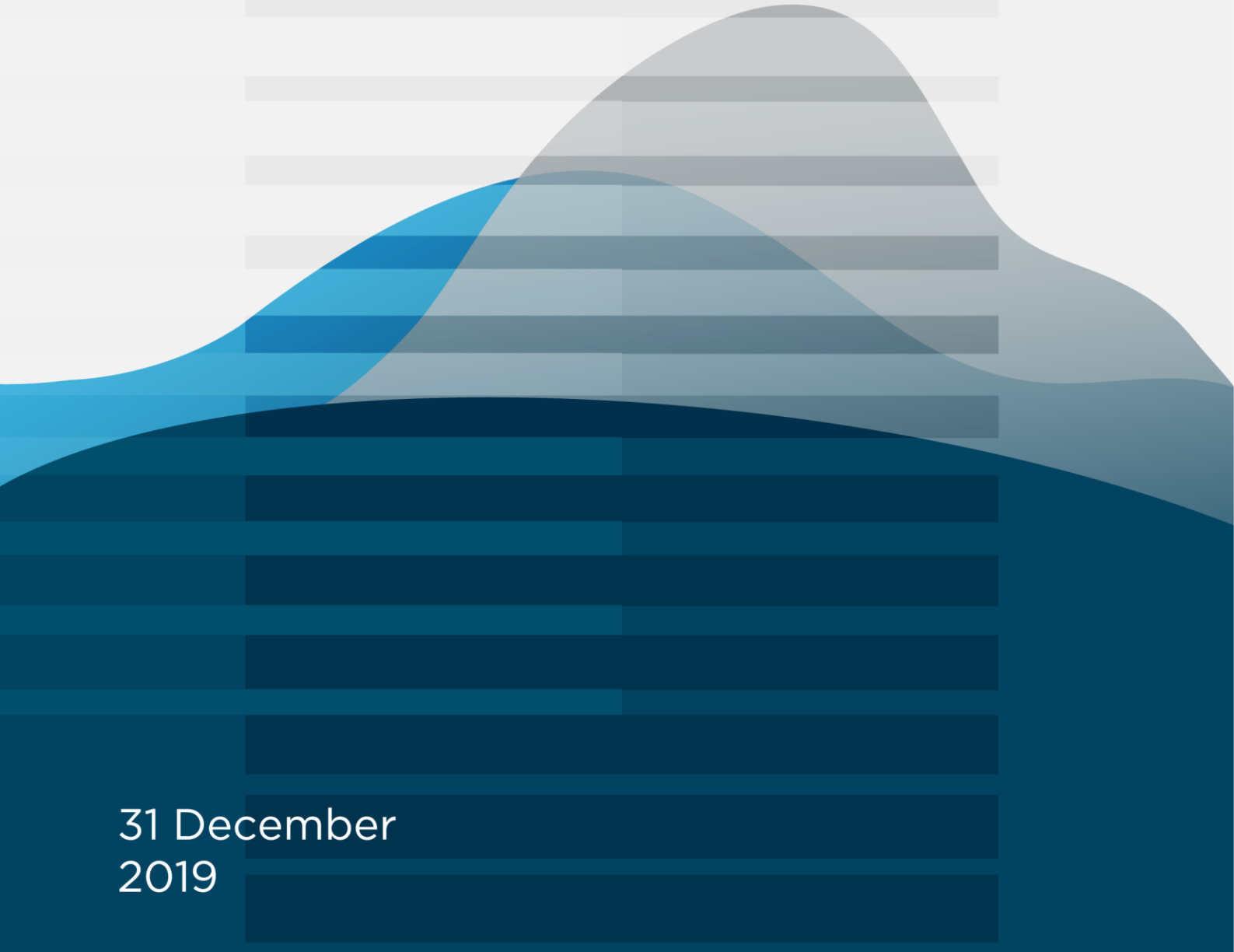
REPORT & ACCOUNTS

PART II

GOVERNANCE REPORT



31 December 2019

SONAE CAPITAL

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PART II

GOVERNANCE REPORT

31 December 2019

1. INFORMATION ON SHAREHOLDERS' STRUCTURE ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDERS' STRUCTURE

I. Share Capital Structure

1. Share Capital Structure

The share capital of Sonae Capital, SGPS, S.A. (hereinafter referred to as «Company» or «Sonae Capital») is 250,000,000 euros, fully subscribed and paid up, and is divided into 250,000,000 ordinary, book entered and nominative shares, each with the nominal value of 1 euro.

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

The Company's shares have no restrictions on their transferability or ownership, nor are there shareholders holding special rights. Accordingly, the shares are freely transferable according to the applicable legal rules.

3. Own Shares

The Company, on 31 December 2019, held 3,670,823 own shares, representing 1.468% of the share capital, corresponding to the same percentage of voting rights.

4. Impact of the change of shareholder control of the Company on significant agreements

The Company has not entered into any agreements which contain clauses intended to be defensive measures for the change of shareholder control in the case of takeover bids.

Under the same terms, the Company did not approve any statutory provision or rules or regulations in order to prevent the success of takeover bids.

5. Defensive measures in the case of change of shareholder control

No defensive measures were adopted during the 2019 financial year.

The majority of the share capital of the Company is attributed to a single shareholder. There is also no statutory rule that foresees the limitation of the number of votes that may be held or exercised by a shareholder, whether individually or jointly with other shareholders.

6. Shareholders' agreements

The Company has no knowledge of any shareholders' agreements involving the Company.

II. Shareholdings and holdings of bonds

7. Qualified shareholdings

On 31 December 2019 and in accordance with the notices received by the Company, the shareholders who, pursuant to article 20 of the Portuguese Securities Code, have a qualified shareholding representing, at least, 2% of the share capital of Sonae Capital, are the following:

Qualified Shareholdings			
Shareholder	No. of Shares	% Share Capital	% Voting Rights
Efanor Investimentos, SGPS, S.A.			
Directly Owned	88 859 200	35.544%	36.073%
By Pareuro, BV (controlled by Efanor)	66 600 000	26.640%	27.037%
By Imparfin, S.A. (controlled by Efanor)	577 460	0.231%	0.234%
By Maria Margarida Carvalhais Teixeira de Azevedo (Member of the Board of Directors of Efanor)	838 862	0.336%	0.341%
By Maria Cláudia Teixeira de Azevedo (Member of the Board of Directors of Efanor)	449 213	0.180%	0.182%
By Linhacom, SGPS, S.A. (company controlled by the Member of the Board of Directors of Efanor, Maria Cláudia Teixeira de Azevedo)	43 912	0.018%	0.018%
By Migracom, S.A. (company controlled by the Member of the Board of Directors of Efanor, Duarte Paulo Teixeira de Azevedo)	213 076	0.085%	0.087%
Total Attributable	**157 581 723**	**63.033%**	**63.972%**
Quaero Capital	12 588 400	5.035%	5.110%
Total Attributable	**12 588 400**	**5.035%**	**5.110%**
Norges Bank	5 470 282	2.188%	2.221%
Total Attributable	**5 470 282**	**2.188%**	**2.221%**
AZValor Asset Management, SGIIC, SA	5 011 941	2.005%	2.035%
Total Attributable	**5 011 941**	**2.005%**	**2.035%**

8. Number of shares and bonds held by the members of the management and supervisory boards, submitted pursuant to paragraph 5 of article 447 of the Portuguese Companies Code

The shares and bonds held by members of the management and supervisory bodies in the Company and in companies in a control or group relationship with the Company, either directly or through related parties, are disclosed in an appendix to the annual management report, as required by article 447 of the Portuguese Companies Code.

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

The powers granted by the Articles of Association to the Board of Directors of the Company to decide on share capital increase operations were withdrawn on December 2012. As from that date, such powers are exclusively held by the Shareholders' General Meeting, under the terms legally established.

10. Business relationships between the owners of qualified shareholdings and the Company

In relation to the commercial activities of the businesses that comprise the portfolio of Sonae Capital, there is a set of commercial relationships between the Company and its Subsidiaries and owners, or companies held by them, of qualified shareholdings.

These transactions are part of the usual business activity of each company and are carried out under current market practices and conditions. Additionally, these transactions are scrutinised and, if significant, are approved by the Board of Directors with prior opinion from the Statutory Audit Board.

During 2019, a transaction was carried out between the Company and Efanor Investimentos, S.A.. The Statutory Audit Board was informed about the proposal brought by the Executive Committee of Sonae Capital to the Board of Directors of the latter, for the reacquisition of the operation of Hotel Aqualuz Lagos, to Efanor Investimentos, S.A., for the value of one euro (the same amount at the time of the sale transaction, in 2015). Although this transaction did not require a prior opinion, the Statutory Audit Board considered that the proposal was prepared in compliance with legal requirements and in the best interests of the Company.

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 respective mandate

The members of the current mandate were elected, in a second mandate, by resolution of the Annual Shareholders' General Meeting of 3 May 2018, for the current mandate 2018-2020.

- Manuel Eugénio Pimentel Cavaleiro Brandão (Chairman);
- Maria da Conceição Henriques Fernandes Cabaços (Secretary).

b) Exercise of the Voting Rights

12. Possible restrictions on voting rights

The Company's share capital is entirely made up of a single class of common shares, ordinary, in which one share equals one vote, and where there are no statutory limitations on the exercise of the voting rights.

For shareholders to participate in the Shareholders' General Meeting, the only rules that have to be complied with is applicable legislation regarding the «Registration Date» as a relevant moment for proving the quality of shareholder and for exercising the corresponding right to participate in and vote at the Shareholders' General Meeting, as well as the scheme for the participation and voting of shareholders who, on a professional basis, hold shares in their own name but on behalf of clients.

Shareholders may be represented at meetings of the Shareholders' General Meeting upon presentation of a written representation document addressed to the Chairman of the Board of the Shareholders' General Meeting and delivered at the beginning of the meeting, indicating the name and domicile of the representative and the date of the meeting. Such communication may also be done by e-mail in accordance with the instructions contained in the notice of meeting.

A shareholder may designate different representatives in respect of the shares held in different securities accounts, without prejudice to the principle of voting unity, under the terms of the article 385 of the Portuguese Companies Code, and to a voting differently allowed to shareholders on a professional basis.

The Company makes available, within the legal deadlines, adequate information - notices of meetings, voting procedures and procedures to be adopted for postal voting, voting by e-mail or through a representative, as well as a draft letter of representation, in Portuguese and English, on its website (https://www.sonaecapital.pt/en) in order to ensure, promote and encourage the participation of shareholders in general meetings, either directly or through representatives.

In addition to the website of the Company, this documentation is also available to shareholders for consultation at the Company headquarters during business hours, as well as in the CMVM Information Disclosure System (www.cmvm.pt), from the date of publication of the notice of meeting.

Shareholders may vote by post on all matters requiring approval of the Shareholders' General Meeting, and the vote may be cast electronically. The means of voting are defined in the notice convening the Shareholders' General Meeting, and a form is available at https://www.sonaecapital.pt/en/corporate-governance/shareholders-general-meeting to request the technical elements necessary to vote in this manner.

The Company makes also available to shareholders draft ballot forms in Portuguese and English on its website at (https://www.sonaecapital.pt/en), simultaneously with the publication of the Shareholders' General Meeting notice, as well as the corresponding preparatory documents relating to the various items of the Agenda, in Portuguese and English.

The Company did not adopt any mechanism which causes the gap between the right to receive dividends or the subscription of new securities and voting rights of each share.

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

There is no limitation on the number of votes that may be held or exercised by a single shareholder or group of shareholders.

14. Shareholder decisions which, by statutory imposition, can only be taken with a qualified majority

Pursuant to the provisions of the Articles of Association, the decisions of the Shareholders' General Meeting shall be taken by basic majority, unless otherwise established by law.

II. Management and Supervision

a) Composition

15. Identification of the adopted governance model

The Company adopts a one-tier governance model (composed of Board of Directors, Statutory Audit Board and Statutory Auditor), as provided for by articles 278, paragraph 1 - a) and 413, paragraph 1- b), both part of the Portuguese Companies Code, complemented by a delegation of management powers in an Executive Committee.

The remaining two bodies have supervisory responsability.

The Board of Directors is the body responsible for managing the Company's business, for performing all management acts related to the corporate purpose, determining the strategic orientation of the Company, configuring its business portfolio, the Company's main policies, as well as designating and supervising the performance of the Executive Committee and the specialised Committees it sets up.

The Statutory Audit Board and the Statutory Auditor have the powers and duties described in the points 32 to 38 below.

The Board of Directors considers that the adopted governance model is appropriate to the exercise of the powers of each of the governing bodies, ensuring, in a balanced manner, both its independence and the functioning of the respective interface. Moreover, the specialised Committees, restricted to matters of great relevance, maximise the quality and performance of the management body, reinforcing the quality of its decision-making process. It is also understood that this governance structure allows the regular functioning of the Company, aiming at a flow of information and an adequate transparent dialogue between the various corporate bodies as well as between the Company, its shareholders and other stakeholders.

The Company considers that the adequacy of the management and supervisory boards to the functions assigned to them is essential to ensure the interests of all its stakeholders and is facilitated through creative solutions resulting from the combination of different perspectives and backgrounds, as stated in the its Diversity Policy, included in the Code of Conduct and published on the website of the Company so that shareholders know the essentiality for the Company that, when selecting the members of those bodies, they present and approve proposals for the election of corporate bodies that are based on diversity criteria, in order for them to bring together a greater range of knowledge, skills, experiences and values. This policy lists a set of very strict criteria that mainly favor i) professional qualification in parallel with the renewal of the composition of the governing bodies in order to ensure compatibility between seniority and the need to diversify professional paths, in order to avoid a monolithic logic of group thinking; ii) gender diversity; iii) diversity of knowledge and iv) age diversity, with no restrictive vision regarding age limits for the exercise of social functions. In order to give even more visibility to these principles, the Company, in its Code of Conduct, exhorts the shareholders to properly support their proposals for election, matching the concrete characteristics of the members indicated to the Governing Bodies with the selection criteria disclosed.

The composition of the Board of Directors and the current Statutory Audit Board is fully in accordance with the Diversity Policy of the Company, exhibiting a balanced gender diversity (respecting the provisions of the Law No. 62/2017 of 1 August), origin, qualifications and professional background and its members have revealed that they own individual characteristics, namely, experience, deep knowledge of the Company's main sectors of activity, knowledge and technical skills of management and supervision that are decisive for the success of the Company, as well as human qualities, integrity and availability, for the full and thorough exercise of the functions assigned to them in a aligned manner with the interests of the Company and its Shareholders.

Additionally, the Company approved, during the year of 2019, and has in place a Plan for Gender Equality applicable for employees and members of the the Group's corporate bodies, whose full content can be consulted on https://www.sonaecapital.pt/en/corporate-governance/regulation.

The details of the adopted structure, the composing bodies and the corresponding functions and responsibilities are presented in the following numbers.

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

16. Statutory rules on procedural and material requirements applicable to the appointment and replacement of members of the Board of Directors

The members of the Board of Directors are elected, in accordance with the law and articles of association, under the terms stated in a proposal approved by the Shareholders' General Meeting. The members are elected for three-year mandates, with re-election permitted one or more times.

The articles of association envisage that a Director may be elected individually if there are proposals subscribed by shareholders who hold shares individually or jointly with other shareholders representing between ten and twenty percent

of the share capital (Director elected under the minority rule). The same shareholder may not subscribe to more than one voting list. Each proposal must contain at least the identification of two people eligible for the same position to be filled. If several proposals are tabled by different shareholders or groups of shareholders, the votes will be taken on all proposals.

The articles of association also establish that in the event of death, resignation or temporary or permanent impediment of any of its members, other than the Director elected under the minority rule, the Board of Directors shall ensure that Director's replacement by co-opting, and this appointment requires ratification by the shareholders at the first Shareholders' General Meeting held after co-optation. In the event of definitive absence of a Director elected in accordance with the rules set forth in the preceding paragraph, the election shall occur at a Shareholders' General Meeting that is convened. The Company's Articles of Association establish that a Director incurs a definitive absence when he fails to attend two consecutive or interpolated meetings, without presenting a justification that is accepted by the Board of Directors.

In the exercise of the Board of Directors' power to co-opt, the Board Nomination and Remuneration Committee is responsible for identifying potential candidates for the Director position with the appropriate profile for the exercise of the management functions, according to the criteria and values foreseen by the Company and included in its Code of Conduct and Diversity Policy.

In the elections of the governing bodies held in 2019, the shareholder who presented the proposals, supported them according to the principles established by the Board of Directors in its Diversity Policy, contained in the Code of Ethics and Conduct.

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, a minimum of seven and a maximum of eleven, elected in a Shareholders' General Meeting. The mandate of the Board of Directors is three years, and its members may be re-elected one or more times. The current term of office of the Board of Directors is the 2018-2020 triennium. It is the Board of Directors that, in accordance with the Articles of Association, elects its Chairman.

On 31 December 2019, the Board of Directors was composed of ten members, three Executive members and seven Non-Executive members, four of which are independent.

The current members of the Board of Directors who were elected for the 2018-2020 mandate are listed in the following table:

Name	First Appointment	End of Current Mandate
Duarte Paulo Teixeira de Azevedo	March 2015	31 December 2020
Álvaro Carmona e Costa Portela*	March 2011	31 December 2020
Maria Cláudia Teixeira de Azevedo	March 2011	31 December 2020
Francisco de La Fuente Sánchez	April 2008	31 December 2020
Paulo José Jubilado Soares de Pinho	April 2008	31 December 2020
Miguel Jorge Moreira da Cruz Gil Mata	April 2016	31 December 2020
Ivone Maria Pinho Teixeira da Silva	March 2013	31 December 2020
Isabel Maria Pereira Aníbal Vaz	April 2019	31 December 2020
Pedro Manuel Martins Bruno	April 2019	31 December 2020
Ângelo Gabriel Ribeirinho dos Santos Paupério	December 2019	31 December 2020

* Coordinator elected among the independent Directors, pursuant to article 1 of the Regulation do Board of Directors.

18. Distinction between Executive and Non-Executive members

Name	Role
Duarte Paulo Teixeira de Azevedo	Chairman – Non-Executive
Álvaro Carmona e Costa Portela	Vice-Chairman – Non-Executive (Independent)
Maria Cláudia Teixeira de Azevedo	Non-Executive
Francisco de La Fuente Sánchez	Non-Executive (Independent)
Paulo José Jubilado Soares de Pinho	Non-Executive (Independent)
Miguel Jorge Moreira da Cruz Gil Mata	President of the Executive Committee
Ivone Maria Pinho Teixeira da Silva	Executive
Isabel Maria Pereira Aníbal Vaz	Non-Executive (Independent)
Pedro Manuel Martins Bruno	Executive
Ângelo Gabriel Ribeirinho dos Santos Paupério	Non-Executive

The current composition of the Board of Directors, especially with regard to the number of Non-Executive Directors (a total of 7, of which 4 are independent), as well as the fact that the Committees designated by the Board of Directors are fully constituted (Board Audit and Finance Committee) or in the majority (Board Nomination and Remuneration Committee) by independent members, ensures the degree of supervision necessary for the activities carried out by the Executive Directors and is adequate and in accordance with the recommendations of the IPCG Corporate Governance Code, taking into account the model of adopted government, the size of the Company and the respective free float. The Management Report also includes a chapter describing the activities carried out by the Non-Executive members of the Board of Directors.

The Non-Executive members of the Board of Directors, Álvaro Carmona e Costa Portela, Francisco de La Fuente Sánchez, Isabel Maria Pereira Aníbal Vaz e Paulo José Jubilado Soares de Pinho, are considered independent according to the criterion of independence established in section 18.1 of Annex I of the CMVM Regulation No. 4/2013 and the Recommendation III.4 of the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG).

Independent Non-Executive Directors are under a duty to inform the Company immediately of any occurrence during their term of office that may cause incompatibilities or loss of independence, as required by law.

19. Professional qualifications of the members of the Board of Directors

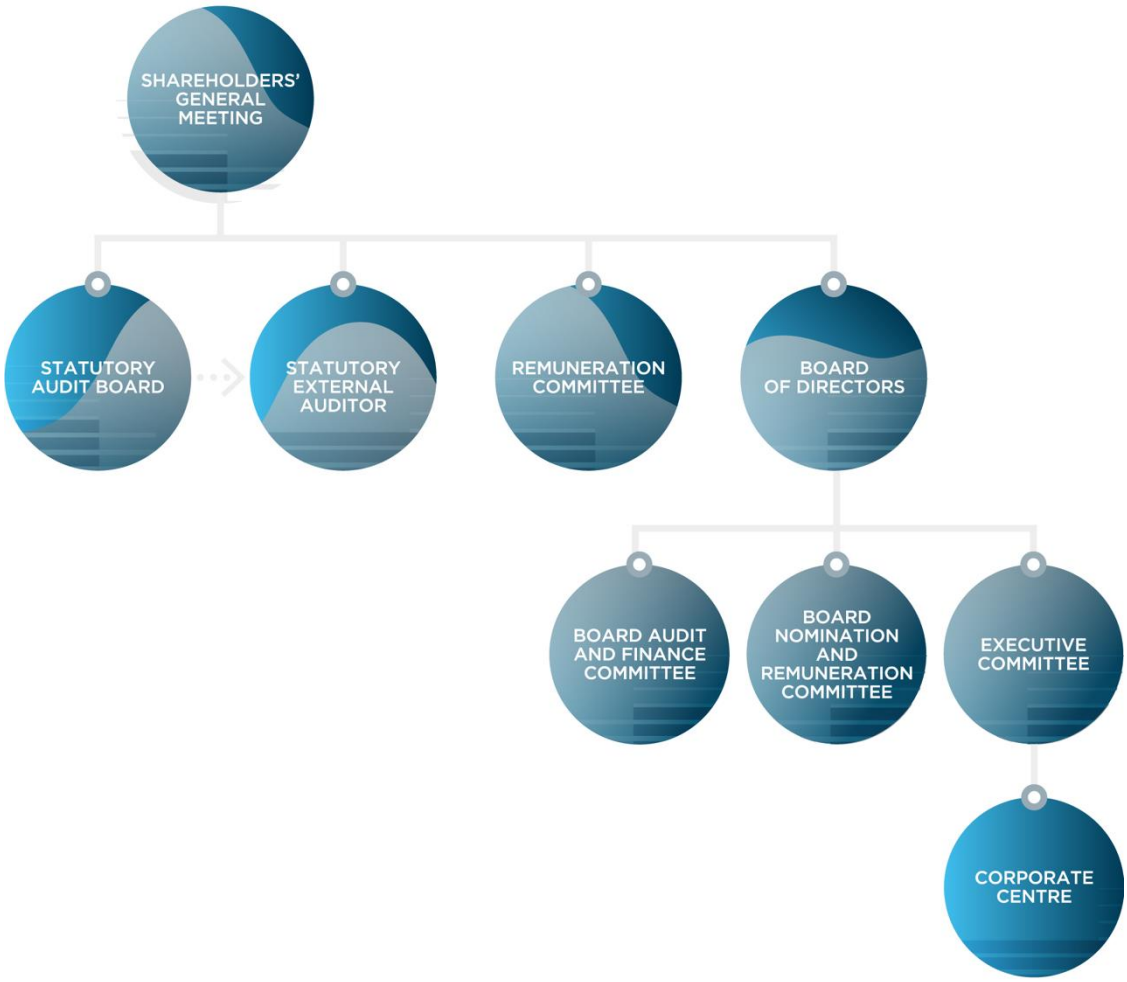
The professional qualifications and other relevant information of the curricula of the members of the Board of Directors are detailed in this report, in the Annex I.

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

The Chairman of the Board of Directors, Duarte Paulo Teixeira de Azevedo and the Director Maria Cláudia Teixeira de Azevedo, are siblings and shareholders and members of the Board of Directors of Efanor Investimentos, SGPS, S.A., a legal person to which the control of the majority of the voting rights in this Company is imputed. The Non-Executive Director, Ângelo Gabriel Ribeirinho dos Santos Paupério is a member of the Board of Directors of Efanor Investimentos, SGPS, S.A..

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

21. Organisational charts or functional charts relating to the division of powers between the different governing bodies, Committees and/or departments of the Company, including information on the delegation of powers, particularly with regard to the delegation of the Company's daily management



The Board of Directors is the governing body responsible for the management of the activity of the Company and its powers are defined by law, in the Company's Articles of Association and the respective Regulation.

The members of the Board of Directors who do not perform Executive functions promote the adequate supervision and surveillance of the performance of the members of the Executive Committee.

The Board of Directors created and delegated to the Executive Committee the daily management of the Company, for the mandate corresponding to the 2018/2020 triennium, having determined the respective composition, operation and delegation of management powers.

Therefore, the Board of Directors delegated to the Executive Committee the necessary powers to develop and execute the day-to-day management of the Company. For these purposes, it is not considered day-to-day management and were not as such delegated by the Board of Directors, namely, the: i) definition of the strategy and main policies of the Company; ii) organisation and coordination of the business structure; iii) matters that should be considered strategic due to their

amount, risk or special characteristics. The Executive Committee must, however, within the scope of its powers, make proposals to the Board of Directors regarding some of these matters.

The decision-making power relating to the following matters is reserved and the exclusive competence of the Board of Directors:

- Appointment of the Chairman of the Board of Directors
- Co-optation of Directors;
- Request to convene General Meetings;
- Approval of the Annual Report and Accounts, to be submitted to the approval of the General Meeting, and also the approval of semi-annual and quarterly reports and accounts and of the results to be disclosed to the market;
- Provision of collateral and personal or real guarantees by the Company;
- Decision to change the registered office or increase the share capital;
- Decision on projects of mergers, spin-offs or transformation of the Company or involving companies of the Group, except if, in those cases, such operations consist in a mere internal restructuring operations framed in the general approved objectives and principles;
- Approval, on proposal of the Executive Committee, of the strategic configuration of the business portfolio and the resulting financial plan, including extensions or important reductions of the activity or of the internal organisation of the Company or of the Group;
- Approval, on proposal of the Executive Committee, of the business plans, budgets, investment plans and annual financial plans of the Company, and any substantial changes and with relevant impacts on the same;
- To resolve, in accordance with the legal and statutory provisions, on the issuance of bonds and commercial paper and loan contracting in the domestic and foreign financial market, by one or more times, when involving values that exceed 10 million euros per contract or issue and affect in the same amount the consolidated debt of the Company;
- Approval of the main policies of the Company;
- Definition of the human resources policies applying to senior positions (level G3 and higher) in areas that do not fall under the purview of the General Meeting or the Remuneration Committee.

