

**PROPOSAL OF THE SUPERVISORY BOARD FOR THE APPOINTMENT OF THE
OFFICIAL AUDITOR OF SONAE CAPITAL, SGPS, S.A. FOR THE MANDATE THAT IS
INITIATED IN 2018**

Whereas:

(i) Pursuant to Articles 420, 2 (b) and 446 (1), both of the Commercial Companies Code, it is a task of the Supervisory Board of Sonae Capital, SGPS, SA (the "Company") to propose to the Shareholders' General Meeting the appointment of the Statutory Auditor;

(ii) Article 54 (3) of the Statute of the Certified Auditors' Association (EOROC), approved by Law no. 140/2015 of September 7, establishes that in public interest entities, the maximum period of the statutory audit function by the auditing firm is 2 or 3 mandates, depending on whether they have a duration of, respectively, four or three years, without prejudice of Article 54 (4) of the EOROC that stipulates the possibility that the maximum period of performance of the statutory auditor in the same entity may exceptionally be extended to a maximum of 10 years, provided that such extension is approved by the competent body, in this case the General Assembly, upon reasoned proposal by the Supervisory Board;

(iii) The current statutory auditor - PricewaterhouseCoopers & Associates - SROC, Lda., hereinafter "PWC" - was elected for the first time in 2011 for the 2011-2012 term and was reelected for the 2013-2014 and 2015-2017 mandates;

(iv) In compliance with the law and its policy, the Supervisory Board complied with the provisions of point f) of paragraph 3 of article 3 of the Legal Framework for Audit Oversight approved by Law 148/2015 and Article 16 of Regulation (EU) No 537/2014, and has organized a wide selection process, free of any external influence, and also free from any contractual clause of the type referred to in paragraph 6 of the aforementioned legal provision.

Selection process:

In the selection process, promoted and supervised by the Supervisory Board, were invited to take part several auditing companies of renowned national and international competence that have been present for many years in the market.



To that end, the Company's Supervisory Board has previously established the eligibility criteria and their respective weighting, which required a detailed evaluation of the various items to be presented by the competitors: resources and capacity for coordination, quality and dedication of the field work, types, quantity and timing of reports issued, communication tools and cost of services. The conclusions of the selection made under the terms referred to above were coupled with the result of the weighting, imposed by Article 54 (5) EOROC, regarding the existence of the conditions of independence of the statutory auditor or audit firms and the advantages and costs of replacing it.

Conditions of Independence

The Company's Supervisory Board understands that PWC offers conditions of independence that are not restricted by virtue of being maintained in functions for a new term, and such permanence does not conflict with the maximum legal time limit.

PWC, as a statutory auditor of the Company, has shown that it develops its function free from any pressure, influence or interest, based on its behavior by observing the deontological rules imposed for the performance of its functions, and, on an economic level, no threats were identified to its independence stemming from the weight of fees received from the Company and its group vis-à-vis its total portfolio of services.

In addition, and in accordance with the provisions of paragraph 2 of article 54 of the EOROC, the member responsible for the direct orientation and execution of the statutory audit will be replaced, due to the fact that the previous responsible has reached the maximum legal limit established.

Replacement Costs

It was taken under consideration costs that, although more difficult to measure, assume a preponderant role, such as those associated to the period of integration of a new statutory auditor into the repository of information and in the organization of the Company's business, and that constitute, given the portfolio's characteristics, a diversified and complex nature.

It is understood that the suspension of substitution of the statutory auditor for the additional period allowed by law, when all other requirements and elements of selection and evaluation point to their maintenance in function, allow for the elimination of these costs without compromising the purpose.



In view of the foregoing, namely the fact that the Company's Supervisory Board considers it to be the best response to the needs of the Company, it is proposed to the General Meeting the election for to the position of Statutory Auditor for the next term of office (2018-2020):

PERMANENT: PricewaterhouseCoopers & Associates - SROC, Lda., registered with the commercial register and the tax authority under number 506 628 752, with headquarters at the Sottomayor Palace, Rua Sousa Martins, 1 - 3º, 1050-217 Lisboa, entered in the OROC with no. 183 and registered in CMVM under number 20161485, represented by ANTÓNIO JOAQUIM BROCHADO CORREIA, born in Nespereira - Cinfães, residing at Rua Pinho Leal, 535, 4150-620 Porto, married, holder of tax identification number 204766931 and bearer of the citizen card no. 9663765 OZZ5, ROC no. 1076, or by JOAQUIM MIGUEL DE AZEVEDO BARROSO, born in Massarelos, resident at Francisco Araújo Dantas Street 296 - 3º, 4425-440 Maia, married, holder of the tax identification number 229558445, bearer of citizen's card # 11256208 6 ZY8, registered with the CMVM under No. 20161036, ROC # 1426.

ALTERNATE: JOSÉ MIGUEL DANTAS MAIO MARQUES, born in Póvoa de Varzim, resident at Rua César das Neves No. 108 Hab. 22, 4200-002 Porto, married, holder of tax identification number 226246671, bearer of citizen's card no. 10544045 OZZ6, enrolled with CMVM under number 20160882, ROC no. 1271.

In compliance with the provisions of Article 289 (1) (d) of the Portuguese Companies Code, the information legally binding on each of the persons indicated above is attached to this proposal.

Maia, 2nd March 2018

António Monteiro de Magalhães
(Chairman)

Manuel Heleno Sismeiro
(Member of the Supervisory Board)



Carlos Manuel Pereira da Silva
(Member of the Supervisory Board)

