

(Translation from the Portuguese original)

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

Item number 5

PROPOSAL

Whereas:

1. It is in the Company interests to analyse and to implement the international diversification of the sources of financing its business and strategic plans as may be considered adequate in the current economic context.
2. The convenience of the Company extending its debt maturity profile safeguarding the possibility for the Company strengthening its equity.
3. Within the current context of financial markets, it appears convenient to grant the Board of Directors the opportunity to manage new alternative financing sources, namely through the issuance of bonds to be placed notably with specialized segments of international qualified investors, securities which, under certain conditions, may grant the investors the right to convert in, or to exchange for Sonae SGPS S.A.'s ordinary shares.
4. That, within the Portuguese legal framework, the capacity of a wholly-owned subsidiary issuing exchangeable securities to have access to ordinary shares, if and when required in order to fulfil its obligations for an exchange by the investors into Sonae - SGPS, S.A. shares, involves a previous resolution to issue and place at the service of such issuance of exchangeable bonds, an adequate number of Sonae - SGPS S.A.'s convertible bonds mirroring (with the convenient adjustments) the conditions of the exchangeable bonds issue.
5. The final decision of such issuance and of its terms and conditions will depend on prevailing market conditions and on the Company's investment needs which the Board of Directors may decide to

pursue, thus additional flexibility may be assured by means of the present resolution allowing the Board of Directors the power, which may be delegated to the Executive Committee, to decide the time and terms of the issuance of convertible to be directly or indirectly placed or subscribed by a wholly-owned subsidiary of the Company which has issued exchangeable bonds.

We propose that it be resolved:

1) To approve the possible issue by the Company of convertible bonds (articulated or not with an issue of exchangeable bonds by a wholly-owned subsidiary) as provided for in the law and in the article 8 of the Company's Articles of Association, and in accordance with the following main parameters, without prejudice to any adaptation adjustment, change or development as may be resolved by the Board of Directors, notably considering the final characteristics of the issuance of convertible or exchangeable securities that it may support:

- a) **Amount of the issue**: Up to the maximum amount of or the currency equivalent of 250,000,000 Euros.
- b) **Nominal Value**: The bonds will be issued with the nominal value which will be decided by the Board of Directors but in any event which will be always equal or greater than 100,000 Euros.
- c) **Issuance Price**: The issuance price will correspond to the nominal value of each bond with a premium or discount not higher than 5%.
- d) **Interest rate**: To be defined by the Board of Directors having due regard to the market conditions on the date of the issuance.
- e) **Repayment and Conversion**: A single final maturity, with possibility for a provision for early redemption by the issuer, according to the issue terms and conditions to be decided by the Board of Directors.

Terms of redemption, either final or early, and conversion, to be included in the bonds issue, as decided by the Board of Directors, may be any of the following:

- i) Redemption at par in cash, whenever the bondholders do not exercise, where applicable, their right to convert in Sonae SGPS, SA shares;
 - ii) By conversion with the physical delivery of Sonae SGPS, SA shares, either i) issued *ex-novo* or ii) acquired by the Company (or by any of its subsidiaries):
 1. At the option of the bondholders, but with the issuer's right to have a cash settlement by making cash payment using Sonae SGPS, SA shares market value, calculated according to the bonds issue terms and conditions; and/or,
 2. At the option of the issuer, which may elect to convert the bondholders' redemption rights in Sonae SGPS, SA shares at the shares' market value, with a discount not higher than 5%, or combine such conversion with a cash settlement, according to the bonds issue terms and conditions.
- f) **Conversion bases:** The number of bonds required for conversion of the bonds' nominal amount in cash into one share shall be determined by the conversion price, calculated by adding a conversion premium to the market price on the Euronext Lisbon of one share at the time of the issuance.
- The anticipated conversion premium, to be adjusted at the time of the issuance, having into consideration, market conditions, shall not be less than 20% of the trading price considered, which can, notably, be the Euronext Lisbon closing price for the session immediately before the date of issuance, or any other reference price set forth in the bonds issue conditions, as decided by the Board of Directors.
- The conversion price initially defined shall prevail during the whole period of the issue, without prejudice to any possible readjustment by application of anti-dilution clauses customary in the market, in situations regulated in the issuance resolution and under the terms or formulas stipulated therein.
- g) **Terms of the conversion:** The conversion may be requested by the bondholder daily, as from an initial term stipulated in the resolution of issuance, such periods of time stipulated in the resolution of issue being deemed a "conversion period" in

accordance with and for the purposes of paragraph b) of number 1 and paragraph a) of number 3 of article 370 of the Portuguese Companies Act, without prejudice to number 2 of article 371 of the same code.

- h) **Class:** The conversion shall be made exclusively with ordinary shares, without prejudice the cash settlement options.

 - i) **Issue:** In one issuance only or in series, as determined by the Board of Directors.
- 2) To approve forthwith, in compliance with the applicable legal framework, as a result of the issuance of convertible under the final terms as stipulated, such implicit capital increase or increases as may be required to meet any requests for conversion that may be submitted, which nonetheless not exceed the equivalent to 10% of Sonae, SGPS S.A.'s share capital at the date of the issuance resolution, without prejudice to the possibility of being exceeded at a later time as a result of subsequent readjustments to the conversion price referred to in the foregoing paragraph f), nr. 1).
- 3) This resolution authorising the Board of Directors to decide on issuance of the convertible (eventually articulated with an issue of exchangeable bonds by a wholly-owned subsidiary) shall be hereinafter valid for eighteen months. During the referred term, the Board of Directors may freely resolve, with the prerogative to delegate such powers to the Executive Committee, to issue the convertible bonds setting their specific terms and conditions within the principles and limits established by this resolution.

Maia, 18th March 2014

The Board of Directors,