

Shareholders' Remuneration Committee of Sonae, SGPS, S.A.

(Translation from the Portuguese original)

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

Agenda Item 8

PROPOSAL

The Shareholders' Remuneration Committee proposes to the General Meeting the approval, under the terms and for the purpose of nr. 1 of Article 2 of the Law 28/2009, of 19th June, the present Statement on Remuneration and Compensation Policy for the statutory governing bodies and people discharging managerial responsibilities of the Company, as follows:

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

The remuneration and compensation policy of the statutory governing bodies and of the people discharging managerial responsibilities adheres to European Community directives, to national law and to CMVM (Portuguese Securities Market Commission) recommendations underpinned by the principle that initiative, competence and commitment are the essential pillars of a good performance, which must be aligned with the medium and long term interests of the Company, aiming at sustainability.

When establishing the retribution policy and fixing remuneration a comparison is made, in one hand, with market references provided by several surveys carried out in Portugal and the principal European

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markets, namely conducted by Mercer and the Hay Group, and, in the other, with companies included in the Portuguese Stock Index (PSI 20).

Executive Directors remuneration plans are defined by reference to market studies conducted over Portugal and Europe "Top Executive" and are positioned in the market median for fixed remuneration and in the market third quartile for variable remuneration in comparable circumstances.

Fixed and variable remuneration are decided at the Shareholders' Remuneration Committee liaising with the Board Nomination and Remuneration.

The fixed component of the remuneration is aligned, in its limits, with market standards which are determined by reference to comparable companies practice.

The variable component of the remuneration, applicable to executive directors, is subject to maximum percentages and respects pre-established and measurable criteria – performance indicators – settled with each of the executive directors for each financial year.

The variable component of the remuneration is assessed by performance evaluation of a set of performance indicators, including business indicators essentially with economical and finance aspects ("Key Performance Indicators of Business Activity" (Business KPIs)) and individual, which combines subjective and objective indicators, " Personal Key Performance Indicators" (Personal KPIs). The content of the performance indicators and its specific weight in the determination of the effective remuneration, ensure the alignment of executive directors with the strategic goals defined and the compliance with the legal applicable standards of the Company's activity.

In order to determine the variable component of the remuneration there is an individual performance assessment executed by the Shareholders' Remuneration Committee, liaising with the Board Nomination and Remuneration Committee. This assessment is performed after the Company's earnings are announced.

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Hence and pertaining to each financial year the company's activity, the performance and the individual contributes to the overall success are assessed, which necessarily restricts the attribution of the fixed and variable components of each director's remuneration plan.

At least fifty percent of the variable remuneration attributed to each executive director is effectively differed for a three year period according to individual and company performance in each financial year. This deferred component of the variable remuneration is composed of shares and is subject to the Share Plan Attribution according to its respective Regulation.

The Company's Remuneration and Compensation Policy maintains the principle of not including the attribution of compensation to directors or any other member of the statutory governing bodies, in relation to the termination of the exercise of their respective functions, whether this termination occurs by effect of the end of the mandate or by early termination, motivated or not, without prejudice of compliance with the applicable legal terms in this matter.

The Company's Remuneration and Compensation Policy does not include any benefit system, namely for retirement purposes, for any of the member of the management and audit bodies or for other people discharging managerial responsibilities.

In order to ensure the effectiveness and transparency of the goals of the Company's Remuneration and Compensation Policy executive directors:

- have not nor should they not execute agreements with the company or with any third party which may have as effect mitigate the risk inherent to the variability of the remuneration as established by the company.

- have not, in the 2010 financial year, corresponding to the end of the mandate, nor should they alienate in the following mandate, company shares they have been attributed as variable remuneration

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up to two and half times the total annual remuneration, exception being given to the shares alienate in order to pay tax arising for the attribution of such variable remuneration in shares.

2. In execution of the described principles, the remuneration and compensation of executive directors (ED), respects the following rules:

Executive Directors

Remuneration includes (i) a fixed component, which incorporates a Base Remuneration and Annual Responsibility Allowance, taking as reference a period of a year, being paid monthly (ii) a variable "Short Term Variable Remuneration", which is paid during the first quarter of the following year, and (iii) a "Medium Term Variable Remuneration" paid in the first quarter of the following year, as deferred compensation under Share Attribution Plan and respective Regulation, which vests on the third anniversary of the attribution date.