The Corporate Centre plays an instrumental role in supporting the Executive Committee and the Board of Directors in the definition and control of the implementation of the defined strategies, policies and objectives. Composed of sovereign functions and shared functions, which are described below, its purpose is to provide transversal services to all Group companies:

- Group Funding & Financial Markets;
- Group Legal;
- Investor Relations;
- Group Planning and Control;
- Group Human Resources;
- Group Mergers & Acquisitions;
- Enterprise Wide Internal Audit;
- Enterprise Wide Risk Management;

- Group IT/IS;
- Group Reporting, Tax and Treasury;
- IoW (Improving our Work).

Group Funding & Financial Markets: defines and implement financial management strategies and policies, ensuring an integrated and transversal vision of the needs of the Group, as well as ensuring the relationship with the capital, debt and banking markets. It is also responsible for the management of the Group's financial risks for the preparation and monitoring of the Group's financial plan.

Group Legal: provides legal support in all areas of activity of Sonae Capital, guaranteeing the defense of the Group's interests and promoting, in an integrated and transversal way, the strategy defined by the Board of Directors, monitoring and guaranteeing, on the one hand, the legality of the activities developed, and on the other hand, ensuring relations with Euronext Lisbon and the Securities Market Commission, whenever legal matters arise. This area is also responsible for the legal management of the Corporate Governance policy to support compliance with best practices in this area. It is also responsible for the elaboration and/or analysis of contracts that allow maximising security and reducing legal risks and potential costs, litigation management, legal support in the national and international operations of the businesses of the Company, also exercising secretarial functions in a permanent monitoring of legal compliance. It also ensures the necessary coordination between the legal departments of the different business areas.

Investor Relations: manages the relationship between Sonae Capital and the financial community, through the continuous preparation and dissemination of relevant and updated information about the Company and ensuring permanent contact with investors, shareholders and analysts.

Group Planning and Control: supports the Group' strategic development and the definition of management information policies and ensure the reporting of consolidated information internally.

Group Human Resources: defines and implements the Group's human resources strategy and policies, as well as plans and manages the talent and careers of top managers, under the terms approved by the Board of Directors and the Remuneration Committee.

Group Mergers & Acquisitions: supports the Board of Directors in organic growth projects and in the management of the Group's businesses, as well as in portfolio optimisation projects, including the analysis and negotiation of investment and divestment opportunities.

Enterprise Wide Internal Audit: defines and executes the Internal Audit activities, systematically and independently evaluating the Group's activities with the aim of ensuring the effectiveness of the management and internal control systems and processes.

Enterprise Wide Risk Management: supports the Board of Directors in the identification, modeling and monitoring of the Group's risks in order to ensure their control and mitigation, as well as enabling the inclusion of the risk dimension in strategic and operational decisions.

Group IT/IS: ensures the alignment of Information Systems with the Group' strategy, creating value through the provision of solutions that promote the effectiveness, efficiency and innovation of processes.

Group Reporting, Tax and Treasury: optimizes the Group's financial flows through the efficient management of external entities, namely customers, suppliers and banks, guarantees the existence of an accounting management model, which ensures the integrity and availability of the accounting, financial and equity information of the entire organisation through an integrated system.

IoW – Improving our Work: promotes a common culture and practice of continuous improvement, within the scope of the IoW model, transversal to all Group companies and, on the other hand, promotes, facilitates and accelerates integrated innovation projects between different areas, with the aim of increasing the Group's competitiveness. At the same time, it is also responsible for identifying, promoting, evaluating and exploring project financing opportunities, through incentives and subsidies, within the context of the activities developed by the different companies of the Group, in order to enhance the performance of each business.

The Shared Services include processing activities, ensuring gains of scale. The definition and implementation of processes appears as a privileged way to promote efficiency, providing services to the Business Units and the Holding, with the following functions being highlighted:

- Accounts Receivable and Accounts Payable;
- Human Resources Services & Systems;
- Paralegal;
- IT/IS Support Activities.

b) Functioning

22. Existence of the Regulation of the Board of Directors and place where it can be consulted

The Regulation of the Board of Directors and its Committees is available for consultation on the website of the Company (https://www.sonaecapital.pt/pt) (Corporate Governance tab, Regulation section).

23. Number of meetings held and attendance record of each member, as applicable, at meetings of the Board of Directors, the General and Statutory Audit Board and the Executive Committee

The Articles of Association of the Company establish that the Board of Directors must meet at least once every quarter and, in addition, whenever the Chairman or two Directors call a meeting, in the legally foreseen terms. During 2019, the Board of Directors met 6 times and the attendance record, either in person or through telematic means, was as follows:

Name	Attendance
	%
Duarte Paulo Teixeira de Azevedo	100%
Álvaro Carmona e Costa Portela	100%
Maria Cláudia Teixeira de Azevedo	100%
Francisco de La Fuente Sánchez	100%
Paulo José Jubilado Soares de Pinho	100%
Miguel Jorge Moreira da Cruz Gil Mata	100%
Ivone Maria Pinho Teixeira da Silva	100%
Isabel Maria Pereira Aníbal Vaz (*)	100%
Pedro Manuel Martins Bruno (*)	100%
Ângelo Gabriel Ribeirinho dos Santos Paupério (**)	100%

(*) Appointed on 29 April 2019.
(**) Appointed on 4 December 2019.

The Secretary of the Board of Directors is responsible for the preparation and functioning of the meetings. The Secretary also keeps records of all decisions taken in the minutes of the meetings and sends the agenda of the meetings and supporting documents at least five days in advance, always with a weekend in between, before the date of the meeting.

24. Competent governing bodies of the Company to assess the performance of the Executive Directors

The Remuneration Committee, elected at the Shareholders' General Meeting, is the body responsible for assessing the performance and approving 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 at the General Meeting.

The Board Nomination and Remuneration Committee, appointed by the Board of Directors, composed entirely of Non-Executive Directors, supports the Remuneration Committee in the performance of its competence in matters of remuneration.

For the exercise of these functions, these Committees may be assisted by international consultants of recognised competence. The independence of the consultants is guaranteed either by their autonomy before the Board of Directors, the Company and the Group, as well as by their broad experience and credibility recognized by the market, with the Board of Directors having established in the Internal Regulation that the Board Nomination and Remuneration Committee must ensure that referred entities will not be hired to provide any other services to the Company or its subsidiaries, without the express authorisation of the Committee.

25. Pre-determined criteria for assessing the performance of the Executive Directors

The performance assessment of Executive Directors is based on pre-determined criteria, consisting of objective performance indicators set for each period and in line with the overall strategy of growth and positive business performance.

These indicators consist of the business, economic and financial KPIs (Key Performance Indicators), subdivided into collective, departmental and personal KPIs. The collective business KPIs consist of economic and financial indicators that are defined based on the budget, the performance of each business unit, as well as on the consolidated performance of the Company.

In turn, the departmental business KPIs are similar in nature to the previous ones, measuring the specific contribution of the Director to the performance of the areas of his direct responsability. Personal KPIs include objective and subjective indicators and are intended to measure compliance with duties and commitments individually taken on by the Executive Director.

The predetermined criteria for assessing the performance of Executive Directors derive from the application of the Remuneration and Compensation Policy approved by the General Meeting of 29 April 2019, under proposal from the Remuneration Committee. Additional information can be found in sections 71 to 75 below.

26. Availability of each member of the Board of Directors, indicating the positions held simultaneously in other companies, inside and outside the Group, and other relevant activities carried out by the members of those bodies during the financial year

The list of positions held by the Company's Directors and other relevant activities is included in the Annex I. Each of the members of the Board of Directors have consistently demonstrated their availability to perform their duties, having regularly attended the meetings of the body and participated in its work.

c) Comittees within the management or supervisory bodies and delegated Directors

27. Identification of Committees established within the Board of Directors and the place where its Regulations can be consulted

The committees created by the Board of Directors are the Executive Committee, the Board Audit and Finance Committee and the Board Nomination and Remuneration Committee.

In the performance of their duties as members of the Board of Directors and the Committees created by the Board, they must comply with the Code of Conduct of the Company, adopted procedures concerning related party transactions and the procedures adopted on conflicts of interest.

The functioning of the various committees is established in the Regulation of the Board of Directors, available for consultation on the website of the Company: https://www.sonaecapital.pt/en (Corporate Governance tab, Regulation section).

28. Composition of the Executive Committee

Name	Position
Miguel Jorge Moreira da Cruz Gil Mata	President of the Executive Committee since 17 July 2018
Ivone Maria Pinho Teixeira da Silva	CFO
Pedro Manuel Martins Bruno	Member of the Executive Committee since 29 April 2019

29. Indication of the powers of each of the committees created and a summary of the activities carried out in the exercise of powers

Executive Committee

The Executive Committee is empowered to deliberate on all matters that have been delegated by the Board of Directors or related to the day-to-day management of the Company, following the strategic guidelines defined by the Board of Directors and under the aforementioned delegation of powers.

Pursuant to the established policy, the members of the Executive Committee share responsibilities in more than one area, and the allocation of these responsibilities is done according to the profile and experience of each member.

The Executive Committee of the Company shall meet on a monthly basis and at any time a meeting is called in writing, at least 3 days in advance, by the Chief Executive Officer or by a majority of its members. Notwithstanding regular contact between the members of the Executive Committee in the periods between meetings, 19 meetings were held in 2019.

The Executive Committee may only take decisions if the majority of its members are attending or represented. Decisions are taken by majority of the votes cast by the members attending or represented and by those voting by post.

Employees of the Corporate Centre may attend Executive Committee meetings, at the request of one of the Executive Directors, to give support and opinions on certain matters.

The Secretary of the Executive Committee (who is also the Secretary of the Board of Directors and the Board Audit and Finance Committee) is responsible for the functioning of the Executive Committee and other logistical aspects. The Secretary is also responsible for recording the decisions in the minutes of the meetings and for providing the members of the Executive Committee with the agenda and supporting documents for the meeting, at least three business days prior to the date of the meeting. The fact that the Secretary is the same for both bodies ensures the adequate flow of information

between both bodies, allows the timely distribution of information and minimises any problems in the interpretation of requests for clarification, contributing to greater efficiency and effectiveness of the process.

During 2019, the Executive Committee sent the agenda and approved minutes of the respective meetings to the Non-Executive Directors and to the members of the Statutory Audit Board. The members of the Executive Committee shall provide, in a timely and adequate manner, any information requested by other members of the governing bodies.

Board Audit and Finance Committee

The Board Audit and Finance Committee (BAFC) functions under the terms approved by the Board of Directors.

BAFC is composed of Non-Executive members selected from among the members of the Board of Directors, being the respective President appointed by the decision of the Board of Directors.

With reference to 31 December 2019, the BAFC is composed of Independent Non-Executive Directors, Francisco de La Fuente Sánchez (Chairman) and Paulo José Jubilado Soares de Pinho.

The BAFC is competent to:

- review the annual and interim financial statements and the documents for disclosure of results and report its findings to the Board of Directors, in support to the process of approval of the accounts by the Board of Directors;
- advise the Board of Directors about their reports to shareholders and the financial markets, to be included in the annual and half-yearly financial statements, as well as in the quarterly results disclosures;
- advise the Board of Directors, integrating the assessment and suggestions made by the Statutory Audit Board, about the appropriateness and quality of the information provided by the Executive Committee, and the systems and internal control standards applied by the Company;
- monitor the activity of the internal audit in line with the plans validated by the Statutory Audit Board, and formulate conclusions to be directed to the Board of Directors;
- evaluate operational procedures to ensure the monitoring of the internal control, the efficient management of risks, the timely circulation of information and the reliability of the procedure for preparation and disclosure of financial information, and formulate conclusions to be directed to the Board of Directors;
- ensure the flow of information between the members of the Board of Directors and the Statutory Audit Board and process the requests addressed by it to the Board of Directors;
- ensure the interaction with the Statutory Audit Board, including the timely exchange of information and documentation between the two bodies, namely with regard to the strategic lines and risk policy established by the Board of Directors;
- ensure the observance of corporate governance policies adopted by the Company, and for the observance of the rules and practices of financial reporting;
- monitor formal and informal key financial indicators reported about the Company, including reports published by rating agencies:
- issue opinions on transactions of significant relevance carried out by the Company with qualified shareholders and related parties, in accordance with the rules established in the referred Regulation.

The BAFC meets with the Statutory Audit Board, with the Staturory Auditor of the Company and the Internal Audit team.

Refer to Chapter III of this report for information on risk-taking and control of risks.

The BAFC must meet at least five times a year, prior to the publication of annual and quarterly results, and whenever its Chairman, the Board of Directors or the Executive Committee calls for meeting. The BAFC will always meet for analising the annual budget of the Company and the financial plan of the Group's businesses.

BAFC's Secretary, which is the same as the Board of Directors and other Committees, with the exception of the BNRC-Board Nomination and Remuneration Committee, is responsible for distributing the agenda and supporting documents to the members of the Committee with at least five days in advance, with a weekend in between, regarding the date of the meeting, in addition to ensure the recording of resolutions taken in the minutes of meetings.

The minutes of the meetings are distributed to all members of the Board of Directors. In the year of 2019, the BAFC met 6 times.

Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee (BNRC) is composed of Non-Executive Directors: the President is the Chairman of the Board of Directors, Duarte Paulo Teixeira de Azevedo, and the members are Álvaro Carmona e Costa Portela and Francisco de La Fuente Sánchez, the latter two independent Non-Executive Directors.

Its members were appointed for a period of three years (2018-2020).

The BNRC meets ordinarily once a year, preferably in the period prior to the annual meetings of the Remuneration Committee, and whenever its Chairman or the Board of Directors calls for meeting.

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

- identifying potential candidates with a profile for the performance of Director functions (in particular when the Board of Directors exercises its function of co-opting members), preparing general information regarding replacement plans, contingency plans and talent management, in general for the members of the Board of Directors as well as other officers, through transparent selection processes, which include effective mechanisms for identifying potential candidates taking into account the requirements of the function, merit and adequate diversity for the Company, namely gender;
- submitting, to the Board of Directors, reasoned opinion with regard to the proposal from the Executive Committee on the remuneration policy and compensation for the members of the Board of Directors of other companies of the Sonae Capital Group, to be submitted to the Board of Directors and subsequently submitted by the Management Board of Directors to the Remuneration Committee, as a proposal to be put forward by the latter, at the Annual Shareholders' General Meeting;
- receiving, analysing and presenting, in accordance with the approved internal procedure, proposals for remuneration of the members of the Board of Directors and of other governing bodies of the Company, to be approved by the Remuneration Committee. All proposals must be in accordance with the terms set forth in the remuneration and compensation policy;
- supervising the decisions taken by the Executive Committee regarding the remuneration of the senior Executives who report directly to the Executive Committee;
- advising the Board of Directors on advance appraisal and approval of the exercise made by the members of the Board of Directors of management positions or exercise of other significant functions or activities in entities outside the Group, not previously authorized by the Shareholders' General Meeting, following a communication presented by the Director in compliance with the Internal Policy of Conflict of Interests of the Company.

As it follows from the above exposed, the members of the existing Committees are also members of the Board of Directors and in each meeting shall briefly inform the remaining members of the Board on the relevant facts regarding the execution of its assignments.

The Chairman of the Board of Directors and of the existing Committees, as well as the Independent Senior Director, ensure timely and properly, the flow of information necessary for the performance of legal and statutory responsibilities of each of the remaining bodies and committees, streamlining, notably, so including but not limited to, the necessary resources to provision of notices, minutes and supporting documentation of decisions made.

III. Audit

a) Composition

30. Identification of the supervisory bodies

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

31. Composition of the Statutory Audit Board

In accordance with the Articles of Association of the Company, the Statutory Audit Board should be composed of an even or odd number of members, with a minimum of three members and a maximum of five, being that this number is fixed by the Shareholders' General Meeting. The Statutory Audit Board will also have one or two substitute members, is composed of three or more members, respectively.

The members of the Statutory Audit Board are elected for three-year mandates, jointly with the members of the other governing bodies, being applicable to their designation, as well as to the other governing bodies, the principles and criteria contained in the Diversity Policy of the Company and in its Code of Conduct.

The Statutory Audit Board appoints its Chairman, if the Shareholders' General Meeting does not do so.

If the Chairman leaves office before the expiry of his respective mandate, the other members must elect from among themselves someone to carry out those duties until the end of the mandate. The substitute members must replace current members unable to perform their duties or who have resigned. They shall remain as a full member until the next Shareholders' General Meeting, which shall appoint new members to fill the vacant positions. In the event that there are no substitute members, the Shareholders' General Meeting shall appoint new members.

Further it should be noted that, in the appointment of the management and supervisory bodies, carried out in 2018, the Diversity Policy of the Company was applied, in full.

The Company considers that the number of members of its Statutory Audit Board, which is the standard number adopted by most comparable Portuguese companies, is adequate in relation to its size and complexity, and is still sufficient for the efficient performance of its functions, in addition taking into account both the governance model of the Company and the support given to the Statutory Audit Board by several corporate services, in particular the departments of Enterprise Wide Risk Management and Internal Audit.

32. Identification of Statutory Audit Board members considered independent

The members appointed for the current mandate (triennium 2018-2020) and in office are:

Name	Position	First appointed
António Monteiro de Magalhães	Chairman	March 2015
Manuel Heleno Sismeiro	Member	April 2009
Susana Catarina Iglésias Couto Rodrigues de Jesus	Member	May 2018
Ana Isabel Príncipe dos Santos da Silva Lourenço	Substitute	May 2018

All members of the Statutory Audit Board comply with all incompatibility rules mentioned in paragraph 1 of the article 414-A of the Portuguese Companies Code. With the exception of Manuel Heleno Sismeiro, all other members of the Statutory Audit Board are independent under the terms of paragraph 5 of the article 414 of the Portuguese Companies Code. The loss of independence of Manuel Heleno Sismeiro stems from the fact that he was re-elected for more than two mandates. The Company privileged the professional qualifications and the added value of that member and believes that they justify his maintenance in office, despite the aforementioned loss of independence.

The members of the Statutory Audit Board are required to immediately inform the Company of any occurrence during their term of office that may cause incompatibilities or the loss of independence, as required by law.

The Statutory External Auditor will be discussed in sections 39 to 41 below.

33. Professional Qualifications

The professional qualifications and other relevant information of the curricula of the members of the Statutory Audit Board are detailed in this report in the Annex I.

b) Functioning

34. Place where the Regulation can be consulted

Ther Regulation of the Statutory Audit Board is available for consultation on the website of the Company (https://www.sonaecapital.pt/en) (Corporate Governance tab, Regulation section).

35. Meetings of the Statutory Audit Board

The Statutory Audit Board meets at least once every quarter. In 2019, 9 formal meetings of this body were held and the respective attendance rate, in person or through representation, was as follows:

Name	Attendance
	%
António Monteiro de Magalhães	100%
Manuel Heleno Sismeiro	100%
Susana Catarina Iglésias Couto Rodrigues de Jesus	100%
Ana Isabel Príncipe dos Santos da Silva Lourenço	100%

The decisions of the Statutory Audit Board are approved by simple majority and minutes are recorded.

36. Availability of each of the members, indicating the positions held in other companies, inside and outside the Group, and other relevant activities carried out by members of the Statutory Audit Board

Each of the members of the Statutory Audit Board has consistently demonstrated their availability to perform their duties, having regularly attended the meetings of the body and participated in its work.

The information on other positions held by members of the Statutory Audit Board, their qualifications and professional experience is available in the curricula vitae included in the Annex I to this report.

c) Powers and duties

37. Description of the procedures and criteria applicable to the intervention of the Supervisory Body for the purpose of contracting additional services from the Auditor

It is the responsibility of the Statutory Audit Board to approve the provision of additional audit services to be provided by the Auditor.

At the first meeting of each financial year, the Statutory Audit Board prepares a plan and work schedule for that year which includes, among others, the coordination and supervision of the work of the Auditor. It shall include the following activities:

- Approval of the annual activity plan of the Auditor;
- Monitoring the work and discussion of the conclusions of the audit work and review the accounts;
- Supervising the Independence of the Auditor;
- Joint meeting with the Board Audit and Finance Committee to review issues related to Internal and External Auditing
- Analysis of the provision of services other than audit services in compliance with the applicable legislation in force.

In assessing the criteria that backed the contracting of additional services from the Auditor, the Statutory Audit Board verified the presence of the following safeguards:

- that the contracting of additional services did not affect the independence of the Auditor;
- that additional services, dully falling within the defined framework, were not prohibited services pursuant to the paragraph 8 of the article no. 77 of the Law no. 140/2015, of 7 September;
- that the additional services were provided with high quality and autonomy, as well as with independence from those performed within the scope of the audit process;
- that the necessary factors guaranteeing independence and impartiality are met;
- that the quality system and internal control applied by PriceWaterhouseCoopers, in accordance with the information it provides, monitored the potential risks of loss of independence or possible conflicts of interest with Sonae Capital and ensures the quality of services rendered, in compliance with the rules of ethics and independence;
- that the services provided comply with the terms established by the Law no. 140/2015 of 7 September, which approves the new Statute of the Order of Statutory Auditors.

38. Other functions of the Statutory Audit Board

In addition to the duties described in the previous section, the Staturory Audit Board is responsible for, among others:

- Supervising the management of the Company, in accordance with the best corporate governance practices and with respect for its competencies;

- Monitor compliance with the law and the Statutes;
- Checking the compliance of books, accounting records and supporting documents;
- Verifying, when it deems appropriate and in the manner deemed adequate, the extent of the cash and the stocks of any kind of assets or values belonging to the Company or received by it as guarantee, deposit or other security;
- Verifying the accuracy of the accountability documents;
- Verifying if the report regarding the corporate governance structure and practices disclosed includes the elements referred to in the article no. 245-A of the Securities Code;
- Verifying if the accounting policies and valuation criteria adopted by the Company led to a correct valuation of assets and results;
- Elaborate, annually, the report regarding the auditing activity addressed to the shareholders, including the description of the inspection activity developed, any detected constraints and give an opinion on the report, accounts and proposals presented by the Management;
- Convening the Shareholders' General Meeting, when the Chairman of the respective board does not do it, and should do so;
- Monitoring the effectiveness of the of the Risk Management system, the internal control system and the internal audit system;
- Receiving communications of irregularities presented by shareholders, employees of the Company or others;
- Contracting the services of experts to assist one or several of its members in the performance of their duties. The hiring and remuneration experts shall take into account the importance of the matters entrusted to them and the economic situation of the Company;
- Supervising the process of preparation and disclosure of financial information by the management body, namely including the adequacy of accounting policies, estimates, judgments, relevant disclosures and their consistent application between financial years, in a duly documented and communicated manner;
- Proceeding with the selection of the statutory auditor, representing the Company with the Statutory External Auditor and statutory auditor and propose to the Shareholders' General Meeting its appointment and dismissal, as well as approving its remuneration, proceeding with the evaluation of the activity performed, ensuring, within the Company, the appropriate conditions to the rendering of its services, being the interlocutor of the Company and the primary recipient of the reports of the Statutory Auditor, safeguarding the duties and powers that assist, in this matter, the management body;
- Supervising the auditing of the financial statements of the Company;
- Supervising the existence and maintenance of the independence of the Statutory External Auditor;
- Approving, previously, the provision of audit services, as well as the additional services to be provided by the Statutory External Auditor, or of any entities that are in a participation relationship or that are part of the same network, and approve the respective remuneration, ensuring that the respective provision of services is permitted by law, does not exceed reasonable limits and does not prejudice the independence of the Statutory External Auditor;
- Issuing a specific and substantiated opinion supporting the eventual decision of not to rotating the Statutory External Auditor, considering independence of the Auditor in that circumstance and the advantages and costs of its replacement;
- Supervising the activity developed by the internal audit;

- Issuing a prior opinion regarding any transaction that the Company establishes with shareholders owners of qualified shareholdings or with related entities, involving a value greater than ten million euros;
- Complying with other duties contained in the law or the Statutes.

For the performance of the duties mentioned above, the Statutory Audit Board:

- Establishes, in the first meeting of each financial year, its annual activity plan;
- Obtains from the Management, in accordance with the provisions of the following article, the necessary information for the exercise of its activity, namely regarding the strategic lines, the operational and financial evolution of the Company, changes in the composition of its portfolio, the risk policy defined by the Board of Directors, the terms of the operations carried out and the content of the decisions taken by the Board and by the respective Committees, including, in particular, the access to calls, minutes and supporting documentation to the decisions taken;
- Analyses and accompanies throughout the financial year, the activity plans of internal and external audits and issues its guidelines and recommendations, monitoring supervising actions to assess the independence of the Statutory External Auditor;
- Monitors the internal Risk Management and internal control system, issues its guidelines and recommendations, and elaborates, annually, an appraisal and recommendations report addressed to the Management, acting to ensure that the risks incurred by the Company are consistent with the objectives established by the Board of Directors;
- Receives from the Board of Directors, at least two days before the date of the meeting, the consolidated and individual financial statements and the respective reports, analysing in particular the main changes, the relevant transactions and the corresponding accounting procedures and clarifications obtained from the Management, namely through the Board Audit and Finance Committee and the Statutory External Auditor, and issues its assessments and decisions;
- Oversees and approves the disclosure of financial information of its competence, namely the sending to the Securities Market Commission and the placing on the website of the Company of the financial statements and results announcements;
- Records the communications of irregularities addressed to it, promoting, as appropriate, the necessary steps with the Management, internal and/or external audit, or with any others, and prepares its report on them and adopts the measures that understands convenient in light of their functional duties
- Notifies the Management about the assessment, supervising and procedures it has carried out and the results thereof;
- Attends the Shareholders' General Meeting, as well as the meetings of the Board of Directors for which it is convened or where the annual accounts are approved;
- Carries out, annually, a self-assessment of its activity and performance, which might include the revision of this Regulation, in view of the development and implementation of improvements on its functioning;
- Seeks to ensure, in interaction with the Board of Directors and Committees created by the latter, the actual existence of a flow of timely and appropriate information to the proper exercise of competencies and duties of each of the governing bodies;
- Develops the other supervising duties that are imposed by law or by the Corporate Governance Code adopted by the Company.

