

# EFANOR INVESTIMENTOS,SGPS,S.A.

*(Translation from the Portuguese original)*

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

## Agenda Item 2

### **SHAREHOLDERS' REMUNERATION COMMITTEE ("COMISSÃO DE VENCIMENTOS") PROPOSAL FOR THE SELECTION AND ASSESSMENT POLICY FOR MEMBERSHIP OF THE STATUTORY GOVERNING BODIES, IN COMPLIANCE WITH THE GENERAL REGIME OF CREDIT INSTITUTIONS AND FINANCIAL COMPANIES**

#### **BACKGROUND**

This policy complies 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) which, adapted as necessary, is applicable to Sonae SGPS (the Company), under its Article 117. This policy is in line with the governance model adopted by the Company and will remain in force for as long as the Company remains within the scope of the RGICSF.

#### **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 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;

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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.

## **RESPONSIBILITY FOR THE ASSESSMENT**

Responsibility for the assessments of the suitability of candidates to be appointed as members of the Board of Directors and the Statutory Audit Board, subject to election at a Shareholders' General Meeting, and any update to these assessments required under Articles 30 to 32 of the RGICSF, lies with the Shareholders' Remuneration Committee ("Comissão de Vencimentos" - SRC/CV). The SRC/CV is elected by the Shareholders' General Meeting to fulfil the roles set out in Paragraph 2 of Article 28 the Company's Articles of Association, Paragraph 1 of Article 399 of the Portuguese Companies Act and Article 2 of Law 28/2009, of 19 June 2009. In addition to these statutory and legal responsibilities, which relate to remuneration policies and the approval of remuneration packages, the SRC/CV shall also be responsible for compliance with Paragraph 2 of Article 30A, acting in accordance with Articles 30 to 32, both of the RGICSF.

On this basis, the SRC/CV appointed at the Shareholders' General Meeting held on 30 April 2015, will maintain its current composition and term of mandate, and will expand its roles to include the additional responsibility set out above.

Responsibility for the assessment of the suitability of candidates to be co-opted as members to the Board of Directors, under the terms of Paragraph 1 of Article 15 of the Company's Articles of Association and Sub-paragraph b) of Paragraph 3 of Article 393 of the Portuguese Companies Act, is subject to the terms established in the present policy and lies with the Board of Directors. The Board of Directors can, if it deems convenient, under the Terms of Reference of the Board, make its decision based on a proposal from the Board Nomination and Remuneration Committee. The co-option process described above is nevertheless subject to ratification at the next Shareholders' General Meeting, as required by Paragraph 4 of Article 393 of the Portuguese Companies Act.

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The responsibility for the assessment of the suitability and independence of the Statutory External Auditor, and the proposal of the qualified statutory auditor to be elected for this role, is the exclusive responsibility of the Statutory Audit Board, under the mandatory legal provisions of Sub-paragraphs b) and d) of Paragraph 2 of Article 420 of the Portuguese Companies Act and, as required by Sub-paragraphs e) and f) of Paragraph 3 of Article 3, and Sub-paragraph g) of Paragraph 2 of Article 45, both of Law 148/2015 of 9 September (Legal Regime of Audit Supervision).

## **ASSESSMENT PROCESS**

a) Before any proposal is presented for their election, the candidates for appointment as members of the Company's statutory governing bodies, shall present to the governing body responsible for issuing their assessment report, a written statement with all relevant and necessary information for the assessment of their suitability. The written statement shall also include all the information legally required to obtain clearance from the Bank of Portugal. The written statement shall be updated should any future events occur which alter its content after an appointment has been made or after the Bank of Portugal has given clearance;

b) When the position to be filled is by election at a Shareholders' General Meeting, the assessment report mentioned in Paragraph a) above shall be sent to the Chairman of the Shareholders' General Meeting to be made available to shareholders as part of the preparatory information disclosed in advance of the General Meeting. If the position to be filled is through co-option by the Board of the Directors, the assessment report shall be sent to the members of the Board of Directors;

c) The assessment report must be issued in compliance with the terms of this policy and must respect the conditions set forth in Articles 30 to 32 of the RGICSF and its respective regulations. The report must specifically include a joint assessment made by the respective statutory governing body which attests, whether, taking into consideration its proposed composition, as a collective, it possesses sufficient and suitable professional qualifications to carry out its legal and statutory responsibilities across all relevant areas of performance.

## **SUITABILITY REQUIREMENTS**

### **A – Suitability – Article 30D RGICSF**

The assessment of suitability will include an objective consideration of the candidate's capacity to take careful and thoughtful decisions; to perform consistently, ensuring credibility, loyalty and transparency; to regularly fulfil fiduciary duties on a timely basis; to operate in accordance with the principles and values of corporate governance best practice, as well as with any other factors set out in Article 30D of RGICSF, which are considered to be important;

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## **B – Professional Qualification – Article 31 RGICSF**

The assessment of professional qualification will include possession of suitable qualifications necessary to fulfil the role; the candidate's willingness to consistently update his or her knowledge, in order to deliver excellent performance in line with objectives identified by the respective governing body; possession of experience obtained from previous positions held; and capacity to assess the risk factors related to operational activities; as required by Article 31 of RGICSF.

## **C – Independence - Article 31A RGICSF**

The assessment of independence will include consideration of the candidate's capacity to fulfil the role with impartiality and autonomy, as set out in Article 31A of RGICSF. The composition of the Statutory Audit Board must specifically comply with the rules set forth in Paragraph 5 of Article 414 of the Portuguese Companies Act and by Sub-paragraph c) of Paragraph 2 of Article 3 of Law 148/2015, of 9 September (Legal Regime of Audit Supervision).

## **RULES RELATING TO THE PREVENTION, COMMUNICATION AND RESOLUTION OF CONFLICTS OF INTEREST**

The Board of Directors and the Statutory Audit Board shall define internal procedures to cover the actions required and processes to follow to prevent conflicts of interest which should comply with corporate governance best practice and fulfil legal requirements.

Porto, 16<sup>th</sup> November 2015

On behalf of the Board of Directors,