

CORPORATE GOVERNANCE REPORT

31 DECEMBER 2015



SONAE CAPITAL

REPORT AND ACCOUNTS 2015

Corporate Governance Report

[This translation into English of the Portuguese document was made only for the convenience of non-Portuguese speaking shareholders. For all intents and purposes, the Portuguese version shall prevail.]

CORPORATE GOVERNANCE REPORT

(Translation from the Portuguese Original)

PART I – SHAREHODING STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHODING STRUCTURE

I. Share Capital Structure

1. Share Capital structure

Sonae Capital (hereinafter referred to as “Company” or “Sonae Capital”) share capital of 250,000,000 euro fully subscribed and paid up, made up of 250,000,000 ordinary shares, bearer and nontitle, each with a nominal value of 1 (one) euro.

All shares of Sonae Capital were admitted to trading on Euronext Lisbon regulated market on 28 January 2008.

2. Share transmission and ownership restrictions

There are no limitation to transmission and ownership of Sonae Capital shares, nor shareholders holding special rights. Consequently, all shares admitted to trading on the stock exchange are freely transmissible in accordance with the normal regulations applicable.

3. Own Shares

As at 31 December 2015, the Company held 5,914,571 own shares, representing 2.366% of share capital and respective voting rights.

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

The Company neither has celebrated nor is it part of any important agreement that comes into effect, is amended or terminates in the event of a change in shareholder control over the Company due to a takeover bid.

Similarly, the Company has not adopted, via the approval of any statutory provisions or other measures adopted by the Company, rules or regulations designed to prevent the success of takeover bids.

5. Defensive measures in case of change in shareholding control

During the year of 2015 no defensive measures were adopted.

The majority of the share capital of the Company is owned by one shareholder. Likewise, there are no statutory provisions limiting the number of votes that can be held or exercised by a single shareholder, individually or in conjunction with other shareholders.

6. Shareholder agreements

The existence of any shareholders' agreements concerning the society is unknown.

II. Qualifying Shareholdings and Bonds held

7. Qualifying Shareholdings

As at 31 December 2015, those shareholders, who in accordance with article 20 of the Securities Code, held qualifying shareholdings representing at least 2% of the share capital of Sonae Capital, were the following:

Shareholder	Nr Shares Held	% Share Capital	% Voting Rights ²
Efanor Investimentos, SGPS, S.A. ¹	156,503,224	62.601%	64.118%
Santander Asset Management	5,699,843	2.280%	2.335%
Argos Funds	5,181,429	2.073%	2.123%
BPI Global Investment Fund	5,104,414	2.042%	2.091%

¹ Belmiro Mendes de Azevedo is, under the terms of paragraph b number 1 of Article 20 and number 1 of Article 21 of the Portuguese Securities Code, the ultimate beneficial owner, as he holds around 99% of the share capital and voting rights of Efanor Investimento SGPS, SA, which in entirely controls Pareuro BV.

² Voting Rights = Nr. Shares Held / (Nr. Total Shares - Own Shares)

8. Number of shares and bonds held by members of Governing Bodies, in accordance with number 5, article 447 of the Portuguese Company Law

The Company's or of any group Company's number of shares and bonds held by members of its governing bodies, directly or through related parties, are disclosed in the appendix to the report of the Board of Directors in accordance with and for the purposes of article 447 of the Portuguese Company Law and in accordance with number 7, article 14 of CMVM's Regulation 5/2008.

9. Board of Directors qualification due to share capital increase

The Articles of Association grants this competence uniquely to the General Meeting of Shareholders since December 2012 according to the legal terms.

10. Related Party Transactions

In the context of the commercial activities of the businesses that make up the portfolio of Sonae Capital, there are a set of commercial relationships between the Company and its subsidiaries and its qualified shareholders, or companies owned by them.

These transactions are part of the regular activity of each company and are conducted in accordance with best practices and market conditions. In addition, when involving related parties, these transactions are scrutinized and, when significant, are approved in advance by the Fiscal Board and the Board Audit and Finance Committee.