- (i) Individual compensation packages will be defined as a function of the level of responsibility of each ED and will be reviewed annually. Each ED is attributed a classification, internally referred to as a Management Level ("Grupo Funcional"). EDs are classified as either "Group Senior Executive" (G1) or "Senior Executive" (G2). Sonae Management Levels are structured according to Hay's international model for the classification of corporate functions, thereby facilitating market comparisons, as well as helping to promote internal equity.
- (ii) The Short Term Variable Remuneration will be aimed at rewarding the achievement of certain predefined annual objectives, which are linked to both "Key Performance Indicators of Business Activity" (Business KPIs) and "Personal Key Performance Indicators" (Personal KPI's). The target amounts attributed will be based on a percentage of the fixed component, which will range between 33% and 75%, depending on the ED's Management Level. Business KPIs, which include economic and financial indicators, will derive 70% of the Short Term Variable Remuneration and are objective indicators. The remaining 30% of the Short Term Variable Remuneration will derive from Personal KPI's, which include both objective and subjective indicators. Actual amounts paid will be based on the real performance (business performance and individual performance) and can represent anything from 0% to 140% of the target amount attributed;

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- (iii) The Medium Term Variable Remuneration will be aimed at enhancing ED's loyalty, aligning their interests with shareholders, and increasing their awareness of the importance of their performance on the overall success of our organization. The amounts are the same as those annually established for the Short Term Variable Remuneration, representing for EDs 100% of the attributed Short Term Variable Remuneration. This value in euros shall be divided by the quoted share price for the determination of the number of shares it corresponds to. The value converted into shares will be adjusted to include any variations occurring in the share capital or dividends to obtain the Total Shareholder Return during a three years deferring period. At the vesting date, the shares shall be delivered without cost, and the Company will keep the option to alternatively deliver the corresponding amount in cash.

Non-Executive Directors

The remuneration of Non-Executive Members of our Board of Directors (NEDs) shall be based on market comparables, respecting the following principles: (1) a Fixed Remuneration (of which approximately 15% depends on attendance at Board, Board Audit and Finance Committee and Board Nomination and Remuneration Committee meetings); (2) an Annual Responsibility Allowance. The Fixed Remuneration can be increased by up to 6% for NEDs serving as Chairman of any Board Committee. No variable remuneration of any kind is paid.

Statutory Audit Board ("Conselho Fiscal")

The remuneration of the members of our Statutory Audit Board shall be based exclusively on fixed annual amounts, which includes an Annual Responsibility Allowance established according to market comparable practices.

Statutory External Auditor

The Statutory External Auditor of the Company shall be remunerated in accordance with normal fee levels for similar services, benchmarked against the market, under the supervision of our Statutory Audit Board which liaises with the Board Audit and Finance Committee.

Board of the Shareholders' General Meeting

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

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Persons Discharging Managerial Responsibilities ("Dirigentes")

Persons Discharging Managerial Responsibilities ("Dirigentes"), under the terms of Article 248-B Paragraph 3 of the Portuguese Securities Code ("Código de Valores Mobiliários"), in addition to the Statutory Governing Bodies mentioned above, include senior managers who have regular access to Privileged Information and are involved in taking management and business strategy decisions at the Company.

The Shareholders' Remuneration Committee proposes that the Compensation Policy applicable to individuals who, under the terms of the law, are considered to be Persons Discharging Managerial Responsibilities ("Dirigentes"), be the same as is adopted for other senior managers with the same level of functions and responsibilities, without awarding any additional benefit in addition to that which results from their respective Management Level.

3. Compliance with CMVM Recommendation II.1.5.2

In compliance with this Recommendation it is hereby stated that:

- (i) the entities taken into consideration as the comparable element for determining remuneration are the ones mentioned above in nr. 1;
- (ii) no payments were made in connection with directors' loss of office.

Maia, 17th March 2011

Belmiro Mendes de Azevedo

Artur Eduardo Brochado dos Santos Silva

Bruno Walter Lehman