In support of the activity of the Statutory Audit Board, the Company provides the human and technical resources necessary to the organisation of meetings, preparation of agendas, minutes and supporting documentation and their timely distribution. In addition, these meetings are attended by the internal liaisons considered relevant to the issues under discussion, for presentation and explanation of the issues raised by the Statutory Audit Board. The items on the agenda of these meetings on matters related to Auditing are discussed, at the discretion of the Statutory Audit Board, without the presence of employees of the Company.

The selection process of the Statutory External Auditor is carried out in accordance with the provisions of the point f) of the paragraph 3 of article no. 3 of the Legal Framework of Auditing Supervision approved by the Law no. 148/2015 and of the article no. 16 of the Regulation (EU) no. 537/2014, through the organisation of an extended selection process, free from any external influence, and free from any contractual clause with the nature explained in paragraph 6 of the aforementioned Regulation and must comply with the following requirements:

- Audit firms of renowned national and international competence and proven experience are invited to participate;
- The eligibility criteria and their respective weighting are previously determined, namely: resources and coordination capacity, quality and availability in the field work, classification and periodicity of reports to be issued, communication tools and cost of services. The conclusions of the selection will be coupled with the result of the weighting and the analysis imposed by the paragraph 5 of article 54 of the terms of reference of the Portuguese Institute of Statutory Auditors (*Estatuto da Ordem dos Revisores Oficiais de Contas*, *hereinafter EOROC*), regarding the existence of the conditions of independence of the Statutory External Auditor or audit firms and the advantages and costs of their replacement in the light of those criteria.

The Statutory Audit Board annually prepares a report on its supervisory action in the financial year, including an annual assessment of the Statutory External Auditor, and it issues an opinion on the management report, the consolidated and individual financial statements and the Corporate Governance report presented by the Board of Directors, in order to comply with the legal deadlines for disclosure at the date established for the Annual Shareholders' General Meeting. The annual report on its audit activity is included in the reports and accounts made available on the website of the Company (https://www.sonaecapital.pt/en).

The Statutory External Auditor is the supervisory body responsible for the legal certification of the financial information of the Company, having as its fundamental duties:

- Check the consistency of all the books, accounting records and supporting documents;
- Whenever it deems convenient and through such means as it deems appropriate, verify the accuracy of cash and amounts of assets or securities of any type belonging to the Company or received by the Company by way of guarantee, deposit or for any other purpose;
- Check the accuracy of the financial statements and express its opinion on them in the Legal Certification of Accounts and in the Audit Report;
- Verify that the accounting policies and valuation criteria adopted by the Company result in the correct valuation of the assets and results;
- Perform any necessary examinations and tests for the audit and legal certification of accounts and perform all procedures stipulated by law;
- Verify the effectiveness and functioning of the internal control mechanisms, reporting any deficiencies to the Statutory Audit Board, under the terms of and within the scope and limits of its legal and procedural powers;
- Verify whether the Corporate Governance Report includes the elements referred to in the article 245-A of the Securities Code.

IV. Statutory External Auditor

39. Identification of the Statutory Audit Firm and of the statutory auditor that represents it

The Statutory External Auditor of the Company for the 2018-2020 triennium is PricewaterhouseCoopers & Associados, SROC, represented by António Joaquim Brochado Correia or by Joaquim Miguel de Azevedo Barroso.

40. Permanence in Functions

The Statutory External Auditor is in its fourth mandate, having been re-elected for the present mandate on proposal of the Statutory Audit Board, at the Shareholders' General Meeting of 3 May 2018, under the terms explained hereafter. The Company has the same Statutory Auditor in almost all of its subsidiaries since 2011.

41. Other services rendered to the Company

The Statutory External Auditor also provides the Company with Audit services as described in the sections below.

V. Auditor

42. Identification

The Statutory External Auditor of the Company, designated in the terms of article 8 of the Portuguese Securities Code, is PricewaterhouseCoopers & Associados, SROC, registered under the no. 9077 at the Portuguese Securities Market Commission, represented by the statutory auditor António Joaquim Brochado Correia or by Joaquim Miguel de Azevedo Barroso.

In 2019, the representative of the Statutory Audit Firm of the Company was António Joaquim Brochado Correia.

43. Permanence in Functions

The Statutory External Auditor was elected at the Shareholders' General Meeting on proposal of the Statutory Audit Board for the first time in 2011, for the 2011-2012 biennium, and it is in its fourth mandate.

The partner that represents it has been working with the Company since the 3 May 2018.

44. Policy and frequency of rotation of the Auditor and the respective Statutory Auditor partner representing it

The current partner of the Statutory External Auditor of the Company - PricewaterhouseCoopers & Associados – SROC, Lda., hereinafter «PWC»- responsible for guidance or direct execution of the statutory audit of accounts was elected for the first time, in 2018, for the term 2018-2020, in compliance with the provisions concerning rotation of the Statutory Auditor Partner that represents the Statutory External Auditor in this mandate.

The article 54, paragraph no. 3 of the terms of reference of EOROC, approved by the Law no. 140/2015, of 7 September, determines that in public interest entities, the maximum period of exercise of statutory functions by the audit firm is two or three mandates, depending on mandates that are, respectively, of four or three years, without prejudice to paragraph 4 of the article 54 of the terms of reference of EOROC stipulating that the maximum period of the Statutory External Auditor in the same entity may be exceptionally extended to a maximum of 10 years, provided that such an extension is approved by the competent body – the Shareholders' General Meeting, on the substantiated proposal of the supervisory body.

The Statutory Audit Board, in compliance with the provisions of paragraph 3 – f) of the article 3 of the Legal Regime of Audit Supervision approved by Law no. 148/2015, of 9 September and article 16 of the Regulation (EU) no. 537/2014 and of its own policy, held an extended selection process, free of any outside influence, and free of any contractual clause referred to in paragraph 6 of the mentioned legal provision. The costs associated with the replacement of the Auditor of the Company were considered which, although more difficult to measure, assume a leading role in this matter, such as those associated with the integration of a new Auditor in the repository of information and in the business organisation of the Company, given the characteristics of the portfolio and its diverse and complex nature.

It was considered that delaying the replacement of the Statutory External Auditor by the additional period allowed by law, when all other requirements and selection and evaluation elements pointed to its maintenance, allow the elimination of such costs without endangering the legal purpose.

Considering all the above mentioned, in particular the fact that the Statutory Audit Board considers to be the one that will give the best answer to the needs of Company, it was proposed to the Shareholders' General Meeting the election of PWC as Auditor, for the next mandate (2018-2020). This proposal was approved by the Shareholders' General Meeting on 3 May 2018, with the above mentioned framework.

45. Assessment of the Auditor

In accordance with the governance model of the Company, the election or dismissal of the Statutory External Auditor is decided by the Shareholders' General Meeting, upon proposal of the Statutory Audit Board.

Additionally, the Statutory Audit Board supervises the performance of the Statutory External Auditor and the work throughout each financial year, considers and approves additional work by the auditor and annually conducts an overall assessment of the Auditor, which includes an assessment of the independence of the Auditor.

46. Additional Work

Tax consultancy services and other services (mainly in the area of management consulting) were provided by technicians other than those involved in the audit process, in order to ensure the independence of the Auditor. The Board Audit and Finance Committee and the Statutory Audit Board analysed the scope of the other services and approved them, considering that they did not jeopardise the independence of the Auditors.

The percentage of these services in the total of services provided by PricewaterhouseCoopers & Associados, SROC (PwC) to the Company amounts to 17.3% and is equivalent to 39,790 euros, which is below the proportion of 30% of the total average fees received in the last three years, by reference to the period established in paragraph 1 of the article 77 of Law no. 140/2015 of 7 September. In view of the amounts in question, within the recommended limits, and the fact that the services are provided by a team totally different from the entity that provides audit services, the independence and impartiality of the Statutory External Auditor is ensured.

The Statutory External Auditor reported to the Statutory Audit Board of the Company all the different audit services provided to the latter, without prejudice to the fact that such services are subject to the prior approval of the latter through the annual communication referred to in article 24, paragraph 6 - b) of the Law no. 148/2015 of 9 September.

Within the scope of its work, the Auditor verified the application of the remuneration policies and systems, as well as the effectiveness and functioning of the internal control mechanisms. It did not identify any material deficiencies that should be reported to the Statutory Audit Board of the Company.

47. Annual remuneration

Throughout the year of 2019, the total remuneration paid to the Statutory External Auditor of the Company was 230,186 euros, corresponding to the following services:

Services	Sonae Capital SGPS	Other Group entities	Total 2019	
				%
Statutory Audit and Accounts Certification [1)]	11 475	178 911	190 386	82.7%
Other Compliance and Assurance Services [2)]	0	27 544	27 544	12.0%
Tax Consultancy Services [2)]	0	0	0	0%
Other Services [2)]	7 600	4 656	12 256	5.3%
Total	**19 075**	**211 111**	**230 186**	-

1) Fees agreed for the year;
2) Amounts billed.

C. INTERNAL ORGANISATION

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 Code, requiring a majority of two thirds of the votes cast to approve this resolution.

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

49. Means of and Policy for Reporting Irregularities

The Company has implemented a procedure concerning the communication of irregularities in order to assure the response of the competent bodies of the Company to which such irregularities may be reported, the Policy and Procedures for Reporting Irregularities in the Company - The Whistle Blowing Policy. Within the scope of this Policy, irregularities are facts that violate or seriously jeopardise such as:

- The compliance with legal, regulatory and deontological principles by the members of the governing bodies and employees of Sonae Capital or of its affiliated companies, in the exercise of their professional positions;
- Assets of the Company and of its affiliated companies, as well as assets from clients, shareholders, suppliers and commercial partners of the Company or any of its affiliated companies, in the exercise of their professional positions;
- Good management practices and the image or reputation of the Company or of any of its affiliated companies.

The fundamental features of the policy for reporting irregularities currently in force in the Company are:

- Establishment of procedures for reporting irregularities, namely the provision of a mailbox with exclusive access for the Chairman of the Statutory Audit Board, along with the receipt by post, that guarantee all employees, shareholders or stakeholders that the report, communication or complaint of irregularities arrives inviolably to the addressee. Although there is a need for the explicit and unequivocal identification of the complainant, his identity must be kept

confidential and only known by the Chairman of the Statutory Audit Board, whenever this is requested in the report or complaint.

- After communicating or becoming aware of a potential irregularity situation, the Statutory Audit Board must ensure a rigorous and impartial investigation process, through access to all relevant documentation that should be made available by the Company for the investigation of irregularities and prevent access to the investigation process of any and all people who, even if indirectly, may have a conflict of interest with the outcome of the investigation process.
- The handling of irregularities, namely the prompt and effective handling of the referred communications, the implementation of corrective measures, when necessary, and informing the complainant of the outcome of the procedure.
- The communication by the Statutory Audit Board to the governing bodies of the Company or of its affiliated companies, whenever necessary, with a view to adopting the measures deemed necessary to remedy the investigated irregularities.
- Prevent the existence of reprisals that may arise from the report made, provided that there is no bad faith or participation in any irregularity by the complainant.

According to best corporate governance practices, the Company's Whistle Blowing Policy, the main characteristics of which are described above, is available for consultation on the website of the Company (https://www.sonaecapital.pt/en) and it covers the entire perimeter of the Sonae Capital Group.

During 2019, the Statutory Audit Board did not receive, through the means defined for this purpose, any reports on matters under the scope of this policy.

Also, with regard to reporting irregularities of the members of the corporate bodies and committees in the performance of their duties, in accordance with article 10 of the Regulation of the Board of Directors, the members shall, by reference to article 8 of the same Regulation, inform promptly the respective body or committee to which they belong about facts that may constitute or give cause to a conflict between their interests and the corporate interest, being that the member who declares to be conflict of interests, will not interfere in the decision-making process, without prejudice to the duty of providing information and clarification that the body, the committee or the respective members may require.

III. Internal Control and Risk Management

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

Risk Management is one of the core components of the culture of Sonae Capital Group culture and a pillar of the Corporate Governance of the Company, it is present in all the management processes, being a responsibility of all Group employees, at different levels of the organisation.

Sonae Capital attaches primary importance to the implementation of internal control and Risk Management principles appropriate to the Group's activities. The visibility towards the market, the exposure and diversification of business risks and the increasing speed of information diffusion make it fundamental to adopt these principles, following a philosophy of value creation, ethical affirmation and social responsibility.

Risk Management is developed with the objective of creating shareholder value through (i) managing and controlling the opportunities and threats that may affect the objectives of Sonae Capital's portfolio and companies, (ii) preventing the occurrence of errors and irregularities and minimising their consequences; and (iii) maximising the organisation's performance and the reliability of its information, in an ongoing business perspective. Along with Environmental Management and Social Responsibility, Risk Management stands out as one of the components of the sustainable

development of companies, since, when embodied in coordinated plans and systems of management and control, it contributes to a continuous development of the business through greater knowledge of the uncertainties and threats and more effective management and control of the risks that can affect organisations.

Risk Management is inherent in all management processes and is assumed as a responsibility for all managers and employees of the Group, supported by the functions of Risk Management, Internal Audit and Group Planning & Control, both at the level of the Company and of each of its businesses, embodied in specialised teams that report hierarchically to each of the respective Boards of Directors and functionally to the mirror functions of the Corporate Center. These constitute a fundamental element of a Risk Management culture that is intended to be transversal to all activities and hierarchical levels of the Company.

The Risk Management function is to support companies in achieving their business objectives through a systematic and structured approach in identifying and managing risks and opportunities, promoting and supporting the integration of Risk Management into the planning and management control of each company.

The Internal Audit function is to identify and evaluate the effectiveness and efficiency of the management and control of the risks of business processes and information systems, reporting functionally to the Statutory Audit Board.

The Management Planning & Control function promotes and supports the integration of Risk Management (and its respective annual cycle) in the management planning and control process of each business unit and the holding (annual strategic planning cycle).

It should be noted that the risks concerning the reliability and integrity of accounting and financial information are also evaluated and reported by the External Audit activity.

51. Explanation, possibly by inclusion of an organisational chart, of the hierarchical and/or functional dependency relationships with other bodies or committees of the Company

Bodies and Committees responsible for Risk Management and Internal Control

- Board of Directors
- Executive Committee
- Board Audit and Finance Committee
- External Audit
- Internal Audit
- Risk Management
- Corporate Centre

The Board of Directors is the maximum body responsible for the Risk Management process. The Board of Directors is responsible for defining and approving the Group's Risk Management policies, as well as defining the risk levels considered acceptable.

It is the responsibility of the Executive Committee to permanently assess the Group's risks, approve the action measures/plans, models and mechanisms for the evaluation, control and mitigation of these risks.

The Board Audit and Finance Committee informs the Board of Directors on the adequacy of the internal information provided by the Executive Committee and of the internal control systems and principles, and on the compliance with the Corporate Governance best practices.

Furthermore, the Board Audit and Finance Committee supports the Statutory Audit Board in appointing the Auditor, as well as defining the scope and remuneration of its work and reports to the Board of Directors on the quality and independence of the Internal Auditor and should be consulted by the management regarding the appointment of the Internal Audit manager.

The External Audit evaluates and reports the risks of reliability and integrity of accounting and financial information, thus validating the effectiveness and functioning of the internal control mechanisms in accordance with an activity plan aligned with the Statutory Audit Board, to whom it also reports the drawn conclusions.

The Internal Audit, acting independently, identifies and evaluates the effectiveness and efficiency of Risk Management and control of business processes and information systems, as well as the risks of non-compliance with laws, contracts, policies and procedures of the companies. Its activity is reported to and monitored by the Board Audit and Finance Committee, and it is also reported to the Statutory Audit Board.

Concerning the interrelationship with the Statutory Audit Board, the Board Audit and Finance Committee reviews the scope of the Internal Audit work and the functioning of the internal control and Risk Management systems and its relationship with the scope of the Auditor's work and analyses with him and with the Internal Audit manager the reports on the review of the annual financial information and on the review of internal control, reporting its findings to the Board of Directors. These reports are issued for the Statutory Audit Board and for the Board Audit and Finance Committee at the same time. In turn, the Risk Management promotes the execution of procedures and the internal disclosure of best practices, being responsible for coordinating the entire Risk Management process of the Sonae Capital Group, collaborating with the risk managers of each business unit in the activities arising from the Risk Management process and continuously guaranteeing the efficiency and effectiveness of the process.

52. Existence of other functional areas with risk control competences

The Risk Management, integrated in the Corporate Centre, hierarchically reports to the Executive Committee, and promotes, coordinates, facilitates and supports the development of Risk Management processes, promoting the inclusion of the risk dimension in the strategic and operational decisions. This function and the Internal Audit function are coordinated by managers at the Corporate Centre level of Sonae Capital and their activities are reported and monitored by the Board Audit and Finance Committee of its Board of Directors and Statutory Audit Board.

Similarly to the Internal Audit and Risk Management functions, the financial and legal Risk Management function is also coordinated by two managers at the Corporate Centre level of Sonae Capital and its activities are reported and monitored in the Board Audit and Finance Committee, being also reported to the Statutory Audit Board.

There are Risk Management Pivots at each business segment level, coordinated by the Group's Risk Management function, who work with the owners of each risk in order to ensure the implementation of the determined action plans, and the permanent update of the risk matrix of each segment.

53. Identification and description of the main types of risks (economic, financial and legal) to which the Company is exposed in the performance of its activity

53.1 Cross-Cutting Risks

Macroeconomic Environnment:

The activity developed by Sonae Capital Group is affected by the macroeconomic situation and by the profiles of the business segments in which it operates. Taking into consideration that a large part of the activity of its subsidiaries is

currently developed in Portugal, Sonae Capital is exposed to the situation of the Portuguese economy, which is, in turn, is greatly shaped by the evolution of the situation in the Euro Zone.

Sonae Capital's activity, businesses, operating results, financial position, future prospects or its ability to achieve its objectives may be potentially adversely affected by a negative development of the economic situation in Portugal or in the Euro Zone.

The Sonae Capital Group has several initiatives in place in order to mitigate this risk, whether through the businesses' internationalisation or through a strict control of costs, or by presenting innovative and differentiating solutions according to the profile of the markets where it operates.

Competition:

Apart from Sonae Capital Group's development of a wide range of activities belonging to several activity sectors and, consequently, exposed to diversified economic cycles, such as the Tourism Promotion, Hospitality, Fitness, Energy, Industrial Engineering and the sale of Real Estate Assets, many of these sectors are still very competitive, given the intervention of national and international companies, wherefore Sonae Capital' subsidiaries are exposed to strong competition. The ability of Sonae Capital' subsidiaries to position themselves appropriately in the sectors and markets in which they operate may have a significant impact on Sonae Capital' businesses or on the results of its activities.

The Sonae Capital Group regularly monitors the behaviour of the markets in which it operates, constantly seeking to anticipate changes and/or new market trends, in order to provide an innovative and differentiating value propostion to its clients.

Financial Risks:

Sonae Capital is exposed to a diversified set of risks of financial nature, namely interest rate risks, exchange rate risks (transaction and currency risks), raw material prices, liquidity and fluctuations in the capital and debt markets, credit (especially relevant in economic recession scenarios) and risks arising from changes in the fair value of financial instruments.

Sonae Capital's financial Risk Management policy aims to minimise the potential adverse effects arising from the volatility of financial markets and, to this end, a coherent set of systems and processes is implemented at Sonae Capital enabling the timely identification, monitoring and management by the Corporate Finance function.

The volatility of financial markets has led liquidity risk, credit risk, and capital and debt markets' fluctuations to take a central role in corporate priorities for the potential impact on business continuity and development. In fact, the business development of some Sonae Capital' subsidiaries may require the reinforcement of Sonae Capital's investment on those subsidiaries. Sonae Capital may intend to expand its business units through organic growth or eventual acquisitions and business continuity which requires the maintenance of liquidity reserves appropriate to the business requirements of the companies. The reinforcement of investment and maintenance of liquidity reserves may be done by means of equity or funds from third parties. Sonae Capital cannot ensure that such funds, if necessary, are obtained under the intended conditions, which may lead to changes or deferrals in the business development objectives or plans, restricting the success of the defined strategic objectives.

In this context, the aforementioned financial Risk Management systems and processes, centralised in the Company's Corporate Centre, are established in order to mitigate these risks by ensuring liquidity management through:

- short, medium and long-term financial planning based on predictive cash flow models;
- cashbook and working capital control instruments;

- strict customer credit management and monitoring of risk developments;
- diversification of funding sources and counterparties;
- adjustment of the debt maturity profile to the profile of cash flow generation and investment plans;
- maintenance of an adequate level of liquidity by contracting with known banks' cash support lines.

Sonae Capital does not contract derivatives or other financial instruments, except those strictly related to the hedging of risks arising from its operational activities and its financing. The Risk Management policy of the Company and the Group prevents the use of financial derivative instruments for purposes other than the strict coverage of these risks.

Legal, Tax and Regulatory Risks:

Sonae Capital and its subsidiaries are subject to extensive and often complex regulations as a result of their activities and its compliance requires an investment in terms of time and resources, having, for this purpose, legal and fiscal advice. In fact, Sonae Capital and its businesses have a permanent legal and tax function dedicated to each activity, which works jointly with other corporate and sovereign functions so as to ensure, in a preventive manner, the protection of Sonae Capital's interests in strict respect for the fulfilment of its legal duties as well as the enforcement of good practices.

The teams that are part of these advisory process have specialised training and participate in internal and external training sessions.

Legal and tax advisory is equally supported, nationally and internationally, by external professionals, selected from firms of recognised reputation and according to high criteria of competence, ethics and experience.

However, Sonae Capital and its subsidiaries may be affected by legal and tax changes in Portugal, in the European Union and in other countries in which it operates and which aim to ensure the safety and protection of consumers, workers' rights, protection of the environment and spatial planning, compliance with the regulations of the sectors in which it operates and the maintenance of an open and competitive market. Sonae Capital does not control these changes, nor changes in the interpretation of the laws by any authority. Any changes in Portuguese law, in the European Union or in the countries where Sonae Capital carries out its activities, may affect the conduct of the business in Sonae Capital or its subsidiaries and, consequently, hinder or impede the achievement of strategic objectives.

The Group's stance is one of permanent collaboration with the authorities, with due respect and observance of legal provisions. This collaboration can take the form of comments on public consultations issued by national and international authorities. The growing internationalisation of the businesses of the Group is affected by specific risks arising from the differentiated nature of the legal frameworks in each country.

Information Systems Risks:

Sonae Capital's information systems are considered as comprehensive, multifaceted and distributed. In terms of information security, several actions have been developed to mitigate the risk of compromising the confidentiality, availability and integrity of business data, namely off-site backups, implementation of high availability systems, network infrastructure redundancy, verification and control of the quality of flows between applications, access and profile management and reinforcement of data network perimeter protection mechanisms. On a recurrent basis, the Internal Audit function performs audits in several areas: applications, servers and networks, with the objective of identifying and correcting potential vulnerabilities that may have a negative impact on the business, as well as ensuring the protection of the confidentiality, availability and integrity of the information.

Following the audit of the management and governance processes within the scope of information systems, based on the framework Cobit V5, an Information Security project is in place with the goal of to addressing the recommendations of the

audit evaluation as well as outlining strategies and intervention plans to protect Sonae Capital's information and information systems. This project will culminate in the development of an Information Security Management System founded on policies, standards and procedures, based on information security Risk Management and supported by specific processes with unequivocally identified and qualified managers.

During 2019, the Company carried out several actions to raise awareness to the topic of security of the Group's Information Systems and the Protection of Personal Data strictly used in its activity, counting with the participation of employees from various levels and functions.

People Risks:

Sonae Capital's ability to successfully implement the defined strategies depends on its ability to recruit and retain the most qualified and competent employees for each function. Although Sonae Capital's human resources policy is geared towards achieving these objectives, it is not possible to guarantee that in the future there may be no limitations in this area.

Public Health Risks:

Sonae Capital acknowledges that Health is an essential cornerstone for the sustained development of its businesses, a differentiating aspect and the driving force behind all its success.

Risk assessment and the definition of measures to minimise these risks are carried out continuously, jointly with the business units, namely through staff training, close relationships with the staff in the workplaces and conducting audits.

Aware that people are its greatest asset, both employees and customers, Sonae Capital is committed to preventing the spread of diseases and improving the internal control environment for systems and equipment used to support its business activities. This is a fundamental cornerstone of motivation, sustainability and growth.

In this regard, special attention must be paid to the prevention and control procedures and plans implemented generally in the business segments to mitigate the risk of Legionnaires' disease.

People Safety Risks:

The Safety and Health of our staff is a key management feature. Every year, several Work 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 an healthy behaviour that contributes to the physical and psychological well-being of our staff.

Insurable Risks:

As regards the transfer of insurable risks (technical and operational), the Group's companies contract coverages pursuing an objective of rationalisation by the correct adjustment of the financial structure to the values of the risk capital, based on the permanent changes in the businesses encompassed. Moreover, this architecture was improved by the optimisation of the insurance programme in terms of coverage and retention, consistent with each business, internally ensuring effective insurance management.

Tangible Assets Risks:

In 2019, preventive and safety audits were conducted in different locations of each business unit. In the main business units, tests and simulations were made to emergency and preventive systems and plans, usually with the presence of public security authorities and services.