During the 2015 financial period, no significant business or commercial transactions occurred between the Company and the holders of qualified shareholdings in the Company. It should be noted however that, on 14 December 2015, Sonae Capital has publicly announced the sale of subsidiary Aqualuz - Turismo e Lazer, Lda., which owns the hotel operations of Hotel Aqualuz Lagos, to Efanor Group

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B. GOVERNING BODIES AND COMMITTEES

I. Shareholders' General Meeting

a) Board of the Shareholders' General Meeting

11. Name, function and mandate of the General Meeting Boards members

Until 31 March 2015, the Board of the Shareholders' General Meeting had the following members, mandated for the 2013-2014 period:

- António Agostinho Cardoso da Conceição Guedes (Chairman);
- Maria Daniela Farto Baptista Passos (Secretary).

At the Shareholders' General Meeting of March 31st 2015, the following members were mandated for the 2015-2017 period:

- 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 Articles of Association do not establish any percentage or maximum limit to the exercise of voting rights for any shareholder, corresponding to each share one vote.

The Company has not issued non-voting preference shares.

For the presence in the General Meeting there is no need for blocking period, but should be accomplished the legal rules that define the "Record Date" as the relevant moment to be registered as a valid shareholder and to exercise the corresponding presence and voting rights for the Shareholders' General Meeting, as well as the arrangements for participation and voting of shareholders who professionally hold shares in their own name but on behalf of clients.

Shareholders may be represented at the Meeting by means of a written representation letter addressed to the Chairman of the Board of the Shareholders' General Meeting and delivered up to the beginning of the meeting, indicating the name and address of the representative nominated, as well as the date of the meeting. That written communication can be made using e-mail in accordance with instructions of the meeting's notice.

A shareholder may appoint several representatives related to own shares held through different share accounts, without undermining the principle of vote unity and the ability of professional shareholders to vote differently according with representation of different shareholders.

The Company makes available, within the legal deadlines, appropriate information - call general meetings, voting exercise forms and procedures to be followed for voting by correspondence or by proxy, as well as draft representation letter, in Portuguese and English language in its website (www.sonaecapital.pt) to ensure, promote and encourage the participation of shareholders in general meetings, directly or through representatives.

In addition to the Company's website, the referred documentation is also available to the shareholders for consultation at the Company's headquarters during office hours as well as on the Comissão Mercado dos Valores Mobiliários ("CMVM") Information Disclosure System (www.cmvm.pt) in the date of disclosure of the notice.

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Shareholders may vote using written voting papers in all matters subject to the approval of the Shareholders' General Meeting. Votes may be cast using electronic means, if these are made available to shareholders and mentioned in the meetings' notice.

The Company makes available to shareholders minutes of written voting papers in Portuguese and English language, on the Company's website (www.sonaecapital.pt) at the same time with the notice given to the Shareholders' General Meeting, as well as the corresponding preparatory documentation relating to the items on the agenda, both in Portuguese and English language.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or shareholders who have with the Company any relations of n. 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. Resolutions which only may be made by qualified majority

Under the terms of the Company's Articles of Association, resolutions at the Shareholders' General Meeting shall be made by simple majority, unless otherwise determined by law.

II. Administration & Supervision

a) Composition

15. Identification of model of governance adopted

Sonae Capital adopts the monist model of governance (composed by Board of Directors, a Fiscal Board and a Statutory Auditor), set out in articles 278.^o, paragraph 1, point a) and 413.^o, paragraph 1, point b), both from the Portuguese companies code (CSC), complemented by a delegation of management powers to the Executive Committee.

The Board of Directors has the responsibility of management, strategic guidance and appointment and general supervision of the Executive Committee activities and the specialized committees.

The Executive Committee exercises the powers delegated by the Board of Directors on current matters of the Company and corporate services.

The remaining two bodies have supervisory responsibility.

Details of the structure adopted, the bodies that compose and corresponding roles and responsibilities are presented in the following sections.

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

In accordance with Law and the Company's Articles of Association, members of Board of Directors are elected under the terms of proposal approved at the Shareholders' General Meeting, and the Chairman has a casting vote.

