since 2018	Chairman of the Statutory Audit Board of Sonae Arauco Portugal, SA

2.2. Positions held in other entities

Daniel Bessa Fernandes Coelho

Offices held in other companies within Sonae

None

Offices held in other companies outside Sonae

Chairman of Statutory Audit Board at Galp Energia, SGPS, SA

Chairman of the Statutory Audit Board at Galp Gás Natural Distribuição, SA

Chairman of Statutory Audit Board at Bial – Portela e Companhia, SA

Non-Executive Member of the Board of Directors of Amorim Turismo, SGPS, SA

Non-Executive Member of the Board of Directors of Sociedade Figueira Praia, SA

Non-Executive Member of the Board of Directors of SFP Online, SA

Chairman of the Shareholders' General Meeting of Amkor Technology Portugal, SA (formerly known as Nanium, SA)

Chairman of the Board of Curators of Belmiro de Azevedo Foundation

Member of the Board of Directors and member of the Executive Committee of Fundação Bial

Chairman of the Teaching Board of the Master Academy Efacef of Efacec Serviços Corporativos, SA

Member of the Investment Committee of PVCI – Portuguese Venture Capital Initiative

Maria José Martins Lourenço da Fonseca

Offices held in other companies within Sonae

Chairman of the Statutory Audit Board of SDRS – Sports Division SR, SA

Member of the Statutory Audit Board of Sonae MC, SGPS, SA

Member of the Statutory Audit Committee of Sonaecom, SGPS, S.A.

Offices held in other companies outside Sonae

Member of the Statutory Audit Board of Ibersol, SGPS, SA

Chairman of the Statutory Audit Board of AEGE – Associação para a Escola de Gestão Empresarial

Lecturer at Católica Porto Business School (Universidade Católica Portuguesa)

Consultant at CEGEA – Centro de Estudos de Gestão e Economia Aplicada (Universidade Católica Portuguesa)

Manuel Heleno Sismeiro



Offices held in other companies within Sonae

None

Offices held in other companies outside Sonae

Chairman of the Statutory Audit Board of OCP Portugal - Produtos Farmacêuticos, SA

Chairman of the Statutory Audit Board of Sonae Arauco Portugal, SA

Member of the Statutory Audit Board of Sonae Capital, SGPS, SA