Climate Risks:

Combating climate change is a central topic on Sonae Capital's sustainable development agenda. At the same time, within the scope of its Risk Management policy, we have established that it is crucial to mitigate the impact of climate change on the operations of the various businesses that make up its portfolio. In this context, a working group was created with the aim of assessing the risk that climate change represents for the different businesses units. In 2019, the main goal of the Group was to develop a materiality analysis, business-by-business: categorizing climate risks and analysing them as regards the magnitude of their impact and the respective probability of occurrence. In 2020, Sonae Capital intends to measure the financial impact associated with climate change, reporting the information in accordance with the recommendations of the TCFD (Task force on Climate-related Financial Disclosures).

53.2 Company Risks

Sonae Capital, as a holding company (SGPS), directly and indirectly develops management activities over its subsidiaries, hence the fulfillment of the obligations assumed by it depends on the cash flows generated by its subsidiaries. Sonae Capital therefore depends on the dividends distribution of its subsidiaries, the payment of interest, the reimbursement of loans granted and on other cash flows generated by those companies. The ability of subsidiary companies to make available/repay funds to Sonae Capital will depend, in part, on their ability to generate positive cash flows within the scope of their operating activities, as well as on the statutory, legal and fiscal framework applicable to the distribution of dividends and other forms of payment/return of funds to its shareholders.

53.3 Subsidiaries' Risks

Sonae Capital's portfolio integrates a diversified set of businesses, therefore some of the main risks its subsidiaries are exposed to may be sector-specific. The main risks are identified below.

53.3.1 Energy

The Energy business, which operates under the brand CapWatt, promotes integrated solutions for decentralised energy production for industrial and service customers, with focus on high-efficiency cogeneration projects, as well as renewable generation. Through its activity of energy efficiency services, commercialisation of energy and CO_2 emmission allowances, it complements its integrated offer, also assuming the role of energy manager.

Cogeneration combines the production of electric and thermal energy from the same source of primary energy, in a highly efficient process. This is a way of saving energy consumption, as it allows a more efficient use of the primary energy used - natural gas or biomass - thus reducing its consumption, compared to the production of the same quantities of electric and thermal energy, separately.

Although this type of electricity generation is a more efficient and «environmentally-friendly» alternative, it nevertheless carries with it certain specific risks that may have an impact on the companies' results. The most relevant risks are as follows:

a) Cogenaration projects use, in most of the cases, natural gas as the primary fuel in the combined production of electric and thermal energy, so the purchase price of this raw material has significant weight on the variable cost structure.

Consequently, the volatility of the purchase price of natural gas, normally linked to the price of oil in international markets and the euro/dollar exchange rate, may be translated into a significant impact on the Company's results and margin.

It is worth noting, however, that, the tariff for the sale of electricity by cogeneration units is regulated and also indexed to the evolution of oil prices in international markets and to the euro/dollar exchange rate which, in itself, allows to reduce exposure to this risk. In particular, the electricity sale tariff defined by the Ordinance no. 58/2002, the remuneration scheme applicable to most cogeneration units, and the purchase price of natural gas are highly correlated, giving a considerable level of natural hedging as regards gross margin.

However, the Decree-law no. 23/2010 and the Ordinance no. 140/2012 established a new remuneration scheme for cogeneration in Portugal, applicable to new cogeneration units, which entailed the loss of the hitherto existing natural hedging, since the elasticity of prices to unit variations of the indexing factors is now totally different. The natural gas purchase price has significantly higher sensitivity than the electricity sales tariff, which translates into an increased risk of exposure to the volatility of the natural gas purchase price. This fact will become increasingly relevant as cogeneration facilities move to this new remuneration scheme.

At the same time, the tariff for the sale of thermal energy from cogeneration units is also indexed to the evolution of the price of natural gas, which significantly reduces exposure to this risk.

In order to mitigate this risk, and especially since the acquisition of the activity of commercialization of electric energy and natural gas (Futura Energía Inversiones), in 2019, CapWatt regularly monitors the evolution of natural gas price, assessing the attractiveness of the hedging of this risk by fixing natural gas purchase price over a set period of time, whether with the supplier or through derivative financial instruments.

b) Additionally, cogeneration units with a nominal terminal power greater than 20MW are covered by the European Emissions Trading Scheme (EU ETS).

The reform of the EU ETS for the post 2020 period introduced a number of amendments and reforms to reduce the surplus allowances on the market and improve system resilience to future shocks, contributing to a significant rise in the price of licenses on market. The total quantity of allowances is determined at the Community level, but now subject to a linear reduction factor of 2.2% (instead of 1.74% in the current period of fulfillment). The auction continues to be the main rule for allocation of allowances, while remaining marginally the free allocation by application of benchmarks defined at the Community level. The free allocation of allowances follows a downward trend year after year, with a view to its extinction.

The cogeneration units covered by this scheme will have increasing needs to go to the market for CO_2 allowances, thus being exposed to fluctuations in their price.

As with natural gas, CapWatt also mitigates this risk by continuously monitoring the evolution of CO_2 emission allowances, assessing at all times the coverage of this risk by fixing the purchase price, through derivative financial instruments.

c) The reduction of thermal energy consumption and default by the host as regards defined contractual clauses, such as exclusivity, take-or-pay, among others, may impact on the revenues of the business, through the reduction of the electricity tariff premium or, ultimately, the loss of legal cogenerator status.

d) The focus and concentration of the business in the cogeneration activity instead of alternative forms of energy could increase the Company's risk to external factors and consumption profiles.

In order to minimise this risk, the Sonae Capital Group has established a growth plan for this business segment which includes investing in renewable energy, as well as the internationalisation of the business in order to diversify the portfolio both technologically and geographically.

e) The cogeneration units have support systems that can be associated with the development of the Legionella bacteria. Of note, among them, are the cooling towers, evaporative condensers and air conditioning systems. Special attention is required in places where there is standing or stagnant water and where the water temperature can reach between 35ºC and 50ºC. The following preventive measures have been put in place to attenuate this risk: implementation of maintenance plans according to manufacturers' recommendations, best practices and local conditions; dispensing biocides to ensure reserves above the values deemed necessary for the non-development of bacteria colonies; checking, calibrating and adjusting water treatment dispensing equipment every month; analysis and quality control of the water every month; periodic analysis for the presence of Legionella; and periodic cleaning of the main equipment (cooling towers). In this area, CapWatt has been optimising the measures implemented in the facilities in order to improve the entire prevention and control process, seeking to minimise the risk of the presence of the Legionella bacteria.

The following specific risks are identified regarding the production of energy from renewable energy sources:

a) The electricity generation from renewable energy sources sector is regulated in terms of tariff, so any future tariff fluctuations may translate into significant impacts on the Company's results and margin.

b) The amount of energy produced is dependent on the availability of the resource (hours of sun and wind), therefore, a lower availability than that initially estimated may impact the regular turnover and profitability of the projects. Moreover, one of the greatest challenges in harnessing renewable resources relates to their intermittence, since climatic conditions (wind strength, solar radiation, etc.) are not always favourable when electricity is necessary due to the impossibility or high cost of storage.

   In order to minimise this risk, the Sonae Capital Group promotes, under the technical due diligence procedure carried out for each of its projects, a thorough study of the resource in order to define different scenarios and the consequent evaluation of the economic feasibility of the projects.

The Energy business, regardless of the primary source used, encompasses the following risks of a more general nature:

a) Energy generation under the special scheme in Portugal has the tariffs predefined by the Portuguese State, as a way of encouraging alternative forms of electricity production that are more efficient and environmentally clean. Consequently, the risks regarding the electricity sale price are currently reduced. Although electricity is sold at a price defined by the Portuguese State for a long period of time, the profitability of the operations depends on the stability in the short, medium and long term of regulatory policies and schemes that support the development of energy efficiency.

   Any possible governmental changes to energy policy in the future may prove to be a risk to future projects and to the viability of developing the business in the long term.

b) Energy production is subject to supervision by the Directorate-General for Energy and Geology (DGEG) and the Energy Services Regulator (ERSE), which are the entities responsible for regulating the electricity sector in Portugal, and to the compliance of the current specific legislation on this field. Any change to the broad legal framework currently applicable to the sector may entail significant risks for the activity of this segment.

c) The occurrence of extraordinary situations, such as fires, adverse weather and/or accidents, may threaten the Company's ability to maintain operations, provide essential services or cover operational costs.

   In order to minimise this risk, the Sonae Capital Group conducts regular preventive and safety audits of the facilities and equipment and periodically reviews and adapts the insurance plans for property damage, operating losses and civil liability in force.

d) The absence or inadequate maintenance of equipment, or the lack of control of the service levels of the suppliers (equipment, maintenance and spare parts) that do not ensure adequate functionality, safety and compliance can lead to inefficient processes or cause significant damage to equipment. Furthermore, not adequately using resources, at the lowest cost and the highest yield can impact on the profitability of each project and threaten its viability.

e) The abovementioned growth plan implies additional investments, whose conditions may be limited by the financial environment, the Group's current level of indebtedness and the evolution of its activity and its subsidiaries. Sonae Capital cannot ensure that such funds, if necessary, are obtained under the intended conditions, which may lead to changes or deferrals in the objectives or impair business growth capacity.

53.3.2 Industrial Engineering

Sonae Capital acquired ADIRA in 2017, is a Portuguese-based company dedicated to the development, design, manufacture, production and marketing of machine tools, with the majority of its business activity aimed at international markets.

The business activity of ADIRA comprises specific risks that may have an impact on the Company's results. The most relevant risks are as follows:

a) Changes in the global macroeconomic environment may restrict the Company's activity or generate negative impacts on its results.

   ADIRA seeks at all times to mitigate this risk by diversifying the destination markets of its exports, being present in approximately 40 markets, which represent more than 50% of its turnover. These markets have different macroeconomic, political and social profiles and, as such, are experiencing different responses to worldwide economic and financial crises.

b) The Company's competitive position faces threats from new competitors and the actions of competitors already present in the market. The Company actively monitors technological innovation in the sector and has sought to be a differentiating element in the market, particularly with additive technology and the dematerialisation of machines, not expecting any disruptive change in the sector that could threaten its competitive position.

c) The machine tools produced by ADIRA are mainly intended for use in the metal products manufacturing sector, in particular the metalworking and metal construction sectors. Accordingly, its operating activity is positively correlated with the cycles of the economy in general and, in particular, with developments in those referred sectors. To this extent, the business may be adversely affected by periods of economic recession, in particular, by the deterioration of the level of private investment to grow or technologically renew the productive capacity of its customers.

d) The Company is exposed to specific regulations applicable to its activity/sector, namely the Machinery Directive/CE Certification, which aims to regulate the placing on the market and the operational start up of new machines. Changes in laws and regulations or litigation claims that result in a reduction of the Company's capacity to conduct business efficiently are not expected.

   In order to minimize this risk, ADIRA has external legal advice that allows it to ensure compliance with current laws and regulations and consequently avoid sanctions, fines and penalties that could threaten the Company's reputation, business opportunities and potential for expansion.

e) ADIRA uses steel sheet in its production process, whose price evolves according to the price of steel on international markets. The cost of acquiring this raw material has significant weight in the variable costs structure. Consequently, the volatility of the purchase price of sheet steel may translate into significant impacts on the Company's profits and margin. In order to minimise this risk, ADIRA closely monitors the evolution of steel prices in international markets and has a diversified supplier base, among which it seeks to negotiate the best price.

53.3.3 Fitness

The most relevant risks in the leisure sector, namely in the Fitness segment, where the Sonae Capital Group operates under the brands Solinca, Pump and ONE (health clubs), are as follows:

a) The health clubs activity may be impacted by economic developments, namely, by a decrease in consumers' confidence and a consequent impact on households' disposable income.

b) The entry of new competitors, opportunities for consolidation in the market, repositioning of current competitors or the actions they can take to conquer new markets or increase market share (price wars, promotional activity, introduction of new concepts, innovations) may jeopardise the market share the business aims to achieve and the business strategy. The response to increased competition may lead to price decrease or the implementation of promotional discounts, which may have an impact on the Company's results. In order to minimise this risk, the Fitness business carries out constant benchmarking of its competitors' actions and invests in new formats and products/services, or in the improvement of existing ones, in order to offer its customers an innovative proposal.

c) Making services, equipment and infrastructures available that do not comply with quality levels and the changing needs demanded by customers may expose the Company to complaints, hinder customer attraction and loyalty, as well as negatively impact on its image and reputation. As a way of mitigating this risk, the Company conducts regular surveys of its partners to assess the level of satisfaction, while carrying out internal audit actions at service levels.

d) Consumers frequently change their preferences and expectations, which requires continuous adaptation and optimisation of the product offer and business concepts. The difficulty or inability to foresee, understand and/or to meet the frequent variations of the needs and expectations of customers can be reflected in difficulties concerning their loyalty in the medium term.

e) To anticipate market and consumer trends, the Fitness business regularly reviews information concerning customer behaviour, satisfaction and loyalty by conducting monthly surveys (Net Promoter Score). The introduction of new concepts, products and/or services is always tested on pilots before being generalised to all clubs. In addition, it allocates a significant portion of its annual budget to the renewal of equipment and facilities in order to ensure attractiveness and keep up with the challenges imposed by the market.

f) Fitness businesst may be held liable in the event of accidents or unforeseen circumstances due to inappropriate physical activity that affect the life, health or physical integrity of people, which may have an adverse effect on its reputation and consequently on its results. In order to mitigate such risk, the Company follows the best international practices regarding physical exercise, hires duly certified professionals and has personal accident insurance contracts. The Company has also in place several initiatives, namely the obligation of customers to carry out a medical evaluation questionnaire at the time of enrolment, offering an initial physical evaluation to all customers and encouraging it, training in basic life support for all employees, as well as the existence of occupational accident, property damage and civil liability insurance policies.

g) The Fitness business may be held liable in the event of the existence of public health risks arising from the development of its business activity, which could jeopardize the health of clients in its facilities, with an adverse effect on its reputation and, consequently, on its results. In this regard, it is important to highlight the risk of legionnaires' diseases in places aerosols can form, such as showers, jacuzzis, turkish baths and saunas. As a way of mitigating this risk, the Company carries out regular quality analyzes, while simultaneously carries out internal audit actions. Since 2012, a set of initiatives is in place in all health clubs, aimed at reducing the risk of legionnaires' disease, which include thermal and/or chemical disinfection of water and the implementation of a periodic inspection, cleaning and maintenance programme on the systems and equipment involved.

h) Legislative changes (e.g. tax, legal, labour, competition, among others) may threaten the specific strategies defined by Fitness business in the development of its activities, if those changes involve contractual changes with the main stakeholders or dictate an increase in its economic costs.

53.3.4 Hospitality

a) This business activity depends on tourism demand, which is associated with the evolution of both the national and international economy. Any negative economic developments in Portugal or in the main tourist countries for the Portuguese market may have a negative impact on the performance of this activity due to the reduction in the number of tourists.

b) This activity is also subject to demand fluctuations related to eventual natural disasters, as well as to social or political factors that may have an impact on the flow of tourists and, consequently, on occupancy rates.

c) The hospitality activity is subject to the supervision of the Directorate General of Tourism and the compliance with the specific legislation on this field.

d) The hospitality activity may depend on the competitive intensity - regional and global - of the tourist destination where it is located. Competition between tourist destinations is increasingly more aggressive as a result of the growth in demand, the massification of air transport and the emergence of new destinations. However, in addition to its location, Sonae Capital believes that the brand's reputation and the quality of its businesses, particularly in relation to the complementary activities offered (catering, golf and other leisure activities), are important competitive advantages in this sector.

e) The possibility of public health risks in the development of catering activities that jeopardise the health of customers in the respective facilities may imply that the companies in this segment are held accountable in this field, which may have an adverse effect on their results, financial situation and reputation. The business seeks to mitigate possible risks to the catering business and others arising from situations that could pose risks to public health. Of note in this area are:

    a) the implementation and consolidation of a food safety and quality audit plan aimed at the kitchens and outlets included in the hotel units, as well as all catering stations operated, highlighting and reporting the main findings to the Company and giving guidance on corrective actions. This audit plan aims to systematically check compliance with legal norms and internal rules on food safety. The hospitality activity uses tools such as the HACCP (Hazard Analysis and Critical Control Points) defined in the Codex Alimentarius - Annex to CAC/RCP 1-1969, Rev. 4 (2003), complying with the requirements specified therein as well as with current legislation, in particular Regulation (EC) no. 852/2004 of the European Parliament and the Council of 29 April 2004, on the hygiene of foodstuffs

    b) the implementation, since 2015, of a set of best practices in the prevention and control of Legionnaires' disease according to the recommendations made by the Directorate General for Health to reduce the risk of this disease in hotels and tourism enterprises. The risk of development of this disease is mitigated through the careful application of a set of measures aimed at thermal and/or chemical disinfection of water and the implementation of a periodic inspection, cleaning and maintenance programme for the systems and equipments involved.

53.3.5 Tróia Operations

a) The activities developed by TROIA RESORT are subject to economic cycles and depend on the growth of tourism and real estate activity in Portugal. Hence, the operations of this business depend on tourism demand, which is associated with the evolution of both the national and international economy. Any negative economic developments in Portugal or in the main tourist countries for the Portuguese market may have a negative impact on the performance this activity, due to a reduction in the number of tourists.

b) The activities developed by Atlantic Ferries and Tróia Marina are subject to the terms and deadlines mentioned in the concession contracts entered into: (i) Atlantic Ferries entered into an agreement with APSS (Associação dos Portos de Setúbal e Sesimbra), for a public service concession for the river transport of passengers, light, heavy and goods vehicles between Setúbal and Tróia Peninsula. The beginning of concession was in 2007 for a period of 15 years, and can be extended for successive periods of 5 years, if both parties agree to do so; (ii) Tróia Marina also signed a concession contract with APSS, in 2001, for the commercial operation of Tróia Marina, for a period of 50 years. Any breach of contractual obligations may entail significant risks to the activity and impact on the results of these companies.

c) This business may still be subject to seasonality, whereby abnormally adverse climate conditions, mostly during the bathing season, may adversely affect the level of business activity and operating results.

53.3.6 Real Estate Assets

Sonae Capital Group owns a diversified real estate portfolio, whose strategic orientation is to sell, even though subject to a price considered acceptable. However, even if the current strategic orientation consists of its sale, Sonae Capital cannot guarantee its completion, nor the period in which it will occur, especially in the absence of proposals that are deemed appropriate. This real estate portfolio comprises a wide range of assets at different licensing and construction stages, including plots of land with and without construction permits, residential units, construction projects, offices, industrial buildings and commercial spaces, and with an extensive geographical dispersion. The loss of liquidity of this portfolio of assets and/or difficulties in the placement of these assets on the market may affect the ability to grow the business and the fulfilment of its strategic objectives.

Regarding the real estate assests located in Troia Resort:

a) The marketing success of tourist enterprises depends on the economic situation of the real estate sector in Portugal and in the main countries of origin of foreign investors, on the date of placing on the market (to the extent that a significant part of the tourist offer is promoted in foreign markets), as well as the stability of the government incentives to foreign direct investment. The new rules for awarding residency visas to foreigners wishing to invest in Portugal, under the Residence Permits for Investment, also known as «golden visas», caused a slowdown of the dynamics of this market segment. Therefore, a less favourable environment than expected may impact the business, in particular as regards selling prices and deadlines.

b) The activity developed by the Resorts, while tourism operator, is subject to the supervision of the General Directorate of Tourism and to compliance with specific legislation on this matter. A different context than expected could jeopardise the current expectations about the business, in particular as regards selling prices and deadlines for placing, with a potentially negative impact on the financial situation of this business.

c) In the Tróia Peninsula, the promotion of tourist real estate can be affected by possible competition from other ventures, in particular of the Alentejo coastline, Algarve and southern Spain. However, Sonae Capital considers that the Troia Resort project is being developed in an area where the biodiversity and the existing heritage are considered factors of differentiation, and may be capitalized in new tourism services and products with positive impact on its development.

d) In addition to the potential impact referred to in the preceding paragraph, the tourist real estate promotion may also be affected by any changes in territorial instruments applicable to the national territory and more specifically in the Tróia Peninsula, despite constant monitoring of these issues by Sonae Capital, through its subsidiaries, with the competent authorities.

54. Description of the process of identification, evaluation, monitoring, control and risk management

As a structured and disciplined approach that aligns strategy, processes, people, technologies and knowledge, Risk Management is integrated throughout Sonae Capital's planning process, with the objective of identifying, evaluating and managing the opportunities and threats that the businesses of Sonae Capital face in pursuit of their value creation goals.

Sonae Capital's management and monitoring of its main risks is implemented through different approaches and agents, among which:

(i) Within the scope of strategic planning, the risks of the portfolio and of each existing business unit are identified and assessed, as well as the development of new businesses and the most relevant projects, and strategies for managing those risks are defined;

(ii) At the operational level, the risks to manage the business objectives are identified and evaluated and actions to manage those risks are planned, which are included and monitored within the scope of the business units and functional units plans;

(iii) In risks of a more transversal nature, namely in major organisational change projects, in contingency and business continuity plans, structured risk management programs are developed with the participation of those responsible for the units and functions involved;

(iv) With regard to the security risks of physical assets and people («technical-operational» risks), audits are carried out on the main units and preventive and corrective actions are implemented for the risks identified. Financial coverage of insurable risks is regularly reassessed;

(v) Financial risk management is carried out and monitored within the scope of the financial functions of the Company and its businesses, centralized at the Corporate Centre whose activity is reported, coordinated and monitored by the Board Audit and Finance Committee of the Board of Directors;

(vi) The management of legal, tax and regulatory risks is carried out and monitored within the scope of the legal and tax function at the Corporate Centre;

(vii) The Internal Audit develops annual work plans which include audits of critical business processes, compliance audits, financial audits and information systems audits.

The Risk Management Process, supported by a uniform and systematic methodology, is based on the Internacional Enterprise Risk Management – Integrated Framework do COSO (The Committee of Sponsoring Organisations of the Treadway Commission) and contains, namely, the:

- Definition of the risk management focus (dictionary of risks, definition of a business risk matrix and a common language);
- Identification and systematization of risks that may affect the organisation and each segment, and the appointment of risk owners (employee with the responsibility to monitor its evolution);
- Assessment and attribution of criticality and priority to risks, depending on the impact on business objectives and probability of occurrence;
- Identification of risk causes and indicators to measure those risks;
- Assessment of risk management strategies (p. ex., accept, avoid, mitigate, transfer);
- Development and implementation of risk management action plans and its integration in the planning and management processes of the units and business functions;
- Monitoring e reporting of the progress of implementing the action plan and of the risks evolution;

Actions implemented in 2019

According to the methodologies defined and implemented in previous years, the risk management processes remain integrated with the business management planning and control processes, from the strategic reflection phase to the operational planning phase, with the risk management actions being included in the activity and resource plans of the business units and functional units, and monitored throughout the year.

In 2019, the Enterprise Wide Risk Management activities focused, mainly, on monitoring the progress in implementing the action plans and assessing their impact on risk perceptions, with the annual cycle of Enterprise Wide Risk Management having continued.

The Risk Management Department continued to support risk management in the organisation's main projects.

During 2019, we continued to implement the Group's compliance program to the standards contained in the General Data Protection Regulation, approved in May 2016 and applicable from 25 May 2018.

The Corporate Risk Management Department continued to support risk management in the main projects of the organisation, as well as in the development of crisis management plans, having developed and implemented the physical security audit programs of the facilities, as well as the development of training actions within the scope of the physical security.

Sonae Capital encourages continuous training and the adoption of the best international methodologies and practices in the areas of Risk Management and Internal Audit. As such, the Group supports the attendance of a training and updating program of knowledge that includes the international professional certification in Internal Audit promoted by IIA - The Institute of Internal Auditors - the Certified Internal Auditor (CIA). The members of the Internal Audit team obtained this professional certification.

The **External Audit** assesses and reports the risks of reliability and integrity of accounting and financial information, thus validating the internal control system established for this purpose by Sonae Capital, which materializes in the clear separation between those who prepare it and its users and in carrying out several validation procedures throughout the process of preparing and disclosing financial information.

The **Board Audit and Finance Committee** analyzes the risks of the Company, the risk control models and mechanisms adopted and the mitigation measures taken by the Executive Committee, evaluating their suitability and proposing to the Board of Directors any need to change the Company's risk management policy.

55. Main elements of the internal control and risk management systems implemented in the Company with regard to the financial disclosure process

The implementation of an effective internal control environment, particularly in the financial reporting process, is a commitment taken by the Board of Directors of Sonae Capital to identify and improve the most relevant processes for preparing and disclosing financial information, in order to ensure transparency, consistency, simplicity, reliability and relevance. The internal control system is designed to ensure a reasonable guarantee regarding the preparation of the financial statements, according to the accounting principles adopted, and the quality of the financial reporting.

The reliability of the financial information is ensured by the clear separation between who prepares it and its users and the implementation of various control procedures throughout the process of preparation and disclosure of the financial information.