The election of one member of the Board of Directors takes place independently from the remaining elections, under the terms of the law, among persons listed in proposals subscribed by groups of shareholders, provided that such groups of shareholders hold shares that represent more than ten and less than twenty percent of the share capital. The same shareholder cannot subscribe to more than one proposal. Each proposal must contain the identification of at least two persons

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eligible for each of the positions to be filled. If proposals are presented by more than one group of shareholders, voting will be based on all of these proposals.

The Board of Directors appoints a substitute in case of death, resignation or temporary or permanent incapacity or unavailability of any member, except the administrator elected under rule of minorities. This appointment shall be subjected to ratification by shareholders at the first Annual General Meeting to be held following the co-optation.

In the definitive absence of an elected Board member under the provisions set in the previous paragraph, the election of a new Board member may only occur through a General Meeting.

In the event a director misses two consecutive or interpolated meetings, without providing acceptable justification to the Board of Directors, it shall be deemed as a definitive absence of such director.

17. Composition of the Board of Directors

Under the Company's Articles of Association, the Board of Directors can be made up of an odd or even number of members, with a minimum of three members and a maximum of seven members, elected at the Shareholders' General Meeting.

The Board's term of office is of two years, and members can be re-elected for one or more times. The current term of the Board of Directors corresponds to the 2015-2017 period. The Board of Directors elects, under the Articles of Association, its Chairman.

As at 31 December 2015, the Board of Directors was made up of six members, two executive and four non-executives, of which two are independent.

The current members of the Board of Directors elected for the mandate 2015-2017 are the following:

Name	First Appointment	Term of Office
Duarte Paulo Teixeira de Azevedo	March 2015	31 December 2017
Álvaro Carmona e Costa Portela	March 2011	31 December 2017
Maria Cláudia Teixeira de Azevedo	March 2011	31 December 2017
Ivone Pinho Teixeira	March 2013	31 December 2017
Francisco de La Fuente Sánchez	April 2008	31 December 2017
Paulo José Jubilado Soares de Pinho	April 2008	31 December 2017

18. Distinction between executive and non-executive members

¹ Until 31 March 2015 the Chairman of the Board of Directors, non-executive, was Eng. Belmiro de Azevedo.

Duarte Paulo Teixeira de Azevedo	Chairman – Non Executive
Álvaro Carmona e Costa Portela	Vice-Chairman – Non Executive
Maria Cláudia Teixeira de Azevedo	Executive
Ivone Pinho Teixeira	Executive
Francisco de La Fuente Sánchez	Non Executive (Independent)
Paulo José Jubilado Soares de Pinho	Non Executive (Independent)

Non executive members were appointed based on their reputation in business, finance, academia and consultancy areas, to strengthen the skills of the Board of Directors, namely in relation to the approval of the portfolio configuration strategy and of the annual business plan and any significant changes to it.

Non executive members of the Board of Directors, Francisco de La Fuente Sánchez and Paulo José Jubilado Soares de Pinho, are considered independent under the terms of independence criteria established at 18.1 of the appendix I of the Regulation 4/2013 of CMVM and the recommendation II.1.7 of CMVM (2013).

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Independent non-executive Directors have to disclose immediately to the Company any event that, in the course of their mandate, might lead to conflicts of interest or loss of independence under the terms of legal requirements.

The current composition of the Board of Directors, especially the number of non executive and independent members (2 from a total of 6 members), ensure the necessary supervision of the activities performed by Executive Directors, taking into account the governance model adopted, the Company's dimension and its free float. The Report of the Board of Directors contains a section with a description of the activities carried out by Non Executive board members.

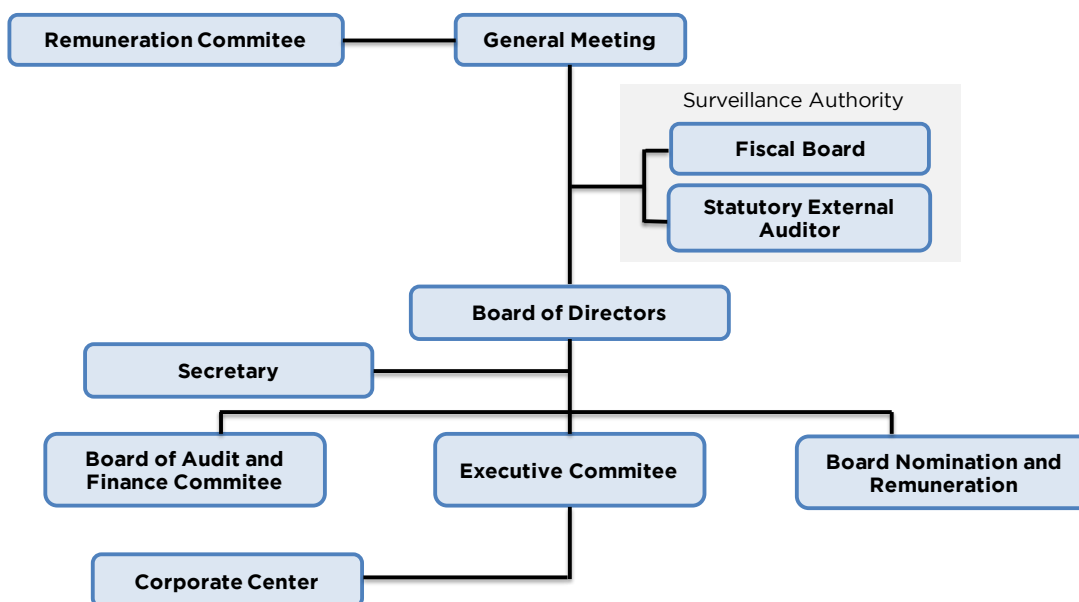
19. Professional qualifications of the members of the Board of Directors

Professional qualifications and other relevant curricula elements of the members of the Board of Directors are detailed in the appendix of this document.

20. Significant relationships between members of Board of Directors and qualified shareholders

The Chairman of the Board of Directors and the CEO, Maria Cláudia Teixeira de Azevedo, are shareholders and members of the Board of Directors of Efanor Investimentos, SGPS, SA, to which is attributed the domain of the capital and voting rights of the Company, pursuant the information provided in section 26 of this chapter.

21. Division of powers between the different boards, committees and / or departments within the Company, including information on delegating responsibilities, particularly with regard to the delegation of powers, in particular with regard to the delegation of daily management of the Company



Under the current governance structure, the Board of Directors is responsible for business portfolio strategic decisions and respective implementation.

The Board of Directors delegates to the Executive Committee the powers to manage the day-to-day operations of the Company and, regulates how the Executive Committee operates and how the delegated powers can be exercised.

The Board of Directors does not delegate the following powers:

- To appoint the Chairman of the Board;
- To co-opt a member to the Board;

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- To convene Shareholders' General Meetings;
- To approve the Annual Report and Accounts;
- To grant any pledges, guarantees or charges over the assets of the Company;
- To decide to change the Company's registered office or to approve any share capital increases;
- To decide on mergers, de-mergers, modifications to the corporate structure of the Company;
- To approve the portfolio management strategy;
- To approve the financial plan and any significant changes thereto.

The Corporate Centre is instrumental in supporting the Executive Committee and the Board of Directors in defining and executing major strategies, policies and objectives and is composed of seven sovereign functions and three shared services functions which provide services to all Group companies.

Those functions are the following:

Sovereign functions	Shared services functions
Corporate Finance	Financial Services
Legal	Accounting, Tax and Reporting
Corporate Planning and Control	Administrative Human Resources
Corporate Human Resources	
Internal Audit	
Risk Management	
Portfolio Development	
Information Systems	

The Corporate Finance function has the responsibility to define and implement financial strategies and policies to ensure an integrated and across the board view of the Group's needs as well as ensuring the liaison with capital, debt and banking markets. This department is also responsible for financial risk management at Group level and for the preparation and follow-up of the Group's financial plan.

The Legal function provides legal support in all domains, in an integrated manner, ensuring the safeguard of the Groups' interests and promoting the strategy defined by the Board of Directors, ensuring legal compliance, litigation management and corporate secretarial matters.

The Corporate Planning and Control function plays a role in supporting the strategic planning of the Group, in defining management information policies and in ensuring consolidated management reporting. This function includes the Investor Relations Office, which has as main responsibilities external reporting and ensuring a permanent contact with institutional investors, shareholders and analysts.