The internal control system for accounting, preparation and disclosure of financial information includes the following key control:

- The financial information disclosure process is formalised, the associated risks and controls are identified and the criteria for its preparation and disclosure are duly established and approved and are reviewed periodically;
- There are three main type of controls: high level controls (entity level controls), information system controls and procedural controls. These controls include a set of procedures related to the execution, supervision, monitoring and improvement of processes, with the objective of preparing the company’s financial reports;
- The use of accounting principles, which are explained in the notes to the financial statements, is one of the key stepping stones to the control system;
- The plans, procedures and records of the Group companies allow for a reasonable assurance that transactions are only carried out with general or specific authorisation from management, and that these transactions shall be recorded in order to enable financial statements compliance with the generally accepted accounting principles. This also ensures that the companies keep up-to-date records of the assets and that these records are checked against the existing assets. Appropriate steps shall be taken whenever discrepancies arise;
- The financial information is examined by the business unit administrators and the representatives of the results centres on a systematic and regular basis, thus ensuring a constant monitoring and budget control;
- During the process of preparing and reviewing the financial information, a schedule is first drawn up and shared with the different areas involved and all the documents are carefully reviewed. This includes reviewing the principles used, checking the accuracy of the information generated and consistency with the principles and policies established and used in previous years;
- The Accounting, Supervision and Reporting central function is responsible for the accounting records and the preparation of the financial statements, ensuring the control over the recording of the business process transactions and the balances on assets, liabilities and equity accounts;

- The consolidated financial statements are prepared every quarter by the Accounting, Supervision and Reporting central function;
- The Management Report is prepared by the Corporate Management Planning and Control Department, with the additional contribution and review from the various support and business areas. The Statutory Auditor also reviews the content of this report and its compliance with the supporting financial information;
- The Corporate Governance Report is prepared by the Legal Department, jointly with the Group Planning and Control Department;
- As The Group's financial statements are prepared under the supervision of the Group's Executive Committee. The set of documents comprising the half-yearly and annual reports is sent to the Board of Directors of Sonae Capital for review and approval. Upon approval, the set of documents on the annual financial statements is sent to the Auditor, and the Statutory Audit Certificate and the External Audit Report are then issued;
- The Statutory External Auditor carries out an annual audit on the individual and consolidated accounts. These audits are carried out in accordance with the Technical Standards and Auditing Guidelines of the Portuguese Order of Statutory External Auditors, with the objective of achieving an acceptable level of safety as to whether the financial statements are free of relevant material misstatement. This audit includes an examination, on a sample basis, of evidence relevant to the amounts and disclosures in the financial statements. The estimates and judgements made by the Board of Directors are also evaluated. The audit also includes evaluating the appropriateness of the accounting policies used, their consistent enforcement and disclosure;
- The process of preparing the individual and consolidated financial information and the Management Report is supervised by the Statutory Audit Board and the Audit and Finance Committee of the Board of Directors. Every quarter, these bodies meet and analyse the individual and consolidated financial statements and the Management Report. The Statutory External Auditor submits directly to the Statutory Audit Board and the Board Audit and Finance Committee a summary of the key findings from the annual audit on the financial information;
- All those involved in the financial analysis of the Company are part of the list of people with access to privileged information, and are particularly aware of their obligations, as well as of the penalties arising from the misuse of inside information;
- The internal rules applicable to the disclosure of financial information aim to ensure its timely disclosure and prevent asymmetric access to information by the market.

The risk factors that could materially affect the accounting and financial reporting include the following:

- Accounting estimates – The most significant accounting estimates are described in the notes to the financial statements. The estimates were based on the best information available while the financial statements were being prepared and on the best knowledge and experience of past and/or present events;
- Balances and transactions with related parties – The most significant balances and transactions with related parties are disclosed in the notes to the consolidated financial statements. These are mainly associated with the operating activities of the Group as well as loan granting and receiving, at market prices.

More specific information on how these and other risk factors were mitigated is available in the notes to the consolidated financial statements.

IV. Investor Support

56. Service responsible for investor support, composition, duties, information made available by this service and contact information

The Investor Relations Office is responsible for managing the relationship between Sonae Capital and the financial community - current and potential investors, analysts and market regulatory authorities - with the goal of enhancing their knowledge and understanding of the Company by providing relevant, updated and reliable information.

In strict compliance with the legal and regulatory requirements, Sonae Capital has as a rule to immediately inform its shareholders and the market in general about the highlights of its activity, in order to avoid gaps between the occurrence and disclosure of those facts, having fulfilled this commitment over the years.

The Investor Relations Office regularly prepares presentations for the financial community, announcements on quarterly, semi-annual and annual results, as well as relevant communications to the market whenever necessary to disclose or clarify any event that can influence the price of Sonae Capital shares. In addition, and upon request, it provides information on the activities of the company, responding to questions via email or by telephone.

To further enhance effective communication with the capital market and ensure the quality of the information provided, the Investor Relations team conducts roadshows covering the most important financial centres and participates in conferences. In parallel, the Investor Relations Office promotes access for investors and analysts to Sonae Capital Executive Directors, in the form of one-to-one meetings or conference calls.

The information is made public through publication on the Portuguese Securities Commission Information Disclosure System (www.cmvm.pt) and on the Company's website (https://www.sonaecapital.pt/en).

The Investor Relations Office can be contacted by telephone (+351 22 010 79 03), fax (+351 22 010 79 35), email (ir@sonaecapital.pt) or post (Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia). The Director of the Investor Relations Office is Nuno Parreiro, who can be contacted using the same above numbers and addresses.

57. Representative for Capital Market Relations

The representative for Capital Market Relations is Anabela Nogueira de Matos, who can be contacted by telephone (+351 22 010 79 25), fax (+351 22 010 79 35) or email (anm@sonaecapital.pt).

58. Information on proportions and the deadline for replying to information requests received during the year or pending from previous years

In 2019, the Investor Relations Office received a normal number of requests for information, taking into account the size of the Company in the capital market.

Sonae Capital, through its Investor Relations Office, maintains permanent contact with its shareholders, potential shareholders and analysts providing information that is always up-to-date. Additionally, upon request, it provides clarifications on the relevant facts of the Company's activities, which have made available to public in accordance with the law. All information requested by investors is analyzed and answered as quickly as possible, via e-mail, postal letter, or telephone, as appropriate.

V. Website

59. Address

Sonae Capital has a website where all the information about the Company is disclosed. The address is: https://www.sonaecapital.pt/en.

60. Location of the information mentioned in article 171 of the Portuguese Companies Code

Specific information is available for consultation at the following address:
https://www.sonaecapital.pt/en/corporate-governance/corporate-details.

61. Location for the provision of the Articles of Association and the Regulations of corporate bodies and/or committees

Specific information is available for consultation at the following addresses:
https://www.sonaecapital.pt/en/corporate-governance/articles-of-association
https://www.sonaecapital.pt/en/corporate-governance/regulation

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

Specific information is available for consultation at the following addresses:
https://www.sonaecapital.pt/en/corporate-governance/organs-of-government
https://www.sonaecapital.pt/en/corporate-governance/meetings-held
https://www.sonaecapital.pt/en/sonae-capital/contacts

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

Specific information is available for consultation at the following addresses:
https://www.sonaecapital.pt/en/investors/financial-information
https://www.sonaecapital.pt/en/investors/investor-calendar

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

Specific information is available for consultation at the following address:
https://www.sonaecapital.pt/en/corporate-governance/shareholders-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

Specific information is available for consultation at the following address:
https://www.sonaecapital.pt/en/corporate-governance/shareholders-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»)

Based on the remuneration and compensation policy approved by the Shareholders' General Meeting, the Sonae Capital Remuneration Committee is responsible for approving remuneration and other payments to the Board of Directors, the Statutory Audit Board and the members of the Shareholders' General Meeting.

Concerning the remuneration of the Executive Directors, the Board Nomination and Remuneration Committee assists the Remuneration Committee, presenting its proposals before any decisions are made.

At least one member of the Remuneration Committee is also present at the Annual Shareholders' General Meeting and in any others where the agenda includes a subject related to the remuneration of the members of the bodies and committees of the Company, being still available to attend if his presence has been required by any shareholder.

II. Remuneration Committee

67. Composition of the Remuneration Committee, including the identification of individuals or companies hired to provide support and a statement on the independence of each member and consultant

The Board of Directors appointed the Board Nomination and Remuneration Committee (BNRC) for the 2018-2020 mandate.

The BNRC is composed of the Chairman of the Board of Directors, Duarte Paulo Teixeira de Azevedo, the Vice-Chairman, Álvaro Carmona e Costa Portela and the Director Francisco de La Fuente Sánchez.

The Board Nomination and Remuneration Committee, which is solely composed of Non-Executive Directors, being the majority of them independent, supports the Remuneration Committee in the performance of its duties.

The members of the Remuneration Committee – Duarte Paulo Teixeira de Azevedo and José Fernando Oliveira de Almeida Corte Real, are independent from the board of directors, as explained in the paragraph below.

Duarte Paulo Teixeira de Azevedo, Chairman of the Board of Directors and Non-Executive member of this body, is on the Remuneration Committee, having been elected to this position by the Shareholders' General Meeting. His participation in the Remuneration Committee corresponds to the representation of the shareholder's interest, acting in that quality and not in his capacity as Chairman of the Board of Directors. To ensure these duties are carried out independently, this member abstains from discussing or deciding on matters where conflict of interest exists or may exist.

68. Knowledge and experience of the members of the Remuneration Committee with regard to the remuneration policy

The experience and professional qualifications of the members of the Board Nomination and Remuneration Committee are detailed in the curricula vitae included in the Annex I to the present document and 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.

III. Remuneration Structure

69. Description of the remuneration policy for the management and supervisory bodies

69.1 Principles

The remuneration policy for the Company's statutory bodies is approved in the Shareholders' General Meeting.

The Shareholders' General Meeting held on 29 April 2019, consistently continuing with the policy previously followed, approved the Remuneration and Compensation policy in force, in compliance with the provisions of article 2 of Law no. 28/2009 of 19 June, which is guided by the following general principles:

- No attribution of compensation to the administrators, or to the members of the other governing bodies, associated with the termination of mandate, whether this termination occurs at the end of the respective term, or if there is an early termination for any reason or foundation, without prejudice to the obligation of compliance by the Company of the legal provisions in force in this matter;
- No consecration of any benefit system, namely retirement, in favour of members of the management, supervisory bodies and other officers;
- Consideration, in the application of the Remuneration Policy, of the exercise of functions in companies that are in a controlling or group relationship with the Company.

The remuneration proposals for the members of the statutory bodies are decided based on:

- Overall market comparison;
- Practices of comparable companies;
- The individual responsibility and performance assessment of each Executive Director;
- Granting of exclusively fixed remuneration to members of the Shareholders' General Meeting, members of the Statutory Audit Board and Non-Executive Directors.

Thus, the remuneration policy is a formal instrument that promotes the alignment between the management team and the interests of the shareholders given that, from the set of remuneration components, the variable part is duly seperated, and its value depends on both the individual performance and the overall performance of Sonae Capital. Consequently, management orientaded towards the long-term interests of the Company is encouraged, as well as the adoption of risk weighting behaviors.

The remuneration policy includes, within its structure, control mechanisms which consider the link between individual and group performance, in such a way that avoids 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 the Company's statutory governing bodies is approved at the Shareholders' General Meeting. The Remuneration Committee is responsible for presenting the proposed remuneration policy and for approving the remuneration of the Board of Directors, including Executive and Non-Executive members, and other Sonae Capital bodies. The members of the Remuneration Committee are elected at the Shareholders' General Meeting, whose is responsible for setting the respective remuneration.

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

Within the scope of the principles that rule corporate governance, guiding principles for the remuneration policy were defined.

Remuneration policy features:

Competitiveness:

The policy is defined by comparison with the global market and practices of comparable companies, information provided by the main studies carried out in Portugal and European markets, currently serving as reference for the market studies of Mercer and HayGroup.

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 competences of the statutory governing body and of the individual member, as well as the degree of direct correlation between individual performance and business performance.

To determine the values referring to the global market, the median of the applicable market values for fixed remuneration and the third quartile for the remuneration of top executives in Europe are considered. The companies that make up the universe of peer companies for remuneration purposes are the companies that make up the universe of companies with securities admitted to trading on Euronext Lisbon.

Orientation for performance:

The policy established 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 case of failure to achieve the pre-defined objectives, measured through business and individual KPIs, it will be reduced, totally or partially.

Alignment with the interests of shareholders:

Part of the Executive Directors variable bonus is deferred for a period of 3 years and the amount depends on the share price performance. This ensures an alignment between the Director, the interests of the Shareholders and the medium term performance, aimed at business sustainability.

Transparency:

All aspects of the remuneration structure are clear and openly disclosed, internally and externally, through the publication of the documents on the Company's website. This communication process helps to promote equity and independence.

Reasonableness:

The policy aims at ensuring a balance between the interests of the Company, the market positioning, the expectations and motivation of the members of the governing bodies and the need to retain talent.

The Remuneration and Compensation Policy applicable to corporate bodies and Company officers adheres to the community guidelines, national legislation and the recommendations of the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) released in 2018, in accordance with the Protocol established between the IPCG and the Securities and Exchange Commission (CMVM), on 13 October, which introduced a model of self-regulation of the corporate governance recommendation regime.

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 and the total remuneration is close to the market third quartile.

Our benchmark/peer companies

- At Sonae Capital the remuneration policy is determined in comparison with the overall market and the practices of comparable companies, according to information obtained from the main studies carried out in Portugal and in European markets. Currently, the market surveys conducted by Mercer and the Hay Group are used as references.
- The average value for top managers in Europe is used to determine the figures for the overall market. The companies that make up the pool of comparable companies are those included in the Portuguese stock market index, the PSI-20.

69.3 Risk control in relation to remunerations

A Sonae Capital 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 2019, no payment practice were found that may pose 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 Capital has in place internal control procedures concerning remuneration policy, which target the identification of potential risks posed by the policy.

On the one hand, the variable 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. Definition of objective KPIs enables this method to work as an efficient control mechanism.

On the other hand, Sonae Capital policy does not allow for agreements aimed at minimising the essence of the Medium Term Variable Bonus to be concluded. This restriction includes transactions aimed at eliminating or minimising the risk of fluctuation in share prices.

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 Remuneration Committee, in accordance with the approved internal procedure.

70. Structure of the remuneration of Directors

70.1 Executive Directors

The fixed remuneration of the Executive Directors is determined according to the level of responsibility of the Board of Directors and is reviewed annually.

According to Sonae Capital's remuneration policy, in addition to the fixed remuneration, the Executive Directors also benefit from an incentive plan, also called variable bonus.

The variable bonus is awarded in the first quarter of the year following the year to which it regards and depends on the previous year performance, aiming to motivate and compensate the Executive Directors for achieving pre-defined objectives. It is divided in two parts:

a) Short Term Variable Bonus (STVB), paid in cash, through profit sharing or not, in the first half year following the year to which it regards.

b) Medium Term Variable Bonus (MTVB), paid after an additional 3 years deferral period and in the year following this period.

The various components of the annual remuneration are clearly shown in the following table:

Remuneration	Components	Description	Objective	Market positioning
Fixed	Base Salary	Annual salary (in Portugal the annual fixed salary is paid in 14 monthly amounts)	Adequacy to the status and responsibility of the Director	Median
Variable	Short term variable bonus (STVB)	Performance bonus paid in the first half of the following year, after the financial results for the year have been calculated	Aims to ensure the competitiveness of the remuneration package and link remuneration to the Company objectives	Third quartile
	Medium ter variable bonus (MTVB)	Compensation deferred for three years, being that the amount awarded depends on the share price performance		

The cash payment of the variable premium can be made by any of the modalities of extinction of the obligation provided for in the Law and in the Articles of Association.

According to the remuneration policy approved at the Shareholders' General Meeting of 29 April 2019, there is no plan for the attribution of options for the acquisition of shares.

70.2 Non-Executive Directors

The remuneration of Non-executive Directors is determined by reference to market values and the following principles: (1) attribution of a fixed remuneration (2) attribution of an annual responsibility allowance. No remuneration is paid in the form of a variable bonus.

71. Variable component of the remuneration for Executive Directors

The variable bonus is discretionary in nature and, given that its value depends on the achievement of objectives, payment is not guaranteed. The variable bonus is calculated annually and the value of the predefined objective varies between 30% and 60% of the total annual remuneration (fixed remuneration and objective value of the variable bonus).

The variable component of the remuneration is calculated based on performance assessment of a set of performance indicators relating to the various businesses which are primarily economic and financial in nature – «Key Performance Indicators of Business Activity» (Business KPIs). The content of the performance indicators and their specific weight in

determining the effective remuneration ensure the alignment of the Executive Directors with the strategic objectives defined and the compliance with the legal regulations governing the company business.

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

72. Deferral of payment of the variable component of the Remuneration

The payment of at least 50% of the variable component of the remuneration for the year to which it regards is deferred for a period of three years, in a total of four years, as provided for in section 70.1 (Medium Term Variable Bonus).

73. Criteria for awarding variable remuneration in Shares and for its maintenance

Features of the Medium Term Variable Bonus (MTVB)

The MTVB is one of the components of Sonae Capital's Remuneration Policy. This component differs from the others as it has a restricted and casuistic character, being subject to the eligibility rules set out for that purpose.

The MTVB allows the eligible people to share with shareholders the value that is created as a result of their direct influence on the strategy definition and management of the underlying businesses, in the proper measurement of the annual assessment of their performance.

MTVB Scheme

The MTVB constitutes a way of aligning the Executive Directors' interests with the organisation's objectives, reinforcing their commitment and strengthening the perception of the importance of their performance for the success of Sonae Capital, reflected in the share market capitalisation.

Eligibility Criteria

The Executive Directors of the Company and its subsidiaries are eligible to receive a MTVB plan, as stated in the Remuneration policy, approved at the Shareholders' General Meeting of 29 April 2019. Accordingly, employees are also eligible for the MTVB attribution, to whom, through this policy, the Plan is applicable.

Eligible Members	Reference value of the MTVB
	% of total target variable remuneration
Executive Directors of the Company	At least 50%
Executive Directors of Business Units	At least 50%
Other Employees	Terms to be defined by each Company's Board of Directors

Duration of the Plan

The MTVB Plan is set out on a period of four years, including the year to which it relates and a three-year deferral period.

Valuation of the MTVB plan

The MTVB is valued at the date of attribution at prices that are representative of the price of the share, on the stock market in Portugal, considering for this purpose the most favourable value corresponding to the closing quotation of the first business day following the Shareholders' General Meeting or the average price (considering for determining the average price the closing price in the 30 trading days prior to the date of the Shareholders' General Meeting).

Members entitled to MTVB have the right to acquire a number of shares corresponding to the division between the amount of MTVB granted and the price of the share at the date of attribution calculated under the terms of the previous paragraph.

In the event that, after the attribution of the right and before its exercise, there is a distribution of dividends, changes in the nominal value of shares, changes in the share capital of the Company or any other change in the capital structure of the Company with an impact on the economic expression of the attributed rights, the number of shares for which the acquisition right has been attributed will be adjusted to an equivalent number taking into account the effect of the referred changes.

In line with the affirmation of a policy to reinforce the alignment of Executive Directors with the Company's long-term interests, the Remuneration Committee may, at its own discretion, graduate the percentage of discount granted to Executive Directors in the acquisition of shares, determining a co-participation in the acquisition of shares to be borne by those in an amount corresponding to a percentage of the price of the shares, with a maximum limit of 5% of their price on the date of the transfer of the securities. The other employees who have been granted that right acquire the shares under the conditions established by the Board of Directors of each Company.

Delivery by the Company

At the moment of the exercise of the share acquisition right under MTVB, 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.

MTVB plan vesting

The acquisition right of the shares attributed by the MTVB become due at the end of the deferral period.

Conditions of exercise of the right to acquire shares

The right to exercise the acquisition right of shares attributed under the MTVB plan expires if the contractual link between the member and the Company ceases before the three year period subsequent to its attribution, notwithstanding situations included in the following paragraphs.

The right will remain valid in case of permanent incapacity or death of the member, in which case the payment is made to the member or to his/her heirs on the vesting date.

In case of retirement of the Director, the attributed right can be exercised in the respective vesting date.

74. Criteria for attribution of the variable remuneration in options

The Company did not establish any variable remuneration in options, having fully complied with the remuneration and compensation policy of the Governing Bodies and Directors, approved at the Annual Shareholders' General Meeting of 29 April 2019.

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

The main parameters and reasoning regarding the variable remuneration system are described in the remuneration policy approved by the Shareholders' General Meeting of the 29 April 2019, available at https://www.sonaecapital.pt/en, having been fully complied with by the Company.

76. Main characteristics of the complementarity pension on early retirement schemes for the Directors and date of their approval at the General Meeting

The Company does not have any complementary pension or early retirement schemes for Directors, as stated in the remuneration policy approved by the Shareholders' General Meeting of 29 April 2019.

IV. DISCLOSURE OF REMUNERATION

77. Indication, in aggregate and individual amount, of the annual remuneration earned by the members of the Company's Board of Directors, including fixed and variable remuneration, and with a reference to the different components giving rise to the variable remuneration

During 2019, remuneration and other payments made to the members of the Board of Directors, were as follows:

Name	Fixed Remuneration	Short Term Variable Remuneration[1]	Deferred Performance Bonus[2]	Total	Fixed/Variable Remuneration Ratio
Amounts in euros					
Duarte Paulo Teixeira de Azevedo	142.300	0	0	**142.300**	[100%, 0%]
Álvaro Carmona e Costa Portela	79.300	0	0	**79.300**	[100%, 0%]
Maria Cláudia Teixeira Azevedo	37.300	0	0	**37.300**	[100%, 0%]
Francisco de La Fuente Sánchez	37.300	0	0	**37.300**	[100%, 0%]
Paulo José Jubilado Soares de Pinho	37.300	0	0	**37.300**	[100%, 0%]
Isabel Maria Pereira Aníbal Vaz	26.233	0	0	**26.233**	[100%, 0%]
Ângelo Gabriel Ribeirinho dos Santos Paupério	0	0	0	**0**	[100%, 0%]
Sub-total	**359.733**	**0**	**0**	**359.733**	-
Miguel Jorge Moreira da Cruz Gil Mata	168.178	81.550	81.550	**331.278**	[51%, 49%]
Ivone Maria Pinho Teixeira da Silva	150.271	66.800	66.800	**283.871**	[53%, 47%]
Pedro Manuel Martins Bruno	128.044	49.900	49.900	**227.844**	[56%, 44%]
Sub-total	**446.493**	**198.250**	**198.250**	**842.993**	-
Total	**806.226**	**198.250**	**198.250**	**1.202.726**	-

1. Amounts payed in 2020, corresponding to the performance of 2019.
2. Amouts corresponding to the performance of 2019.

78. Any amounts paid by other controlled or group companies, or those under shared control

No amounts were paid other than those described above by any controlled or group company, or any company under shared control.

79. Remuneration paid in the form of profit-sharing and/or payment of bonuses and the reasons for granting those bonuses and/or profit-sharing

The variable bonus for the Executive Directors was determined in accordance with the performance assessment and the remuneration policy approved at the Shareholders' General Meeting on 29 April 2019, as detailed in section 71 and shown in the remuneration table under section 77 above.

The bonus paid in the form of profit-sharing is included in the Short Term Variable Bonus listed in the table under section 77 above.

80. Compensations paid or due to former Executive Directors as a result of loss of office

No compensation is due or paid by the Company to a former Executive Director. Given that the remuneration and compensation policy maintains the principle of not contemplating the attribution of compensation to the Directors or members of the other governing bodies, associated with the termination of mandate, whether this termination occurs at the end of the respective term, or if there is an early termination for any reason or justification, without prejudice to the obligation of the Company to comply with the legal provisions in force in this matter.

81. Indication, in aggregate and individual amount, of the annual remuneration received by the members of the Company's Statutory Audit Board

In 2019, the members of the Statutory Audit Board of Sonae Capital, SGPS, S.A. received the following fixed remuneration (no other type of remuneration was paid):

Name	Remuneration
António Monteiro de Magalhães	10.300€
Manuel Heleno Sismeiro	8.300€
Susana Catarina Iglésias Couto Rodrigues de Jesus	8.300€

The remuneration received by the Statutory External Auditor is detailed in section 47 above.

82. Remuneration of the Chairman of the Shareholders' General Meeting in the year under review

During 2019, the Chairman of the Shareholders' General Meeting received, as fixed remuneration, the amount of 5.000 euros.

V. Agreements with remuneration implications

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

The Remuneration and Compensation Policy approved in Shareholders' General meeting maintains the principle of not attributing compensation to directors associated with the termination of mandate, without prejudice to the Company's obligation to comply with the legal provisions in force in this matter.

84. Reference to the existence and description, stating the sums involved, of the agreements between the Company and members of the Board of Directors or persons discharging managerial responsibilities, 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 individual contracts with Directors, in order to define the methodology for calculating possible compensations, in case of dismissal, unfair dismissal or termination of the employment relationship following a change in control of the Company.

VI. Share attribution plans or stock options

85. Identification of the plan and recipients

The share attribution plan, with the conditions defined in section 73, includes the variable component of the remuneration, with the recipients being the Executive Directors, as well as the employees of the Group's companies, in accordance to terms to be defined by the respective Boards of Directors.

86. Plan features

The attribution plan is described in the sections 71 to 73.

The remuneration and compensation policy for the governing bodies, as well as the current share attribution plan, were approved at the Shareholders' Annual General Meeting held on 29 May 2019, upon proposal presented by the Remuneration Committee, in compliance with Article 2 of Law no. 28/2009 of 19 June and the 2013 CMVM Recommendation II.3.4.

The referred resolutions taken at the Shareholders' Annual General Meeting can be found in: https://www.sonaecapital.pt/en/corporate-governance/shareholders-general-meeting.

The ongoing MTVB plans for the Executive members of the Board of Directors of Sonae Capital in 2019 can be summarised as follows:

Director	Plan (Performance Year)	Award Date	Vesting Date	Amount Vested and Paid off in 2019	Share Price at Award Date	# Attributed Shares	Plans value at award date	Open Plans Value (31.12.19)
Miguel Jorge Moreira da Cruz Gil Mata	2015	Mar/16	Mar/19	98.928				
	2016	Mar/17	Mar/20		0,827	96.167	61.500	72.414
	2017	Mar/18	Mar/21		0,961	73.488	60.700	55.336
	2018	Mar/19	Mar/22		0,8902	81.790	66.728	61.588
Ivone Maria Pinho Teixeira da Silva	2015	Mar/16	Mar/19	108.623				
	2016	Mar/17	Mar/20		0,827	96.167	61.500	72.414
	2017	Mar/18	Mar/21		0,961	76.153	62.900	57.343
	2018	Mar/19	Mar/22		0,8902	75.039	61.221	56.504
Pedro Manuel Martins Bruno (*)	2015	Mar/16	Mar/19	43.618				
	2016	Mar/17	Mar/20		0,797	30.321	22.148	22.832
	2017	Mar/18	Mar/21		0,797	31.599	23.878	23.794
	2018	Mar/19	Mar/22		0,797	66.849	54.539	50.337

(*) Assignment of contractual position, using the quotation of 30 November 2018 for conversion of Sonae shares into Sonae Capital shares.