Corporate Human Resources have the responsibility of defining and implementing the strategy and policy of Human Resources of the Group as well as the planning and management of talent and careers of senior managers.

Portfolio Development has the main role of assisting the Board of Directors of Sonae Capital in projects of organic growth and in the management of Group's businesses, as well as in projects of portfolio optimization including the analysis and negotiation of investment or divestment opportunities.

The Internal Audit function defines and executes internal audit activities and evaluates systematically and independently Group's activities, with the objective of ensuring the efficacy of management systems and processes and internal control.

The Risk Management function supports the Board of Directors in identifying, modelling and monitoring Group's risks with the objective of controlling and mitigating those risks and also to include risk assessment in strategic and operational decision-making.

Information Systems function has the role of ensuring the alignment of information systems with Group's strategy, creating value by providing solutions that promote efficacy, efficiency and process innovation.

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Sovereign functions report to the Executive Committee of Sonae Capital.

With respect to the Shared Services functions, Financial Services have the mission of optimizing Group's financial flows by efficiently coordinating external partners, namely clients, suppliers and banks. The function is coordinated by a manager at the Corporate Centre level.

Accounting, Tax and Reporting has the purpose of maintaining the accounting organization to guarantee the availability and integrity of financial and accounting information and assets of the whole organization through an integrated information system. The function is coordinated by a manager at the Corporate Centre level.

Administrative Human Resources ensure the coordination of administrative management activities of human resources and alignment with businesses. The function is coordinated by the sovereign function of Corporate Human Resources.

b) Functioning

22. Location where the regulations governing the functioning of the Board of Directors can be found

Terms of Reference are available at the site of the Company (www.sonaecapital.pt) (Tab: Investors, Section: Corporate Governance/Terms of Reference).

23. Number of meetings held and attendance level of each member, as applicable, of the Board, the General and Supervisory Board and Executive Board of Directors

According to the Company's Articles of Association, the Board of Directors meets at least once every quarter and, in addition, whenever the Chairman or two Board Directors convene a meeting. During 2015, the Board of Directors held eight meetings and the respective attendance, personally or by representation, was as follows:

Belmiro Mendes de Azevedo	100% (until 31/03/2015)
Duarte Paulo Teixeira de Azevedo	100%
Maria Cláudia Teixeira de Azevedo	100%
Álvaro Carmona e Costa Portela	100%
Ivone Pinho Teixeira	100%
Francisco de La Fuente Sánchez	100%
Paulo José Jubilado Soares de Pinho	100%

The functioning and other logistic issues are dealt with by the Board's Secretary, which also ensures that records of decisions made are kept in minutes of meetings and provides Board members with support information for the proposed agenda at least five days in advance and always leaving a weekend between distribution and the respective meeting.

24. Competent Bodies of the Company to appraise the performance of executive directors

Sonae Capital's Remunerations Committee is responsible for the performance appraisal, approval of remuneration, and other compensations of the Board of Directors, Fiscal Board and members of the Board of the Shareholders' General Meeting.

Furthermore, the non-executive members, as part of its oversight function, track the performance of executive directors in particular.

The Board Nomination and Remuneration Committee (BNRC), is fully composed by non-executive members and support the Shareholders' Remuneration Committee in its duties.

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25. Predetermined criteria for evaluating the performance of executive directors

The performance evaluation of executive directors is based on predetermined criteria, consisting of objective performance indicators established for each period and aligned with the Group strategy of growth and the business performance.

General growth business indicators, economic and financial KPIs (Key Performance Indicators) are divided into Company, department and individual KPI's.

The Company's business KPIs include economic and financial indicators based on the budget, on the performance of each business unit, as well as on the consolidated performance of the Company. Meanwhile, the department business KPIs are similar in nature to the previous ones, being directly influenced by the performance of the Executive Director. The personal KPIs, which may include subjective and objective indicators, are determined by the compliance of individual obligations and commitments.

Additional information may be consulted in points 71-75.

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 by members of these bodies during the financial year

Information on other offices held by members of the Board of Directors can be found in the curricula vitae included in an appendix to this report. Members of the Board of Directors consistently demonstrated availability for the proper exercise of their duties.

c) Committees within the board of directors and delegates

27. Identification of committees created within the board of directors and where can be found the Regulations on the functioning

In addition to the Executive Committee, the Board has also appointed specialised advisory committees, namely the Board Audit and Finance Committee and the Board Nomination and Remuneration Committee.

The Regulations on the functioning of these committees can be found at the website of the Company (www.sonaecapital.pt) (Tab: Investors, Section: Corporate Governance/Terms of Reference).

28. Executive Committee¹

Name	Position
Maria Cláudia Teixeira de Azevedo	Chief Executive Officer
Ivone Pinho Teixeira	Chief Financial Officer

¹ Until 31 March 2015, the Vice -President of the Executive Committee was Eng. Álvaro Carmona e Costa Portela

29. Competences of each committee created and synthesis of activities in exercise of those competences

Executive Committee

The Executive Committee has the ability to manage the day-to-day operations of the Company, following the strategic guidelines set by the Board of Directors and under the powers delegated to it by this governing body.

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In accordance with the adopted policy, Executive Committee members share responsibilities in more than one area, with responsibilities being attributed according to the profile and experience of each member.

The Executive Committee meets monthly and also every time the Chief Executive Officer or the majority of its members convenes a meeting, in writing, at least 3 days in advance. Notwithstanding the regular contacts between the members of the Executive Committee in the periods between meetings, during the year 2015, the Executive Committee held 17 meetings.

The Board of Directors may only deliberate if a majority of their members is present or represented, and decisions will be made by a majority of votes cast by members present, represented or voting in writing.

The Executive Committee meetings may also be attended by members of the corporate centre team, at a Director's request, for assistance and advice on specific issues.

The functioning and other logistic issues are dealt with by the Board's Secretary, which also ensures that records of decisions made are kept in minutes of meetings and provides Board members with support information for the proposed agenda at least five days in advance and always leaving a weekend between distribution and the respective meeting. The existence of a common Secretary to both governing bodies, ensuring information flows between them, contributes to the timely supply of information and reduces misinterpretation of information requests, thus leading to more efficiency and effectiveness in the process.

During 2015, the approved minutes of the Executive Committee meetings were made available to Non-Executive Board members and Fiscal Board members. Members of the Executive Committee provide timely and adequate information whenever requested by members of other statutory bodies.

Board Audit and Finance Committee

The Board Audit and Finance Committee (BAFC) operate based on the terms approved by the Board of Directors.

As at 31 de December 2015, the BAFC is composed by Non-Executive independent members, Francisco de La Fuente Sánchez (President) and Paulo José Jubilado Soares de Pinho.

The BAFC reviews Company's reports, financial information and financial statements, before they are approved by the Board, advises the Board on reports to shareholders and financial markets, on the adequacy and appropriateness of internal information provided by the Executive Committee, including internal business controls, and on compliance with best practices in corporate governance, and reviews, on behalf of the Board, the internal audit and risk management activities and assesses processes and procedures in order to ensure monitoring of internal control and the efficient management of risks. The BAFC meets directly the Statutory External Auditors and the Internal Audit team.

Regarding risk issues and the respective control please revert to Chapter III of this report.

The BAFC shall meet at least six times a year before the disclosure of the annual and interim results, once before the approval of the annual consolidated budget, once to evaluate the effectiveness of corporate governance policies and practices of the Company and whenever it is convened by its Chairman, or the Board's Chairman or the Chief Executive Officer.

The Secretary of the BAFC circulates required agendas and support documents to the members of the BAFC at least five days in advance and always leaving a weekend between distribution and the respective meeting, also ensuring records of decisions made are kept in minutes of the meetings.

Board Nomination and Remunerations Committee

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The Board Nomination and Remunerations Committee (BNRC) was composed until 31 March 2015 by the former Chairman Mr. Belmiro Mendes de Azevedo and the Non Executive Member Francisco de La Fuente Sánchez (Independent). For the current mandate were entitled the present Chairman Duarte Paulo Teixeira de Azevedo, the Vice-President Álvaro Carmona e Costa Portela and maintaining the above mentioned Member Francisco de La Fuente Sánchez.