87. Option rights granted to acquire shares («stock options») where the beneficiaries are the Company employees

During 2019, the remuneration policy approved by the Shareholders' General Meeting of 29 April 2019 did not approve any plan for the attribution of stock options.

88. Control mechanisms included in any system of employee participation in the share capital where the voting rights are not exercised directly by the employees

There are no mechanisms established to control employees' participation in the Company' share capital.

E. E. TRANSACTIONS WITH RELATED PARTIES

I. Control mechanisms and procedures

89. Mechanisms implemented by the Company for monitoring transactions with related parties (reference made to the concept arising from IAS 24)

The Company conducts transactions with related parties based on principles of rigor, transparency and strict observance of legal market rules. Such transactions are subject to specific administrative procedures that result from normative impositions, namely those related to transfer pricing rules, or the voluntary adoption of internal checks and balances systems, namely reporting or formal validation processes, depending on the value of the transaction.

Pursuant to the Regulations of the Board of Directors and the Statutory Audit Board, the Executive Committee will notify the Board Audit and Finance Committee and the Statutory Audit Board of any transaction, in an amount exceeding 10 million euros, to be executed between the Company and any of its shareholders holders of qualifying holdings or with any related party.

Together with the notification for the completion of the transaction, the Executive Committee must present to the Board Audit and Finance Committee and the Statutory Audit Board the procedures adopted to ensure that the transaction is carried out under normal market conditions and that any potential conflicts of interest are safeguarded. The Board Audit and Finance Committee and the Statutory Audit Board will have eight days (a period that can be extended if the complexity of the transaction in question requires to do so) to request additional information necessary to issue the respective opinions and, if deemed appropriate, exchange information regarding the respective conclusions.

After obtaining all the relevant information, the Statutory Audit Board will issue its opinion on the transactions submitted to it.

In addition, the Board of Directors, in the person of its Secretary, is responsible for reporting, on a half-yearly basis, to the Board Audit and Finance Committee and the Statutory Audit Board: (i) transactions carried out between the Company and shareholders with qualified holdings that exceed one million euros and (ii) transactions carried out between the Company and related parties that exceed 20 thousand euros and which are known to it. The report should include all completed transactions, above the mentioned value, even on a recurring basis, as well as those that are in the process of being concluded if, in relation to the latter, adequate information is already available.

In 2019, the Statutory Audit Board was regularly informed of transactions with related parties, and detailed information was provided whenever justified.

During the year, there was no need, according to the current regulation, to obtain any prior approvals.

90. Transactions subject to control in the year under review

In accordance with the foregoing in 10, during 2019, there were no commercial or other significant relationships between the holders of qualified holdings or with related parties and the Company. Businesses or transactions with holders of qualifying holdings or with non-significant companies held by them are part of the normal activity of Sonae Capital's subsidiaries and are carried out under normal market conditions.

Transactions with the Statutory External Auditor relating to services other than Audit services were approved by the Statutory Audit Board and are detailed in point 47 of this report.

Transactions with companies in a controlling or group relationship were carried out under normal market conditions and are part of the Company's normal activity. In 2019, there were no commercial or other relationships between holders of qualifying holdings and the Company.

91. Description of the procedures and criteria applicable to the intervention of the Statutory Audit Board for the purpose of conducting a prior assessment of the transactions to be concluded between the Company and holders of qualified shareholding or entities that are in relation with them, under the terms of Article 20 of the Portuguese Securities Code

The procedures and criteria were already mentioned in section 87 above.

II. Elements related to transactions

92. Location where the information on transactions with related parties is available on the accounting documents, according to IAS 24 or, alternatively, reproduction of said information

Relevant information on transactions with related parties can be found in note 45 of the Consolidated Financial Statements' Appendix and in note 20 of the Individual Financial Statements' Appendix, available on the Company's website: https://www.sonaecapital.pt/en (Corporate Governance tab, Shareholder's General Meeting section).

2. ASSESSMENT OF CORPORATE GOVERNANCE

1. Identification of the adopted Corporate Governance Code

This Corporate Governance Report provides a description of the Corporate Governance structure, policies and practices followed by the Company and complies with the standards of the article 245-A of the Portuguese Securities Code and the information duties required by the Portuguese Securities Commission (CMVM) Regulation no. 4/2013 of 1 August. This Report additionally discloses, in light of the principle «comply or explain», the terms of compliance by the Company with the Portuguese Institute of Corporate Governance (IPCG) Recommendations contained in the IPCG Corporate Governance Code.

This 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 2019.

The requirements for the provision of information demanded by article 3 of Law no. 28/2009 of 19 June, articles 447 and 448 of the Portuguese Companies Code, article 245-A of the Portuguese Securities Code and of CMVM Regulation no. 7/2018, have also been fulfilled.

The Company adopted the Corporate Governance Code published by Portuguese Institute of Corporate Governance (IPCG).

Sonae Capital also complies with other internal rules that have been adopted, which are relevant to the structure of its Corporate Governance, namely Regulations of the Board of Directors, Committees and Statutory Audit Board, internal rules of conduct and transparency, in particular, the Code of Conduct, rules on transactions of officers, transactions with related parties and transactions with holders of qualified shareholdings.

All the rules and regulations mentioned in this Report are publicly available at www.cmvm.pt.

2. Analysis of the Compliance with the adopted Corporate Governance Code

Sonae Capital has been promoting the implementation and adoption of the Corporate Governance best practices, supporting its policy on high standards of ethics and social responsibility.

The Board of Directors aims to implement an integrated and effective management of the Group, which will allow value creation by the Company, promoting and ensuring the legitimate interests of Shareholders, employees and stakeholders, while encouraging transparency in the relationship with investors and the market.

In this context, it is worth highlighting that from the 117 sub-recommendations included in the new Corporate Governance Code of the IPCG, the Company fully adopted 110, 2 justified considering the grounds equivalent to the adoption of the sub-recommendations in question and 5 are not applicable to it, which means the full and complete adoption of the applicable recommendations.

I. General Provisions

General Principle:

Corporate governance should promote and enhance companies and capital markets performance, as well as consolidate the confidence of investors, employees and the general public in the quality and transparency of management and supervision and in the sustainable development of the companies.

I.1. Company's relationship with investors and disclosure

Principle:

Companies and, in particular, their directors must treat shareholders and other investors fairly ensuring, namely, mechanisms and procedures for the appropriate treatment and disclosure of information.

Recommendations:

I.1.1. The company should established 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: SECTIONS 29, 38, 51, 55, 56, 59 TO 65 OF THIS REPORT, as well as that declared by Sonae Capital in the light of the recommendations I.3.1. and I.3.2.

Under the terms of article 11 of the Regulation of the Board of Directors, the Chairman of the Board of Directors and of all the Committees, as well as the Independent Senior Director, in a timely and appropriate manner, assured the required information flow needed to the exercise of the legal and statutory duties and responsibilities of all corporate bodies and committees streamlining, namely, in a non-restrictive manner, the necessary resources to convening the calls, minutes and supporting documents to the decisions taken.

This flow of information is facilitated by the fact that the Board of Directors, the Executive Committee and the Board Audit and Finance Committee have the same Secretary, which is the person responsible for the preparation, wording and treatment of the information, as well as for its disclosure, for the purposes referred to in the preceding paragraph.

As for the Statutory Audit Board, one of its mains duties and responsibilities is to ensure, in a close cooperation with the Board of Directors and with the Committees comprised by the latter, a timely and adequate flow of information that allows for the correct exercise of competences and duties of each of the governing bodies. Also, in accordance with the Regulation of the Statutory Audit Board, this corporate body may participate in the meetings of the Board of Directors whenever convened and considered appropriate and should participate in all the meetings in which the annual accounts are analysed and may demand any necessary information. Furthermore, in accordance with the same Regulation, the Board Audit and Finance Committee shall inform the Statutory Audit Board about the reports presented to the Board of Directors regarding the efficiency of the Company's audit structure.

The Company also has an Investor Relations Office that provides regular and relevant information to the investors and the financial community, ensuring the recording of the relevant interlocutions, in order to enhance the quality of its performance, providing also all the recommended information in Portuguese and in English in its website: https://www.sonaecapital.pt/en.

I.2. Diversity in the composition and functioning of the company's governing bodies

Principle:

I.2.A Companies ensure the diversity in the composition of the respective governing bodies and the adoption of criteria of individual merit in the respective designation processes, which are of the exclusive competence of shareholders.

I.2.B Companies must be provided with clear and transparent decision-making structures and ensure the maximum efficiency of the functioning of their bodies and commissions.

Recommendations:

I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, suitable with 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: SECTIONS 15 AND 31 OF THIS REPORT

The Company prepared and approved a Code of Conduct which was disclosed in Portuguese and English on its website, which contains its Diversity Policy, including also, in accordance with article 245-A paragraph 1 - r) and paragraph 2 of the Portuguese Securities Code, a detailed description of the referred policy in the Annual Report, namely in the Sustainability chapter. This policy lists a very strict criteria which mainly focus on (i) the professional qualification which needs to be aligned with the renewal of the members of the governing bodies, in order to ensure compatibility between the seniority and the need to assure different professional paths, in order to avoid a monolithic thinking; (ii) gender diversity; (iii) the diversity of knowledge and (iv) age diversity, with no restrictive view on age limits for the exercise of corporate functions.

I.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: SECTIONS 22, 23, 27, 29, 34 AND 35 OF THIS REPORT

The Company's management and supervisory bodies and their internal committees have their own Regulations, in which are defined their competences, duties and functions, with the record of each meeting of these bodies being recorded in the minutes.

I.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: SECTION 61 OF THIS REPORT

All Regulations are available in Portuguese and English on the Company's website: https://www.sonaecapital.pt/en.

I.2.4. The composition, the number of the 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: SECTION 62 OF THIS REPORT

The composition of the management, supervisory and internal committees of the Company, as well as the number of their annual meetings, is available in Portuguese and English on the Company's website: https://www.sonaecapital.pt/en.

I.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: SECTIONS 38 AND 49 OF THIS REPORT

The Regulation of the Statutory Audit Board determines its competences regarding the mechanisms of detection and prevention of irregularities, and the Company has also implemented a policy of Communication Irregularities that is available on the Company's website - https://www.sonaecapital.pt/en - and covers the entire perimeter of the Sonae Capital Group.

In order to permanently and proactively ensure the detection and prevention of irregularities, the Company has instituted the appropriate risk identification and prevention mechanisms, monitored by the internal audit and by each of the departments responsible for their prevention, whose configuration and monitoring is consistently made by the Company's management and supervisory bodies.

Regarding employees, the Company periodically conducts surveys in order to measure the social environment of each business and corporate and shared services, as well as approving and publishing a code of good conduct for preventing and combating harassment.

I.3. Relationships between the company bodies

Principle:

The members of the governing bodies, especially Directors, should create the conditions so that, in accordance with the responsibilities of each body, it is ensured that weighted and efficient measures are taken and, equally, so that the various bodies of the Company act in a harmonious and articulated way and with adequate information for the exercise of their respective functions.

Recommendations:

I.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: SECTIONS 21, 29 AND 38 OF THIS REPORT

Vide section I.1.1 of the current chapter.

I.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.

Vide section I.1.1 of the current chapter.

I.4. Conflicts of interest

Principle:

Current or potential conflicts of interest between members of governing bodies or committees and society must be prevented. It must be ensured that the conflicting member does not interfere in the decision-making process.

Recommendations:

I.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: SECTIONS 29, 89 AND 90 OF THIS REPORT

Pursuant to Article 10 of the Regulation of the Board of Directors, members must, by reference to Article 8, promptly inform the respective body or committee about facts that may constitute or cause a conflict between their interests and the interests of the Company, as well as the members of the Statutory Audit Board must, under the terms of article 5, paragraph 2, point c) of the respective Regulation, promptly inform the respective body on time about the facts that put (or may eventually put) the member of the Statutory Audit Board it conflict of interest.

I.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

In accordance with article 10 of the Regulation of the Board of Directors, the members of this governing body shall, by reference to article 8, promptly inform the respective governing body or committee about facts that may constitute or cause a conflict between their own interests and the interests of the Company. The member who, in accordance with the preceding paragraph, declares to be in conflict of interest, shall not interfere in the decision-making process, without prejudice to the duty of providing information and clarifications that the governing body, the committee or its members may request.

The mechanism for preventing conflicts of interest by members of the Statutory Audit Board is described in the response to recommendation I.4.1. Simultaneously, as supervisory body its functions include the due assessment regarding incompatibility and impediment.

I.5. Related party transactions

Principle:

Due to the potential risks that it entail, transactions with related parties must be justified by the interest of the Company and carried out under market conditions, subject to the principles of transparency and adequate supervision.

Recommendations:

I.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: SECTIONS 89 AND 90 OF THIS REPORT

The managing and supervisory bodies approved, and included in their regulations, the rules to be observed on the Company's transactions with both Shareholders with qualified holdings and with related parties, still having a formal internal procedure in place, both with a view to obtaining the opinion of the Statutory Audit Board and the Board Audit and Finance Committee, prior to approval by the Board of Directors of business with Shareholders with qualified holdings or with related parties, when such transactions involve an amount above 10 million euros.

I.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: SECTION 89 OF THIS REPORT

The Secretary of the Board of Directors is responsible for reporting, on a biannual basis, to the Board Audit and Finance Committee and the Statutory Audit Board (i) transactions executed between the Company and shareholders owning

qualified shareholdings exceeding 1 million euros and (ii) transactions carried out between the Company and related parties that exceed 20 thousand euros, and that the Company knows of.

Still regarding the intervention of the Board of Directors in the approval of these transactions, it should be emphasised that the latter did not delegate the approval of transactions with related parties to any committee, but reinforced the procedure for guaranteeing the execution of transactions with related parties, under market conditions, with the express request of an opinion issued by its independent Directors at the Board Audit and Finance Committee.

II. Shareholders and General Meetings

Principles:

II.A. The proper involvement of shareholders in corporate governance is a positive factor of corporate governance, as an instrument for the efficient functioning of the Company and for the realization of the corporate purpose.

II.B. The Company must promote the personal participation of the Shareholders in the Shareholders' General Meeting, as a space for the communication of the shareholders with the governing bodies and committees and for reflection on the Company.

II.C. The company must also allow Shareholders to participate in the Shareholders' General Meeting by telematic means, postal voting and, in particular, electronic voting, except when this proves to be disproportionate taking into account, namely, 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: SECTION 12 OF THIS REPORT

The Company encourages its Shareholders to participate in Shareholders' 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: SECTIONS 13 AND 14 OF THIS REPORT

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: SECTION 12 OF THIS REPORT

The Company makes available to the Shareholders the voting being made by post and by electronic means.

In addition, the Company makes available on its website, from the date ootice of meeting for each Shareholders' General Meeting, standard documents designed to facilitate access to the information necessary for the issuance of the communications to be made by the Shareholders to ensure their presence at the meeting, as well as providing an electronic address for the clarification of all doubts and for receiving all communications of participation in the Shareholders' General Meeting.

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

RECOMMENDATION ADOPTED WITH EXPLANATION

The participation of shareholders in the Shareholders' General Meeting by telematic means is duly foreseen in the Company's Articles of Association.

However, the Company has never used these means, since it deems that the shareholders' right to participate in the Meeting is not restricted, given that shareholders have available all the other means to exercise their right to vote - by postal or by electronic means, as explained in the preceding paragraph.

Furthermore, it should be noted that even voting by electronic means has never been used by Shareholders, up to the current date, nor has any request been made to the Company to implement voting by telematic means.

The Investor Relations Office, responsible for, among other matters, managing the relationship between Sonae Capital and current and potential investors, with the purpose of improving their knowledge and understanding of the Company, remains in constant contact with potential investors and with minority Shareholders not having received, up to the current date, any feedback in order to conclude that the implementation of telematic means could constitute an increasing factor of Shareholders' inflow to the Shareholders' General Meetings.

As such, the Company believes that Shareholders prefer physical presence at the Shareholders' General Meetings, even though the cost of implementing telematic means was considered disproportionate in light of the principle described in point II.C.

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 NOT APPLICABLE

The Articles of Association do not establish any limitation to the number of votes that may be issued 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: SECTIONS 4 AND 84 OF THIS REPORT

The Company does not unilaterally adopt policies causing any of the restrictions listed in the recommendation. The contracts signed by the Company reflect the defense of the corporate interest with a view to the long-term sustainability of the businesses in the context of market conditions.

III. Non-Executive Management, Monitoring and Supervision

Principles:

III.A. The members of governing bodies with Non-Executive and supervisory functions must exercise, in an effective and careful way, a supervisory function and challenge the Executive management for the full realization of the corporate purpose, and such action must be complemented by committees in central areas of corporate governance.

III.B. The composition of the supervisory body and the group of Non-Executive Directors must provide the Company with a balanced and adequate diversity of skills, knowledge and professional experiences.

III.C. The supervisory body must conduct a permanent supervision of the Company's management, also in a preventive perspective, following the Company's activity and, in particular, decisions of greater importance to the latter.

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: SECTION 17 OF THIS REPORT

The independent Directors appointed, among themselves, a coordinator to act, in accordance with the best corporate governance practices, as an interlocutor with the Chairman of the Board of Directors and with the other directors, whenever necessary, in order to ensure that they have the set of conditions and means necessary for the performance of their duties and coordinate them in the performance assessment by the management body, having been appointed for this purpose Álvaro Carmona e Costa Portela.

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: SECTIONS 17, 18, 29, 31 AND 32 OF THIS REPORT

Regarding the Board of Directors, this body consists of a total of 10 members, of which 7 are Non-Executive. As for the Statutory Audit Board, it is made up of 3 members and for the Board Audit and Finance Committee, it is composed of 2 independent Non-Executive Directors.

The Company is of the view that the composition of the aforementioned bodies and committees is in line with the recommendation.

III.3. In any case, the number of Non-Executive Directors should be higher than the number of Executive Directors.

RECOMMENDATION FULLY ADOPTED: SECTION 18 OF THIS REPORT

The Board of Directors is composed by a total number of 10 members and 7 of them are Non-Executive.

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: SECTION 18 OF THIS REPORT

The Board of Directors is composed of ten members, seven of whom are Non-Executive members, with four independent Non-Executive members, in compliance with the independence criteria of this recommendation, as described in section 18 of this Report.

The maintenance of the independence conditions is checked periodically, with the independent Directors being bound to the duty of immediate notification of the occurrence of any fact that determines the loss of that quality.

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

The Company does not have any Director in such situation.

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: SECTION 21 OF THIS REPORT

Non-Executive Directors independently exercise the permanent supervision of the Executive Committee's activity, playing a relevant and influential role in the decision-making process on structural issues, namely in the definition and implementation of the strategy and main policies, structure of the portfolio and assessment of compliance with these resolutions. This participation is carried out both as members of the Board of Directors and as members of the specialised committees, whose composition they integrate, corresponding to the scope of the powers not delegated to the Executive Committee.

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: SECTIONS 37 AND 38 OF THIS REPORT

The Board of Directors, as the body responsible for defining the Company's strategy and main policies, proactively ensures the internal control and risk management system. The Statutory Audit Board assesses the effectiveness of those systems, proposing the optimisation measures that it deems necessary and giving its opinion on them in its annual report, made available together with the other accountability documents, at https://www.sonaecapital.pt/en/investors/financial-information.

In addition to the description contained in this Report, these duties are reflected in the Regulations of the Board of Directors and on the one of its Internal Committees as well as in the Regulations of the Statutory Audit Board, all available at https://www.sonaecapital.pt/en/corporate-governance/regulation.

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: SECTION 29 OF THIS REPORT

The Board of Directors established two specialised internal committees that continuously exercised their duties throughout 2019, with the purpose of advising and enhancing the quality of its activity: the Board Audit and Finance Committee and the Board Nomination and Remuneration Committee, whose powers are described in point 29 of this Report and whose terms of reference are accessible through the electronic address https://www.sonaecapital.pt/en/corporate-governance/regulation.

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: SECTIONS 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: SECTIONS 29 AND 38 OF THIS REPORT

The Board of Directors proactively ensures the internal control and risk management system. The Board Audit and Finance Committee evaluates the operational procedures implemented by the Company in order to guarantee the monitoring of internal control and the efficient management of risks. The Statutory Audit Board establishes with the internal audit the action plan to be developed, supervises its activity, receives periodic reports on the activity carried out, assesses the results and conclusions drawned, assesses the existence of any irregularities and issues the guidelines it deems appropriate.

The article 4 (2) of the Regulations of the Statutory Audit Board states that the Board Audit and Finance Committee will inform the Audit Committee about the reports submitted by it to the Board of Directors concerning the efficiency of the Company's audit structure, namely with regard to: i) quality and independence of the internal audit function; ii) scope of the internal audit functions and their interaction with the external auditor; iii) periodic activity reports by the external auditor and the internal auditor; iv) any facts of which it is aware and which may affect the independence of the external auditor, the Statutory Audit Board is responsible for assessing the effectiveness of the risk control and management systems, proposing the optimization measures it deems necessary and providing its opinion on them in its annual report.

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: SECTION 38 OF THIS REPORT

The Statutory Audit Board establishes with the internal audit the action plan to be developed, supervises its activity, assessing its adequacy in terms of means and objectives, is the recipient of periodic reporting of the activity carried out, namely with regard to financial information and accountability, prevention of conflicts of interest and assessment of the existence of any irregularities, as well as evaluating the results and conclusions obtained and issuing the guidelines that it deems convenient, as described in section 38 of this Report.

IV. Executive Management

Principles:

IV.A. In order to increase the efficiency and quality of the performance of the management body and the adequate flow of information to this body, the day-to-day management of the company must be conducted by Executive Directors with the qualifications, skills and experience appropriate to the role. Executive management is responsible for managing the Company, pursuing its objectives and aiming to contribute to its sustainable development.

IV.B. When determining the number of Executive Directors, it should be considered - apart from the costs and desirable operational agility of the Executive management -, the size of the Company, the complexity of its activity and its geographic dispersion.

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: SECTON 29 OF THIS REPORT

The Board of Directors delegated the daily management of the Company to the Executive Committee, whose powers are described in this Annual Corporate Governance Report, and it approved the respective operating regulations.

The Regulation of the Board of Directors available at https://www.sonaecapital.pt/en/corporate-governance/regulation and the policy of conflicts of interest in force determine that the exercise, by any member of the Board of Directors, of corporate role or significant activity outside the Group that has not been authorized by the Shareholders' General Meeting, must be previously approved by the Board of Directors by means of an opinion issued by BAFC, cf. Regulation of the Board of Directors available at https://www.sonaecapital.pt/en/corporate-governance/regulation.

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: SECTION 21 OF THIS REPORT

The powers of the Board of Directors that cannot be delegated fully comply with the rules foreseen in this recommendation.

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

RECOMMENDATION FULLY ADOPTED: SECTIONS 21, 29, 38, 51 AND 54 OF THIS REPORT

The Board of Directors is incumbent of, under the terms of article 3 of the Regulations of this body, and, as a non-delegable competence, the approval of the main policies of the Company, including the risk policy, as well as the monitoring of significant risks and the profile of general risks of Sonae Capital, assisted by the Board Audit and Finance Committee, which reports to the Board of Directors on a regular basis the actions developed and the conclusions reached and proposes the action plans to be developed, with the goal of proactively ensuring control and the Company's risk management system, all in accordance with section 54 of the 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: SECTION 38 OF THIS REPORT

Based on the risk matrix established by the Management, it is the responsibility of the Statutory Audit Board, under the terms of its Regulation, to monitor the effectiveness of the risk management system, the internal control system and the internal audit system, following the internal system of risk management, drawing up an annual assessment and recommendations report addressed to the Management.

The Board Audit and Finance Committee also informs the Statutory Audit Board about the reports it has submitted to the Board of Directors regarding the efficiency of the Company's audit structure, namely with regard to the quality and independence of the internal audit function, the scope of the internal audit functions and its interaction with the statutory external auditor, circulating periodic activity reports from the external auditor and the internal auditor and making this body aware of any facts that it is aware and which may affect the independence of the statutory external auditor.

V. Evaluation of Performance, Remuneration and Appointments

V.1 Annual Evaluation of Performance

Principle:

The company must promote the performance assessment of the Executive body and its members individually and also of the overall performance of the management body and the specialized Committees constituted within it.

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 WITH JUSTIFICATION

The performance assessment of the management body is carried out in accordance with the principles, valuations and rules established in the Remuneration and Compensation policy presented by the Remuneration Committee and approved annually in the Shareholders' General Meeting.

The Remuneration Committee, elected in the Shareholders' General Meeting, is responsible for approving the remuneration of the members of the Board of Directors and other governing bodies. The Board Nomination and Remuneration Committee

supports the Remuneration Committee in the development of its function of assessing the performance of Executive Directors.

The Board of Directors conducts a periodic assessment of its performance and the performance of the internal committees it establishes. Given that the objectives of the Board of Directors are typically fixed for the entire duration of the mandate, the Company believes that the assessment referred in this recommendation, even though it takes place, should only occur after approximately half of the mandate. Exceptionally, the assessment in question may be carried out outside the period indicated, in the event of a substantial change in the composition of the Board of Directors. In 2019, the Board of Directors promoted a Board Self-Assessment process. In addition to the aforementioned performance assessments, this process also includes assessing the contribution of the various members and their committees, as well as identifying a set of recommendations in order to optimise the functioning and the relationship between the various bodies.