The BNRC members are appointed for a term of three years.

BNRC operates under terms of reference approved by the Board of Directors and is responsible for identifying potential candidates for the position of Director or Senior Management positions within the Sonae Capital Group. It is also responsible for overseeing the preparation of proposals on remuneration and other compensation on behalf of the Board of Directors, for the succession planning, monitoring of talent management processes and the contingency plans. The BNRC reports to the Board of Directors, in writing, whenever necessary, and operates in coordination with the Remuneration Committee in obtaining approval for remuneration and other compensations of members of the Board of Directors and other corporate bodies. The BNRC may receive assistance from external entities, which should guarantee absolute confidentiality.

The BNRC meets at least once a year, before the annual meeting of the Shareholders' Remuneration Committee.

III. Supervision

a) Composition

30. Identification of the Fiscal Board

The Fiscal Board and the Statutory Auditor are the Supervision bodies of the Company.

31. Composition

In accordance with the Company's Articles of Association, the Fiscal Board shall be made of an odd or even number of members, with a minimum number of three members and a maximum number of five members, being the number of members decided upon by the Shareholders' General Meeting of the Company. One or two substitutes shall be appointed if the Fiscal Board is made up of three or more members, respectively.

The Fiscal Board members are elected for a three years term, along with members of other corporate bodies.

The Fiscal Board appoints its Chairman if the Shareholders' General Meeting has not made such an appointment. If the Chairman ceases his/her functions before the end of his/her mandate, the remaining members shall choose amongst themselves who will perform those duties until the end of the mandate. Substitute member(s) shall replace effective member(s) who are unable or have ceased to exercise their functions, and shall remain member(s) until the next Shareholders' General Meeting which will appoint new members to fill any vacancy(ies). If there are no substitute members available, the Shareholders' General Meeting shall appoint new members.

32. Details of the independent members of the Supervisory Board

Until 31 March 2015, the members appointed for the mandate 2013-2014 were:

Name	Position	First Appointment
Manuel Heleno Sismeiro	Chairman	April 2009
Armando Luís Vieira de Magalhães	Member	December 2007
Jorge Manuel Felizes Morgado	Member	December 2007
Carlos Manuel Pereira da Silva	Substitute	December 2007

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At the Shareholders' General Meeting of 31 March 2015, the following members were appointed for the current three year mandate (2015-2017):

Name	Position	First Appointment
António Monteiro de Magalhães	Chairman	March 2015
Manuel Heleno Sismeiro	Member	April 2009
Carlos Manuel Pereira da Silva	Member	December 2007
Joaquim Jorge Amorim Machado	Substitute	March 2015

The members of the Fiscal Board are of the opinion that they can all be considered independent under the terms of number five article 414 of the CSC and that they comply with all incompatibility rules mentioned in number 1 article 414-A of the CSC.

In accordance with the Law, the members of the Fiscal board have the obligation to immediately inform the Company any change that can harm their independence.

For further information about the Statutory Auditor please see below point 39 to 41.

33. Professional Qualifications

Professional qualifications and other relevant curricula elements of the members (both former and in duty) of the Fiscal Board are detailed in the appendix of this document.

b) Functioning

34. Availability and place where the rules on the functioning of the Supervisory Board may be viewed

Regulations are available at the site of the Company (www.sonaecapital.pt) (Tab: Investors, Section: Corporate Governance/Terms of Reference).

35. Meeting of the Fiscal Board

Fiscal Board has at least one meeting in every three months. During 2015, the Fiscal Board held five meetings and the respective attendance, personally or by representation, was as follows:

António Monteiro de Magalhães	100%
Manuel Heleno Sismeiro	100%
Carlos Manuel Pereira da Silva	100%
Armando Luís Vieira de Magalhães	100%
Jorge Manuel Felizes Morgado	100%

¹ As at 31 March 2015

The resolutions of the Fiscal Board shall be made by a simple majority.

36. Availability of each member with description of positions held in other companies inside and outside the group and other relevant activities carried out

The members of the Fiscal Board performed their functions effectively and expressed total availability for holding such position.