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: SECTION 38 OF THIS REPORT

The Statutory Audit Board exercised the powers that are described in section 38 of this Government Report, having accordingly supervised the Management, risk management and other responsibilities that are assigned to it, including those arising from the principles of interaction between the supervising body and the Management in order to prevent conflict of interest situations. The Statutory Audit Board did not issue any opinion or warning regarding compliance with the strategic plan and the budget, having acted in accordance with the legal rules that determine its competence, capacity and duty to intervene.

V.2 Remuneration

Principle:

The remuneration policy for the members of the management and supervisory bodies should allow the Company to attract, at a cost economically justified by their situation, qualified professionals, to induce the alignment of interests with those of Shareholders - taking into account the wealth effectively created by the Company , its economic situation and that of the market - and constitute a factor in the development of a culture of professionalization and promotion of merit and transparency in 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: SECTIONS 24, 67 AND 69 TO 76 OF THIS REPORT

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 conform 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: SECTION 69 OF THIS REPORT

The declaration on the Company's remuneration policy has the guidelines provided for in section 69 and is in line with this recommendation. The Remuneration Committee, elected at the Shareholders' General Meeting, is the body responsible for evaluating the performance and approving the remuneration of the members of the Board of Directors and other governing bodies, representing the Shareholders, in accordance with the statement on the remuneration policy approved by the Shareholders in the Shareholders' 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, 19 June, should additionally contain the following:

i. **The total remuneration amount itemised by each of its components, the relative proportion of fxed 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 specifc 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 remuneration policy presented to the Annual Shareholders' General Meeting of 29 April 2019 includes all the elements listed in the applicable legislation.

The other information included in this Recommendation is contained in documents - Corporate Governance Report and Management Report - also submitted for approval by Shareholders.

The remuneration policy statement is available at http://www.sonaecapital.pt/en. It is stated that no agreements have been concluded that determine the attribution of compensation to the Directors associated with the termination of mandate, or that establish the possibility of requesting the refund of a variable remuneration, without prejudice to the obligation of the Company to comply with the legal provisions in force in this matter.

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

The Articles of Association do not provide for the payment of pensions. The approved remuneration policy does not establish any pension benefits system and entails the principle of non-payment of compensations due to the dismissal or Directors termination of office, without prejudice to the applicable legal provisions.

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: SECTION 66 OF THIS REPORT

The Remuneration Committee is in line with this recommendation and appoints the member representing it at the Shareholders' General Meeting.

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: SECTION 24 OF THIS REPORT

The principles to which consulting services are contracted are described in section 24 of this Report. In accordance with paragraph 2 of article 5 of the Regulations of the Board of Directors and of the Committees, the Remuneration Committee must ensure that the entities that provide services are not contracted to provide any other services to the Company or its subsidiaries, without the express authorisation of the Committee.

V.3 Directors' Remuneration

Principle:

Directors must receive a compensation that:

(i) **adequately remunerates the responsibility assumed, the availability and the competence placed at the service of the Company;**

(ii) **ensures a performance aligned with the long-term interests of Shareholders, as well as others that they expressly define;**

(iii) **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: SECTIONS 69 TO 75 OF THIS REPORT AND REMUNERATION POLICY APPROVED ON 29 APRIL 2019

According to the statement on the remuneration policy, the remuneration of the members of the Board of Directors who exercise Executive functions, the variable component is based on the performance of those directors, measured according to the predetermined criteria and is built in such a way that aligns its performance with the Company's sustainability and stable Shareholder interest, discouraging excessive risk-taking.

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: SECTIONS 71, 72 AND 86 OF THIS REPORT

In accordance with the remuneration policy approved at the Annual Shareholders' General Meeting held on 29 April 2019, proposed by the Remuneration Committee, a portion of not less than fifty percent of the variable remuneration is deferred for a period of three years and paid in the year following the end of the latter, being its value dependent on the performance of the Company over that period, since it is indexed to the share price.

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: SECTION 73 OF THIS REPORT

The approved remuneration policy does not include the attribution 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: SECTION 70.2 OF THIS REPORT AND DECLARATION ON THE REMUNERATION POLICY APPROVED ON 29 APRIL 2019

The remuneration of the Non-Executive members of the Board of Directors is made up exclusively of a fixed amount, without any connection to the performance of the Company or its value.

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: SECTION 69.1 OF THIS REPORT

The remuneration and compensation policy approved at the Annual Shareholders' General Meeting held on 29 April 2019 incorporates the principle of not contemplating the attribution of any compensation to the Director, or to a member of the other governing bodies, associated with the termination of mandate, whether this termination occurs at the end of the respective period, whether there is an early termination for any reason or justification, without prejudice to the obligation of the Company to comply with the legal provisions in force in this matter.

V.4. Appointments

Principle:

V.4. Regardless of the type of appointment, the profile, knowledge and curriculum of the members of the governing bodies and management boards, they must be adapted to the function to be performed.

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: SECTIONS 15, 16, 29 AND 31 OF THIS REPORT

The Company approved the Diversity Policy in its Code of Conduct which is available for consultation at https://www.sonaecapital.pt/en/corporate-governance/regulation.

That policy was applied in the election of the members of the Management and Supervisory Bodies held at the Shareholders' General Electoral Meeting of 3 May 2018 and in the subsequent Shareholders' General Meetings that proceeded to the election of members of the governing bodies.

Regarding the exercise of the power of co-optation of the Board of Directors, the Board Nomination and Remuneration Committee is responsible for identifying potential candidates for the position of Director with the appropriate profile for the exercise of management functions, according to the criteria and values defined by the Company and included in its Code of Conduct and Diversity Policy.

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 justifed by the company's size.

RECOMMENDATION FULLY ADOPTED: SECTIONS 27, 29 AND 67 OF THIS REPORT

V.4.3. This nomination committee includes a majority of non-executive, independent members.

RECOMMENDATION FULLY ADOPTED: SECTIONS 29 AND 67 OF THIS REPORT

The Board Nomination and Remuneration Committee is entirely composed of Non-Executive Directors, the majority of whom are independent.

Duarte Paulo Teixeira de Azevedo, Chairman of the Board of Directors, is a Non-Executive member of this body and, in order to guarantee independence in the exercise of the aforementioned functions, this member abstains from discussion or resolution in which there is, or may be, a conflict of interest. The two additional members that make up the Board Nomination and Remuneration Committee are independent.

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 identifcation 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: SECTION 29 OF THIS REPORT

Concerning the functions of the Board Nomination and Remuneration Committee, defined by the management body in the respective Regulation, it has the role of identifying potential candidates with a profile for the performance of Director functions (in particular when the Board of Directors exercises its function of cooptation of members), preparing general information regarding replacement plans, contingency plans and talent management, in general for the members of the Board of Directors as well as for other officers, through transparent selection processes, which include effective identification mechanisms for potential candidates taking into account the requirements of the function, merit and adequate diversity for the Company, namely gender. The Board Nomination and Remuneration Committee must also comply with the Company's Diversity Policy and the Plan for Gender Equality, under the terms approved by the Board of Directors.

VI. Risk Management

Principle:

Based on the medium and long term strategy, the Company should establish a risk management and control system and internal audit that allows anticipating and minimizing the risks inherent to the activity carried out.

Recommendation:

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: SECTION 51 TO 54 OF THIS REPORT

The Board of Directors determines the Company's strategic plan and risk policy, defining and monitoring the presence of risk levels considered acceptable. The Board Audit and Finance Committee reports to the Board of Directors, on a regular basis, the conducted actions and conclusions drawned, and proposes the action plans to be developed, in order to proactively ensure the internal control and risk management system of the Company's risks.

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: SECTION 50 TO 55 OF THIS REPORT

Internal risk control systems are established by the Board of Directors with the appropriate components and referred to in the sections indicated above.

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: SECTIONS 38 AND 54 OF THIS REPORT

The Board of Directors has instituted a system for the permanent assessment of the performance of the risk management system, which is appropriate to optimise adaptation to new circumstances or contingencies.

VII. Financial Information

Principles:

VII.A. The supervisory body should, independently and diligently, ensure that the management body fulfils its responsibilities in choosing appropriate accounting policies and criteria and in establishing adequate systems for financial reporting, risk management, internal control and internal audit.

VII.B. The supervisory body must promote an adequate articulation between the work of the internal audit and the statutory audit.

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 fnancial years, in a duly documented and communicated form.

RECOMMENDATION FULLY ADOPTED: SECTION 38 OF THIS REPORT

The internal Regulation of the supervisory body observes the rules contained in this recommendation.

Statutory Audit of Accounts and Supervision:

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

RECOMMENDATION FULLY ADOPTED: SECTIONS 37 AND 38 OF THIS REPORT

The Regulation of the Statutory Audit Board complies with the rules set out in this recommendation.

VII.2.2. The supervisory body should be the main interlocutor of the statutory external 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: SECTION 38 OF THIS REPORT

It is the responsibility of the Statutory Audit Board to supervise the activity and independence of the Statutory External Auditor and Auditor, by interacting directly with them in terms of their competences and the rules of operation included in the Regulation of the Statutory Audit Board.

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: SECTION 38 OF THIS REPORT AND THE ANNUAL REPORT OF THE SATUTORY AUDIT BOARD

The Statutory Audit Board annually assesses the Statutory External Auditor. Such assessment is included in its annual report and opinion, and is made available together with all other accounting documents at https://www.sonaecapital.pt/en (Corporate Governance tab, Shareholder's General Meeting section).

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: SECTIONS 38, 51 AND 55 OF THIS REPORT

The Statutory External Auditor has commented on the activity carried out by himself in 2019 under the terms of his annual audit report subject to the appreciation of the Annual Shareholders' General Meeting and available at https://www.sonaecapital.pt/en/corporate-governance/shareholders-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: SECTION 38 OF THIS REPORT

The Statutory Auditor declares himself in line with the content of this Recommendation.

It is the responsibility of the Statutory Audit Board to supervise the activity of the Statutory External Auditor and to primarily receive its reports, interacting directly with him in terms of its powers and the operating rules contained in the Regulation of the Statutory Audit Board.

3. ANNEX TO THE CORPORATE GOVERNANCE REPORT

Duarte Paulo Teixeira de Azevedo
Chairman of the Board of Directors of Sonae Capital, SGPS, S.A.
Age: 54
Nationality: Portuguese

Education:

- Licentiate degree in Chemical Engineering - École Polytechnique Fédérale de Lausanne (1986)
- Master in Business Administration - MBA – Porto Business School (1989)

Offices held in companies of the Group:

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Offices held in other companies/entities:

- Chairman of the Board of Directors of Efanor Investimentos, SGPS, S.A.
- Chairman of the Board of Directors of Sonae Indústria, SGPS, S.A.
- Chairman of the Board of Directors of Sonae Arauco, S.A.
- Chairman of the Board of Directors of Sonae, SGPS, S.A.
- Chairman of the Board of Directors of Migracom, S.A.
- Member of the Board of Directors of Imparfin – Investimentos e Participações Financeiras, S.A.
- Member of the Board of Directors of Efanor – Serviços de Apoio à Gestão, S.A.
- Member of the Board of Directors and of the Executive Committee of Fundação Belmiro de Azevedo
- Member of the Board of Directors of BA Glass I - Serviços de Gestão e Investimentos, S.A.
- Chairman of the Installation Committee of BIOPOLIS Project
- Member of ERT - European Round Table of Industrialists
- Member of the International Avisory Board of Allianz, SE
- Partner and Manager of OKUK, Lda

Other positions held previously:

- Chairman of the Board of Directors of Sonae MC, SGPS, S.A.
  (previously denominated as Sonae Investimentos, SGPS, S.A.)
- Chairman of the Board of Directors of Sonaecom, SGPS, S.A.
- Vice-Chairman of the Board of Directors of Sonae Industria, S.A.
- Chairman of the Executive Committee of Sonae SGPS, S.A.
- Chairman of the Board of Curators of Universidade do Porto
- Chairman of the Board of Directors of Sonae – Specialized Retail, SGPS, S.A.

- Member of the Board of Directors of COTEC Portugal
- Member of the Board of Curators of Fundação Belmiro de Azevedo
- Chairman of the Board of Directors of Sonae Center Serviços II, S.A. (currently Sonae MC, Serviços Partilhados, S.A.)
- Member of Consejo Iberoamericano para la Productividad y la Competividad
- Chairman of the Board of Directors and Co-CEO of Sonae SGPS, S.A.
- Since 2008 – Member of ERT - European Round Table of Industrialists
- Since 2013 – Member of the International Advisory Board of Allianz, SE
- Since May 2016 – Chairman of the Board of Directors of Sonae Arauco Portugal, S.A

Álvaro Carmona e Costa Portela
Vice-Chairman of the Board of Directors of Sonae Capital, SGPS, S.A.
Age: 67
Nationality: Portuguese

Education:

- Licentiate degree in Mechanical Engineering – FEUP (1974)
- Master in Business Administration – MBA (Universidade Nova de Lisboa – 1983)
- AMP / ISMP – Harvard Business School (1997)

Offices held in companies of the Group:

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Offices held in other companies/entities:

- Non-Executive Director of Casa Agrícola HMR, S.A.
- Non-Executive Director of COPAM – Companhia Portuguesa de Amidos, S.A.
- Director of Fundação Victor e Graça Carmona e Costa
- Manager of Portela & Portela, Lda.
- Director of Fundação Belmiro de Azevedo
- Vice-Chairman of FPAK – Federação Portuguesa de Automobilismo e Karting

Other positions held previously:

- Non-Executive Director of Sonae SGPS, S.A
- Non-Executive Director of SPDI – SECURE PROPERTY Development & Investment, PLC
- Member of the Investment Committee of ECE European Prime Shopping Centre Fund, Luxembourg

Maria Cláudia Teixeira de Azevedo
Non-Executive Director of Sonae Capital, SGPS, S.A.
Age: 50
Nationality: Portuguese

Education:

- Licentiate degree in Management from Universidade Católica do Porto
- MBA from INSEAD

Offices held in companies of the Group:

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Offices held in other companies/entities:

- Chairman of the Board of Directors of Imparfin, SGPS, S.A.
- Chairman of the Board of Directors of Linhacom, SGPS, S.A.
- Chairman of the Board of Directors of Praça Foz – Sociedade Imobiliária, S.A.
- Chairman of the Board of Directors of Sonae MC, SGPS, S.A.
- Member of the Board of Directors of BA – Business Angels, SGPS, S.A.
- Member of the Board of Directors of BA – Capital, SGPS, S.A.
- Member of the Board of Directors of Casa Agrícola de Ambrães, S.A.
- Member of the Board of Directors of Efanor Investimentos, SGPS, S.A.
- Member of the Board of Directors of Efanor – Serviços de Apoio à Gestão, S.A.
- Member of the Board of Directors and of the Executive Committee of Fundação Belmiro de Azevedo
- Member of the Board of Directors of Público - Comunicação Social, S.A.
- Member of the Board of Directors of Realejo - Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Setimanale - SGPS, S.A.
- Member of the Board of Directors of Sonae FS, S.A.
- Member of the Board of Directors of Sonae Holdings, S.A.
- Member of the Board of Directors of Sonae Sierra, SGPS, S.A. (Chairman of the Board of Directors since May 2019)
- Member of the Board of Directors of Sonaecom, SGPS, S.A.
- Member of the Board of Directors of Sonae Investment Management – Software and Technology, SGPS, S.A.
- Member of the Board of Directors of Vistas da Foz – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of ZOPT, SGPS, S.A.
- Member of the Board of Directors of NOS – SGPS, S.A.
- Sole Director of Sekiwi, SGPS, S.A.
- CEO of Sonae - SGPS, S.A.

Other positions held previously:

- Chairman of the Board of Directors of CapWatt, SGPS, S.A.
- Chairman of the Board of Directors of Race, SGPS, S.A.
- Chairman of the Board of Directors of SC, SGPS, S.A.
- Chairman of the Board of Directors of SC Hospitality, SGPS, S.A.
- Chairman of the Board of Directors of SC Industrials, SGPS, S.A.
- Chairman of the Board of Directors of Troiaresort, SGPS, S.A.
- Chairman of the Board of Directors of WeDo Consulting, Sistemas de informação, S.A.
- Chairman of the Board of Directors of Bright Development Studio, S.A.
- Chairman of the Board of Directors of Digitmarket – Sistemas de Informação, S.A.
- Chairman of the Board of Directors of GRUPO S 21 SEC GÉSTION, S.A.
- Chairman of the Board of Directors of S21SEC PORTUGAL - CYBERSECURITY SERVICES, S.A.
- Chairman of the Board of Directors of Inovretail, S.A.
- Chairman of the Board of Directors of S.A.phety Level – Trusted Services, S.A.
- Chairman of the Board of Directors of Sonaecom – Ciber Security and Intelligence Services, SGPS, S.A.
- Member of the Board of Directors of Sonae Investment Management – Software and Technology, SGPS, S.A.

Francisco de La Fuente Sánchez
Non-Executive Director of Sonae Capital, SGPS, S.A.
Age: 78
Nationality: Portuguese

Education:

- Licentiate degree in Eletrical Engineer - Instituto Superior Técnico (1965)

Offices held in companies of the Group:

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Offices held in other companies/entities:

- Co-opted Member of the General Council of Universidade de Lisboa
- Chairman of the Board of the General Meeting of APEDS – Associação Portuguesa de Engenheiros para o Desenvolvimento Social
- Chairman of the Board of the General Meeting of AAAIST – Associação de Antigos Alunos do Instituto Superior Técnico
- Honorary Chairman of Hidroeléctrica del Cantábrico, S.A.
- Member of the Remuneration Committee of Sonae SGPS, S.A. e da Sonaecom, SGPS, S.A.

- Member of the Representatives Assembly of Ordem dos Engenheiros
- Member of the Advisory Board of ATEC - Academia de Formação
- Member of the Board of Trustees of the Fundação Luso-Brasileira
- Member of the Board of Trustees of the Fundação Luso-Espanhola
- Member of the Foro Ibero América
- Member of Patronato da Fundação Hidroeléctrica del Cantábrico

Other positions held previously:

- Chairman of ELECPOR – Associação Portuguesa das Empresas do Sector Eléctrico
- Chairman of the Board of Directors and Executive Committee of EDP – Electricidade de Portugal, SA
- General Director of Direcção de Distribuição Tejo, EDP
- Central Commercial Director of EDP
- Director of Hidroeléctrica del Cantábrico, SA (Spain)
- Non-Executive Chairman of CERJ - Companhia de Electricidade do Rio de Janeiro, SA (Brasil)
- Non-Executive Chairman of the Board of Directors of EFACEC
- Member of the General and Supervision Counsil of MIllennium BCP – Banco Comercial Português
- Non-Executive Chairman of the Board of Directors of ONI
- Non-Executive Director of GALP Energia
- Non-Executive Director of BVLP – Bolsa de Valores de Lisboa e Porto
- Co-opted member of the Council of the School Instituto Superior Técnico
- Chairman of the National Council of Colégio de Engenharia Electrotécnica from Ordem dos Engenheiros
- Member of the Advisory Board of Instituto Português de Corporate Governance
- Chairman of Fundação EDP
- Advisory Member of Ordem dos Engenheiros
- Member of Academia de Engenharia

Paulo José Jubilado Soares de Pinho
Non-Executive Director of Sonae Capital, SGPS, S.A.
Age: 57
Nationality: Portuguese

Education:

- Licentiate degree in Economics - Faculdade de Economia da Universidade Nova de Lisboa (1985)
- MBA - Master in Business Administration - Faculdade de Economia da Universidade Nova de Lisboa (1989)
- PhD in Banking and Finance - City University Business School, London (1994)
- Negotiation Analysis - Amsterdam Institute of Finance (2005)
- Advanced Course - European Venture Capital and Private Equity Association (2006)
- Valuation Guidelines Masterclass - European Venture Capital and Private Equity Association (2007)
- Private Equity and Venture Capital Programme - Harvard Business School (2007)

Offices held in companies of the Group:

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Offices held in other companies/entities:

- Chairman of the General Council of Fundo de Sindicação de Capital de Risco PME-IAPMAI
- Member of the Board of Directors of Change Partners, SCR, S.A.
- Managing Partner of Finpreneur, Ltda.
- Academic Director of the Lisbon MBA (MIT – Católica – Nova)

Other positions held previously:

- Chairman of the Statutory Audit Board of Novabase, S.A.
- Member of the Strategic Advisory Board of the Fast Change Venture Capital Fund
- Member of the Board of Directors of Biotecnol, S.A.
- Director (representative in Portugal) of Venture Valuation, Switzerland
- Executive Director of REN – Redes Elétricas Nacionais
- Senior Consultant at New Next Moves Consultants, Portugal
- Associate Professor at the Faculty of Economics, Universidade Nova de Lisboa
- Visiting Professor at Cass Business School, London
- Visiting Professor at the University of Luxembourg

Miguel Jorge Moreira da Cruz Gil Mata
Chairman of the Executive Committee of Sonae Capital, SGPS, S.A.
Age: 45
Nationality: Portuguese

Education:

- Licentiate degree in Mechanical Engineering - Faculdade de Engenharia da Universidade do Porto (1998)
- Postgraduate degree in Industrial Maintenance - Faculdade de Engenharia da Universidade do Porto (1999)
- MBA - Porto Business School, Universidade do Porto (2003)

Offices held in companies of the Group:

- Chairman of the Board of Directors and Chairman of the Executive Committee of Adira – Metal Forming Solutions, S.A.
- Chairman of the Board of Directors of Agrupamento Complementar de Empresas Atelgen, Produção de Energia, ACE
- Chairman of the Board of Directors of Capwatt, S.A.
- Chairman of the Board of Directors of Agrupamento Complementar de Empresas Capwatt Hectare – Heat Power, ACE
- Chairman of the Board of Directors of Agrupamento Complementar de Empresas Companhia Térmica do Serrado, ACE.
- Chairman of the Board of Directors of Agrupamento Complementar de Empresas Soternix – Produção de Energia, ACE
- Chairman of the Board of Directors of SC Hospitality, S.A.
- Chairman of the Board of Directors of Sociedade de Iniciativa e Aproveitamentos Florestais – Energia, S.A.
- Chairman of the Board of Directors of SC Industrials, SGPS, S.A.
- Chairman of the Board of Directors of Troiaresort, SGPS, S.A.
- Chairman of the Board of Directors of Suncoutim – Solar Energy, S.A.
- Chairman of the Board of Directors of Agrupamento Complementar de Empresas Feneralt – Produção de Energia, S.A
- Chairman of the Board of Directors of SC SGPS, S.A.
- Chairman of the Board of Directors of SC Fitness, S.A.
- Chairman of the Board of Directors of Andar - Sociedade imobiliária, S.A.
- Chairman of the Board of Directors of Bloco Q – Sociedade Imobiliária,
- Chairman of the Board of Directors of Capwatt ACE, S.A.
- Chairman of the Board of Directors of Capwatt Alrota, Wind Power, S.A.
- Chairman of the Board of Directors of Capwatt Colombo – Heat Power, S.A.
- Chairman of the Board of Directors of Capwatt Decentralized Solar Power, S.A.
- Chairman of the Board of Directors of Capwatt Évora – Solar Power, S.A.
- Chairman of the Board of Directors of Capwatt Ferreira – Solar Power, S.A.
- Chairman of the Board of Directors of Capwatt Maia – Heat Power, S.A.

- Chairman of the Board of Directors of Capwatt Martim Longo – Solar Power, S.A.
- Chairman of the Board of Directors of Capwatt Services, S.A.
- Chairman of the Board of Directors of Capwatt Vale do Caima – Heat Power, S.A.
- Chairman of the Board of Directors of Capwatt Vale do Tejo – Heat Power, S.A.
- Chairman of the Board of Directors of Casa da Ribeira – Sociedade Imobiliária, S.A.
- Chairman of the Board of Directors of Centro Residencial da Maia - Urbanismo, S.A.
- Chairman of the Board of Directors of Cinclus - Imobiliária, S.A.
- Chairman of the Board of Directors of Country Club da Maia - Imobiliária, S.A.
- Chairman of the Board of Directors of Empreendimentos Imobiliários da Quinta da Azenha, S.A.
- Chairman of the Board of Directors of Engenho Novo Gás PT, S.A.
- Chairman of the Board of Directors of Imoclub - Serviços Imobiliários, S.A.
- Chairman of the Board of Directors of Imodivor - Sociedade Imobiliária, S.A.
- Chairman of the Board of Directors of Imohotel - Empreendimentos Turísticos Imobiliários, S.A.
- Chairman of the Board of Directors of Imoponte - Sociedade Imobiliária, S.A.
- Chairman of the Board of Directors of Imopeninsula - Sociedade Imobiliária, S.A.
- Chairman of the Board of Directors of Imosedas - Imobiliária e serviços, S.A.
- Chairman of the Board of Directors of Implantação - Imobiliária, S.A.
- Chairman of the Board of Directors of Imoresort - Sociedade Imobiliária, S.A.
- Chairman of the Board of Directors of Porturbe - Edifícios e Urbanizações, S.A.
- Chairman of the Board of Directors of Praedium - Serviços, S.A.
- Chairman of the Board of Directors of Praedium II - Imobiliária, S.A.
- Chairman of the Board of Directors of Predisedas - Predial das Sedas, S.A.
- Chairman of the Board of Directors of Promessa - Sociedade Imobiliária, S.A.
- Chairman of the Board of Directors of SC Assets, SGPS, S.A.
- Chairman of the Board of Directors of SC Fitness, S.A.
- Chairman of the Board of Directors of Sete e Meio Herdades - Investimentos Agrícolas e Turismo, S.A.
- Chairman of the Board of Directors of Sociedade Construções do Chile, S.A.
- Chairman of the Board of Directors of Soira - Sociedade Imobiliária de Ramalde, S.A.
- Chairman of the Board of Directors of Sotáqua - Sociedade de Empreendimentos Turísticos de Quarteira, S.A.
- Chairman of the Board of Directors of Spinveste - Gestão Imobiliária, SGII, S.A.
- Chairman of the Board of Directors of Spinveste - Promoção Imobiliária, S.A.
- Chairman of the Board of Directors of Troiaresort - Investimentos Turísticos, S.A.
- Chairman of the Board of Directors of Urbisedas - Imobiliária das Sedas, S.A.

- Chairman of the Board of Directors of Vastgoed One - Promoção Imobiliária, S.A.
- Chairman of the Board of Directors of Vastgoed Sun - Promoção Imobiliária, S.A.
- Chairman of the Board of Directors of Vistas do Freixo - Empreendimentos Turísticos e Imobiliários, S.A.
- Chairman of the Board of Directors of SC – Sociedade de Consultadoria, S.A.
- Chairman of the Management Board of Capwatt México, Sociedad de Responsabilidad Limitada de Capital Variable
- Member of the Management of Capwatt Chamusca – Bio Power, Unipessoal, Lda
- Member of the Management of Capwatt Estuário – Heat Power, Unipessoal, Lda.
- Member of the Management of Capwatt IV – Heat Power, Unipessoal, Lda.
- Member of the Management of Capwatt LouS.A.do – Heat Power Unipessoal, Lda.
- Member of the Management of Carvemagere, Manutenção e Energias Renováveis, Lda.
- Member of the Management of Companhia Térmica Tagol, Unipessoal, Lda.
- Member of the Management of Ecofutura Luz Energia, S.L.
- Member of the Management of Futura Carbono, S.L.
- Member of the Management of Futura Energia Inversiones, S.L.
- Member of the Management of Futura Energia Y Gas, SL
- Member of the Management of Green Renovable, S.L.
- Member of the Management of Guimadira – Máquinas e Ferramentas, Unipessoal, Lda.

Offices held in other companies/entities:

- Chairman of the Executive Committee of APGEI - Associação Portuguesa de Gestão e Engenharia Industrial
- Chairman of the Executive Committee of COGEN Portugal - Associação Portuguesa de Cogeração e Eficiência Energética
- Member of the Board of IPES – Instituto Português de Energia Solar
- Member of the Management of Vantipal, Lda.

Other positions held previously:

- Chief Operating Officer da CapWatt
- Chairman of the Board of Directors of Race, SGPS, S.A.
- Chairman of the Board of Directors of Sopair, S.A.
- Chief Operating Officer of Euroresinas
- Chief Operating Officer of Impaper

Ivone Pinho Teixeira
Executive Director and CFO of Sonae Capital, SGPS, S.A.
Age: 47
Nationality: Portuguese

Education:

- Licentiate degree in Economics – Faculdade de Economia do Porto (1995)
- Postgraduate degree in Credit Analysis – Instituto Superior de Gestão Bancária (1996)
- Postgraduate degree in International Taxation – Universidade Católica (2004)

Offices held in companies of the Group:

- Member of the Board of Directors of Acrobatic Title, S.A.
- Member of the Board of Directors and Member of the Executive Committee of Adira – Metal Forming Solutions, S.A.
- Member of the Board of Directors of Andar - Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Aqualuz Tróia – Exploração Hoteleira e Imobiliária, S.A.
- Member of the Board of Directors of Atlantic Ferries – Tráfego Local, Fluvial e Marítimo, S.A.
- Member of the Board of Directors of Bloco Q – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Capwatt, S.A.
- Member of the Board of Directors of Capwatt ACE, S.A.
- Member of the Board of Directors of Capwatt Alrota, Wind Power, S.A
- Member of the Board of Directors of Capwatt Services, S.A.
- Member of the Board of Directors of Capwatt Colombo – Heat Power, S.A.
- Member of the Board of Directors of Capwatt Évora – Solar Power, S.A.
- Member of the Board of Directors of Capwatt Ferreira – Solar Power, S.A.
- Member of the Board of Directors of Agrupamento Complementar de Empresas Capwatt Hectare – Heat Power, ACE
- Member of the Board of Directors of Capwatt Decentralized Solar Power, S.A.
- Member of the Board of Directors of Capwatt Maia – Heat Power, S.A.
- Member of the Board of Directors of Capwatt Martim Longo – Solar Power, S.A.
- Member of the Board of Directors of Capwatt Vale do Caima – Heat Power, S.A.
- Member of the Board of Directors of Capwatt Vale do Tejo – Heat Power, S.A.
- Member of the Board of Directors of Casa da Ribeira – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Centro Residencial da Maia – Urbanismo, S.A.
- Member of the Board of Directors of Cinclus - Imobiliária, S.A.
- Member of the Board of Directors of Country Club da Maia – Imobiliária, S.A.
- Member of the Board of Directors of Empreendimentos Imobiliários Quinta da Azenha, S.A.

- Member of the Board of Directors of Engenho Novo Gás PT S.A.
- Member of the Board of Directors of Golf Time – Golfe e Investimentos Turísticos, S.A.
- Member of the Board of Directors of Imobeauty, S.A.
- Member of the Board of Directors of Imoclub – Serviços Imobiliários, S.A.
- Member of the Board of Directors of Imodivor – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Imohotel – Empreendimentos Turísticos, S.A.
- Member of the Board of Directors of Imopenínsula – Imobiliária, S.A.
- Member of the Board of Directors of Imoponte – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Imoresort – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Imosedas – Imobiliária e Serviços, S.A.
- Member of the Board of Directors of Implantação – Imobiliária, S.A.
- Member of the Board of Directors of Inparvi, SGPS, S.A.
- Member of the Board of Directors of Marina de Tróia, S.A.
- Member of the Board of Directors of Marmagno – Exploração Hoteleira e Imobiliária, S.A.
- Member of the Board of Directors of Marvero – Exploração Hoteleira e Imobiliária, S.A.
- Member of the Board of Directors of Porto Palácio Hotel – Exploração Hoteleira, S.A.
- Member of the Board of Directors of Porturbe – Edifícios e Urbanizações, S.A.
- Member of the Board of Directors of Praedium – Serviços, S.A.
- Member of the Board of Directors of Praedium II – Imobiliária, S.A.
- Member of the Board of Directors of Predisedas – Predial das Sedas, S.A.
- Member of the Board of Directors of PromesS.A. – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of PUMP, S.A.
- Member of the Board of Directors of SC Industrials, SGPS, S.A.
- Member of the Board of Directors of SC, SGPS, S.A.
- Member of the Board of Directors of SC – Sociedade de Consultadoria, S.A.
- Member of the Board of Directors of SC Assets, SGPS, S.A.
- Member of the Board of Directors of SC Finance, BV
- Member of the Board of Directors of SC Fitness, S.A.
- Member of the Board of Directors of SC Hospitality, S.A.
- Member of the Board of Directors of S.I.I. – Soberana – Investimentos Imobiliários, S.A.
- Member of the Board of Directors of Sete e Meio Herdades – Investimentos Agrícolas e Turismo, S.A.
- Member of the Board of Directors of Sociedade Construções do Chile, S.A.
- Member of the Board of Directors of Soira – Sociedade Imobiliária de Ramalde, S.A.

- Member of the Board of Directors of Solinca – Health and Fitness, S.A.
- Member of the Board of Directors of Soltróia – Sociedade Imobiliária de Urbanização e Turismo de Tróia, S.A.
- Member of the Board of Directors of Sotáqua – Sociedade de Empreendimentos Turísticos de Quarteira, S.A.
- Member of the Board of Directors of Spinveste – Gestão Imobiliária, SGII, S.A.
- Member of the Board of Directors of Spinveste – Promoção Imobiliária, S.A.
- Member of the Board of Directors of The Artist Porto Hotel & Bistro – Actividades Hoteleiras, S.A.
- Member of the Board of Directors of The House Ribeira– Exploração Hoteleira, S.A.
- Member of the Board of Directors of Tróia Market – Supermercados, S.A.
- Member of the Board of Directors of Troiaresort – Investimentos Turísticos, S.A.
- Member of the Board of Directors of Troiaresort, SGPS, S.A.
- Member of the Board of Directors of Administração Troiamed - Sociedade de Mediação Imobiliária, S.A.
- Member of the Board of Directors of Tulipamar – Exploração Hoteleira e Imobiliária, S.A.
- Member of the Board of Directors of UP Invest, SGPS, S.A.
- Member of the Management of Urbisedas – Imobiliária das Sedas, S.A.
- Member of the Board of Directors of Vastgoed One - Promoção Imobiliária, S.A.
- Member of the Board of Directors of Vastgoed Sun - Promoção Imobiliária, S.A.
- Member of the Board of Directors of Vistas do Freixo – Empreendimentos Turísticos, S.A.
- Member of the Board of Directors of 2NDROOM - Exploração Hoteleira, S.A.
- Member of the Management of Aqualuz - Turismo e Lazer, Unipessoal, Lda.
- Member of the Management of Capwatt Chamusca – Bio Power, Unipessoal, Lda.
- Member of the Management of Capwatt Estuário – Heat Power, Unipessoal, Lda.
- Member of the Management of Capwatt IV – Heat Power, Unipessoal, Lda.
- Member of the Management of Capwatt LouS.A.do – Heat Power Unipessoal, Lda.
- Member of the Management Board of Capwatt México, Sociedad de Responsabilidad Limitada de Capital Variable
- Member of the Management of Carvemagere, Manutenção e Energias Renováveis, Lda.
- Member of the Management of Companhia Térmica Tagol, Unipessoal, Lda.
- Member of the Management of Ecofutura Luz Energia, S.L.
- Member of the Management of Futura Carbono, S.L.
- Member of the Management of Futura Energia Inversiones, S.L.
- Member of the Management of Futura Energia Y Gas, S.L.
- Member of the Management of Futura Green Renovable, S.A.
- Member of the Management of Guimadira – Máquinas e Ferramentas, Unipessoal, Lda.
- Member of the Management of Urban Fit - Gestão de Health Clubs, Unipessoal, Lda.

- Member of the Management of Urban Fit Foz- Gestão de Health Clubs, Unipessoal, Lda.
- Member of the Management of Urban Fit Gaia - Gestão de Health Clubs, Unipessoal, Lda.
- Member of the Management of Urban Fit Maia - Gestão de Health Clubs, Unipessoal, Lda.

Offices held in other companies/entities:

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Other positions held previously:

- Member of the Board of Directors of Race SGPS, S.A.
- Member of the Management Board of Race – Refrigeration & Air Conditioning Engineering, S.A.
- Member of the Board of Directors of Sopair, S.A.
- Chief Financial Officer, Sonae Capital Group
- Corporate Finance Director, Sonae Capital Group

Isabel Maria Pereira Aníbal Vaz
Member of the Board of Directors of Sonae Capital
Age: 54
Nationality: Portuguese

Education:

- Licentiate degree in Chemical Engineering (Processes and Industry) from Instituto Superior Técnico de Lisboa (1990)
- MBA with specialisation in Management from Universidade Nova de Lisboa (1994)

Offices held in companies of the Group:

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Offices held in other companies/entities:

- Vice-Chairman of the Board of Directors and Chairman of the Executive Committee of Luz Saúde, S.A.
- Chairman of the Board of Directors of Hospital da Luz, S.A. (LISBOA)
- Chairman of the Board of Directors of Hospital da Luz – Centro Clínico da Amadora, S.A.
- Chairman of the Board of Directors of Hospital da Arrábida – Gaia, S.A.
- Chairman of the Board of Directors of Casas da Cidade – Residências Sénior de Carnaxide, S.A.
- Chairman of the Board of Directors of Surgicare – Unidades de Saúde, S.A.
- Chairman of the Board of Directors of Hospital da Luz - Oeiras, S.A.
- Chairman of the Board of Directors of RML – Residência Medicalizada de Loures, SGPS, S.A.
- Chairman of the Board of Directors of Vila Lusitano – Unidades de Saúde, S.A.

- Chairman of the Board of Directors of Hospital Residencial do Mar, S.A.
- Chairman of the Board of Directors of Hospor – Hospitais Portugueses, S.A.
- Chairman of the Board of Directors of Casas da Cidade – Residências Sénior, S.A.
- Chairman of the Board of Directors of SGHL – Sociedade Gestora do Hospital de Loures, S.A.
- Chairman of the Board of Directors of CRB – Clube Residencial da Boavista, S.A.
- Chairman of the Board of Directors of Luz Saúde – Serviços, A.C.E.
- Chairman of the Board of Directors of Cliria – Hospital Privado de Aveiro, S.A.
- Chairman of the Board of Directors of Luz Saúde – Unidades de Saúde e de Apoio à Terceira Idade, S.A.
- Chairman of the Board of Directors of Hospital da Luz - Coimbra S.A.
- Chairman of the Board of Directors of Hospital da Luz - Guimarães, S.A.
- Chairman of the Board of Directors of H.M.E. – Gestão Hospitalar, S.A.
- Chairman of the Board of Directors of GLSMED Learning Health, S.A.
- Director of S. C. H. - Sociedade de Clínica Hospitalar S.A.
- Director of Genomed – Diagnósticos de Medicina Molecular, S.A.
- Member of the International Advisory Board of The Lisbon MBA from Universidade Nova de Lisboa

Other positions held previously:

- 2009-2018 – Member of the Nova School of Business and Economics Council of Universidade Nova de Lisboa

Pedro Manuel Martins Bruno
Executive Director and Member of the Board of Directors of Sonae Capital, S.A.
Age: 52
Nationality: Portuguese

Education:

- Licentiate degree in Applied Mathematics from Universidade Autónoma de Lisboa (1986-1990)

Offices held in companies of the Group:

- Member of the Board of Directors of Acrobatic Title, S.A.
- Member of the Board of Directors of Andar – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Aqualuz Tróia – Exploração Hoteleira e Imobiliária, S.A.
- Member of the Board of Directors of Atlantic Ferries – Tráfego Local, Fluvial e Marítimo, S.A.
- Member of the Board of Directors of Bloco Q – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Capwatt, SGPS, S.A.
- Member of the Board of Directors of Cas. da Ribeira – Sociedade Imobiliária, S.A.

- Member of the Board of Directors of Centro Residencial da Maia – Urbanismo, S.A.
- Member of the Board of Directors of Cinclus – Imobiliária, S.A.
- Member of the Board of Directors of Country Club da Maia – Imobiliária, S.A.
- Member of the Board of Directors of Empreendimentos Imobiliários da Quinta da Azenha, S.A.
- Member of the Board of Directors of Golf Time – Golfe e Investimentos Turísticos, S.A.
- Member of the Board of Directors of Imobeauty, S.A.
- Member of the Board of Directors of Imoclub - Serviços Imobiliários, S.A.
- Member of the Board of Directors of Imodivor – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Imohotel – Empreendimentos Turísticos Imobiliários, S.A.
- Member of the Board of Directors of Imopeninsula – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Imoponte – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Imoresort – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of Imosedas – Imobiliária e Serviços, S.A.
- Member of the Board of Directors of Implantação – imobiliária, S.A.
- Member of the Board of Directors of Marina de Tróia, S.A.
- Member of the Board of Directors of Marmagno –Exploração Hoteleira e Imobiliária, S.A.
- Member of the Board of Directors of Marvero – Exploração Hoteleira e Imobiliária, S.A.
- Member of the Board of Directors of Porto Palácio Hotel – Exploração Hoteleira, S.A.
- Member of the Board of Directors of Porturbe – Edifícios e Urbanizações, S.A.
- Member of the Board of Directors of Praedium – Serviços, S.A.
- Member of the Board of Directors of Praedium II – Imobiliária, S.A.
- Member of the Board of Directors of Predisedas – Predial das Sedas, S.A.
- Member of the Board of Directors of Promessa – Sociedade Imobiliária, S.A.
- Member of the Board of Directors of PUMP, S.A.
- Member of the Board of Directors of SC – Sociedade de Consultadoria, S.A.
- Member of the Board of Directors of SC, SGPS, S.A.
- Member of the Board of Directors of SC Assets, SGPS, S.A.
- Member of the Board of Directors of SC Fitness, S.A.
- Member of the Board of Directors of SC Industrials, SGPS, S.A.
- Member of the Board of Directors of SC Hospitality, S.A.
- Member of the Board of Directors of Sete e Meio Herdades – Investimentos Agrícolas e Turismo, S.A.
- Member of the Board of Directors of S.I.I. – Soberana – Investimentos Imobiliários, S.A.
- Member of the Board of Directors of Sociedade Construções do Chile, S.A.

- Member of the Board of Directors of Soira – Sociedade Imobiliária de Ramalde, S.A.
- Member of the Board of Directors of Solinca – Health and Fitness, S.A.
- Member of the Board of Directors of Soltróia – Sociedade Imobiliária de Urbanização e Turismo de Tróia, S.A.
- Member of the Board of Directors of Sotáqua – Sociedade de Empreendimentos Turísticos de Quarteira, S.A.
- Member of the Board of Directors of Spinveste – Gestão Imobiliária, SGII, S.A.
- Member of the Board of Directors of Spinveste – Promoção Imobiliária, S.A.
- Member of the Board of Directors of The Artist Porto Hotel & Bistrô – Actividades Hoteleiras, S.A.
- Member of the Board of Directors of The House Ribeira Hotel – Exploração Hoteleira, S.A.
- Member of the Board of Directors of Tróia Market – Supermercados, S.A.
- Member of the Board of Directors of Tróia Natura, S.A.
- Member of the Board of Directors of Troiamed - Sociedade de Mediação Imobiliária, S.A.
- Member of the Board of Directors of Troiaresort – Investimentos Turísticos, S.A.
- Member of the Board of Directors of Troiaresort, SGPS, S.A.
- Member of the Board of Directors of Tulipamar – Exploração Hoteleira e Imobiliária, S.A.
- Member of the Board of Directors of Urbisedas – Imobiliária das Sedas, S.A.
- Member of the Board of Directors of UP Invest, SGPS, S.A.
- Member of the Board of Directors of Vastgoed One – Promoção Imobiliária, S.A.
- Member of the Board of Directors of Vastgoed Sun – Promoção imobiliária, S.A.
- Member of the Board of Directors of Vistas do Freixo – Empreendimentos Turísticos e Imobiliários, S.A.
- Member of the Board of Directors of 2NDROOM – Exploração Hoteleira, S.A.
- Member of the Management of Aqualuz – Turismo e Lazer, Unipessoal, Lda.
- Member of the Management of Urban Fit - Gestão de Health Clubs, Unipessoal, Lda.
- Member of the Management of Urban Fit Foz- Gestão de Health Clubs, Unipessoal, Lda.
- Member of the Management of Urban Fit Gaia - Gestão de Health Clubs, Unipessoal, Lda.
- Member of the Management of Urban Fit Maia - Gestão de Health Clubs, Unipessoal, Lda.

Offices held in other companies/entities:

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Other positions held previously:

- Chief Operating Officer of Sonae Turismo / Sonae Capital
- Private Labels Director of Sonae MC

Ângelo Gabriel Ribeirinho dos Santos Paupério
Member of the Board of Directors of Sonae Capital, S.A.
Age: 60
Nationality: Portuguese

Education:

- Licentiate degree in Civil Engineering - FEUP (1982)
- Master in Business Administration – MBA (Porto Business School) (1988-1989)

Offices held in companies of the Group:

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Offices held in other companies/entities:

- Executive Chairman of the Board of Directors of Sonaecom, SGPS, S.A.
- Non-Executive Chairman of the Board of Directors of Sonae Investment Management – Software and Technology, S.A.
- Non-Executive Chairman of the Board of Directors of Público - Comunicação Social, S.A.
- Member of the Board of Directors of ZOPT, SGPS, S.A.
- Non-Executive Member of the Board of Directors of NOS, SGPS, S.A.
- Member of the Board of Directors of Sonae MC, SGPS, S.A.
- Vice-Chairman of the Board of Directors of Iberian Sports Retail Group, S.L.
- Chairman of the Management Board of Sonae Holdings, S.A.
- Non-Executive Member of the Board of Directors of Sonae Sierra, SGPS, S.A.
- Member of the Board of Directors of Sonae FS, S.A.
- Member of the Board of Directors of Efanor Investimentos, SGPS, S.A.
- Member of the Board of Directors of Love Letters - Galeria de Arte, S.A.
- 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)
- Member of the Board of Directors of Fundação Cargaleiro

Other positions held previously:

- Executive Member of the Board of Directors of Sonae Investments BV
- Executive Member of the Board of Directors of Sontel BV
- Executive Vice-Chairman of Sonae - SGPS, S.A.
- Member of the Board of Directors of MDS, SGPS, S.A. (Chairman of the Board of Directors since October 2014)
- Chairman of the Board of Directors of Modelo Continente, SGPS, S.A. (Merger Sonae MC, SGPS, S.A.)

- Vice- Chairman of the Board of Directors of Sonae – Specialized Retail, SGPS, SA (Merger Sonae MC – Modelo Continente, SGPS, S.A.)
- Chairman of the Board of Directors of Sonaerp – Retail Properties, S.A.
- Chairman of the Board of Directors of MDS Auto, Mediação de Seguros, S.A.
- Member of the Higher Council of Universidade Católica Portuguesa
- Member of the Board of Directors of Sonae Center Serviços II, SA (currently Sonae MC – Serviços Partilhados, S.A.)
- Member of the Higher Council of Porto Business School
- Chairman of the Board of Directors of Sonaecom – Serviços Partilhados, S.A.
- Chairman of the Board of Directors of Sonae RE, S.A.
- Chairman of the Board of Directors of Sonaegest – Sociedade Gestora de Fundos de Investimento, S.A.
- Chairman of the Board of Directors of Sonae Financial Services, S.A. (actualmente SFS - Financial Services, IME, SA.)
- Co-CEO da Sonae - SGPS, S.A.
- Chairman of the Board of Directors of SFS, Gestão e Consultoria, S.A.
- Member of the Board of Directors of Sonae Corporate, S.A.

António Monteiro de Magalhães
Chairman of the Statutory Audit Board of Sonae Capital, SGPS, S.A.

Education:

- Licentiate degree in Economics - Faculdade de Economia da Universidade do Porto (1969)

Offices held in companies of the Group:

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Offices held in other companies/entities:

- Partner and Director of Sociedade António Magalhães & Carlos Santos – Sociedade de Revisores Oficiais de Contas (since its founding, in 1989)
- Member of the Statutory Audit Board Cin – Corporação Industrial do Norte, S.A.
- Chairman of the Board of the Representative Assembly of Ordem dos Revisores Oficiais de Contas - 2018/2020 mandate
- Member of the Representative Assembly of the Ordem dos Economistas - 2018/2020 mandate

Other positions held previously:

- Chairman of the Superior Council of the Ordem dos Revisores Oficiais de Contas - 2012/2014 and 2015/2017 mandates
- Member of the Statutory Audit Board of Montepio Holding, SGPS, S.A. and Montepio Investimento, S.A. - 2008/2010, 2011/2013 and 2014/2016 mandates

- Chairman of the Statutory Audit Board of Nexponor – Sociedade Especial de Investimento Imobiliário de Capital Fixo – SICAFI, S.A. - 2013/2015 mandate
- Member of the Representative Assembly of the Ordem dos Economistas - 2016/2017 mandate

Manuel Heleno Sismeiro
Member of the Statutory Audit Board of Sonae Capital, SGPS, S.A.

Education:

- Accountant, ICL, Lisbon (1964)
- Licentiate degree in Finance, ISCEF, Lisbon (1971)

Offices held in companies of the Group:

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Offices held in other companies:

- Chairman of the Statutory Audit Board of Sonae Arauco Portugal, S.A.
- Chairman of the Statutory Audit Board of OCP Portugal – Produtos Farmacêuticos, S.A.
- Member of the Statutory Audit Board of Sonae, SGPS, S.A.

Other positions held previously:

- Since 2008 - Consultant, expert in the areas of internal audit and internal control

Susana Catarina Iglésias Couto Rodrigues de Jesus
Member of the Statutory Audit Board of Sonae Capital, SGPS, S.A.

Education:

- Licentiate degree in Management - Faculdade de Economia, Universidade do Porto (1998)
- Postgraduate degree in Risk Management and Derivatives, organized by Universidade Católica Portuguesa and the former Oporto Derivatives Exchange (2000)

Offices held in companies of the Group:

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Offices held in other companies/entities:

- Chairman of the Statutory Audit Board of Flexdeal – Sociedade de Investimento Mobiliário para Fomento da Economia, S.A.
- Chairman of the Statutory Audit Board of Bright Ventures Capital, SCR, S.
- Member of the Statutory Audit Board of Banco Primus, S.A.

- Member of the Statutory Audit Board of Mota Engil, SGPS, S.A
- Member of the Statutory Audit Board, as Statutory External Auditor, of Associação Porto Digital
- Member of the Statutory Audit Board, as Statutory External Auditor, of Lusa - Agência de Notícias de Portugal, S.A.
- Sole Auditor acting as Statutory External Auditor of Comissão de Coordenação e Desenvolvimento Regional do Norte
- Sole Auditor acting as Statutory External Auditor of Imocapital, S.A
- Sole Auditor acting as Statutory External Auditor of Oftaline, S.A.
- Sole Auditor acting as Statutory External Auditor of Agência para o Investimento e Comércio Externo de Portugal, E.P.E.
- Sole Auditor acting as Statutory External Auditor of Gestão e Obras do Porto, E.M.

Other positions held previously:

- Since June 2007-January 2015 - Chairman of the Statutory Audit Board of Finibanco Vida - Companhia de Seguros de Vida, S.A
- 2009-2017 – Member of the Working Group of PME of Ordem dos Revisores Oficiais de Contas
- October 2012-September 2018 – Member of the Supervisory Committee acting as Statutory External Auditor, of Autoridade de Supervisão de Seguros e Fundos de Pensões
- March 2013-July 2016 – Member of the Statutory Audit Board of Nexponor – Sociedade Especial de Investimento Imobiliário de Capital Fixo – SICAFI – S.A.
- February 2013-December 2017 - Sole Auditor acting as Statutory External Auditor of Alvorada do Norte, S.A
- October 2014-July 2018 – Sole Auditor of Ambar Passion, S.A., acting as Statutory External Auditor
- October 2014-July 2018 – Sole Auditor of Ambar – Ideias no Papel, S.A., acting as Statutory External Auditor Since February 2011 – Sole Auditor of Gestão e Obras do Porto, E.M

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