Professional qualifications and other relevant curricula elements of the members of the Fiscal Board are detailed in the appendix of this document.

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c) Competences and functions

37. Description of the procedures and criteria for intervention by the Fiscal Board for the purpose of hiring additional services to the Statutory Auditor

The Fiscal Board is the responsible to approve the provision of additional audit services to the external auditor.

The Fiscal Board establishes, in the first meeting of each year, a work plan and timetable for the year, comprising among other subjects, the coordination of tasks with the Statutory Auditor including:

- Approval of the annual work plan of the Statutory Auditor;
- Follow-up of work performed and review of conclusions of the audit work and of interim and annual statutory audits;
- Overseeing the independence of the Statutory Auditor;
- Joint meeting with the Board Audit and Finance Committee (BAFC) for the review of matters regarding Internal and External Audit;
- Analysis of supply of services other than audit services in compliance with CMVM recommendation IV.2.

In the assessment of criteria that support the hiring of additional works to the External Auditor, the Audit Committee verifies the presence of the following:

- the hiring of additional services does not affect the independence of the External Auditor;
- tax advisory services and other services are provided with high quality, autonomy and independence from the executed under the audit process;
- are fulfilled the necessary criteria to guarantee the independence and impartiality.

38. Other functions

The duties of the Fiscal Board are those determined by law, which include amongst others:

- i. Overseeing the Company's Board of Directors;
- ii. Overseeing compliance with legal and regulatory requirements and the Company's Articles of Association;
- iii. Supervising the preparation, disclosure and accuracy of financial information;
- iv. Verify, when deemed and by the method considered as appropriate, the extent of cash flow and inventories of any type of goods or assets belonging to the company or received by it as collateral, deposit or other evidence;
- v. Verify the accuracy of accounting reports;
- vi. Certify if the Corporate Governance Report includes the elements referred to in Article 245-A of the Portuguese Securities Code;
- vii. Verify whether the accounting policies and valuation criteria adopted by the Company lead to a fair assessment of assets and results;
- viii. Prepare, annually, a report on its enforcement activity to the shareholders and give an opinion on the financial statements and proposals made by the Administration;
- ix. Convene the Shareholders' General Meeting in cases that should be convened and the Chairman of that board do not proceed that way;
- x. Monitoring the effectiveness of the risk management system, internal control system and internal audit system, if exists;
- xi. Monitoring the independence of the internal auditor, in particular with respect to limitations on its organizational independence and the assessment of resources on the internal audit activity;
- xii. Receive reports of irregularities presented by shareholders, employees or others;
- xiii. Hire the services of specialists that assists one or more of its members in the exercise of their functions, having the hire and remuneration of consultants into account the importance of the matters committed and the economic situation of the company;
- xiv. Monitoring the accounting documents revision and disclosure;

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- xv. Monitoring the company's accounting documents revision;
- xvi. Monitoring the independence of the statutory auditor, namely, approving the additional supply of services to be provided to the audit by the Statutory auditor;
- xvii. Promoting that are ensured, within the company, the proper contiditons to the Statutory Auditor exercise its role, being one party of company as well as a recipiente of the reports;
- xviii. Comply with the duties established in the law and in the articles of association.

To carry out its duties, the Fiscal Board obtains from the Board of Directors, namely through the Board Audit and Finance Committee, all the necessary information to carry out its duties, namely relating to the operational and financial performance of the Company, changes to its business portfolio, the terms of any transactions that have occurred and the details of decisions made:

- Establish, at the first meeting of the year, its annual activity plan;
- Obtains from the Board of directors, through the Audit and Fiscal Board, the informations necessary to the exercise of their activity, namely the operational and financial performance of the company, changes of company's portfolio, terms of transactions and contents of decisions taken.
- Reviews and monitors, during the year, the work of the internal and external auditors, and informs the Board of Directors of its recommendations;
- Monitors the risk management system, and, if there are any material issues, prepares an annual report of its assessment and recommendations to the Board of Directors;
- Receives from the Board of Directors, at least two days before the date of the meeting, the annual consolidated and individual financial statements and the Report of the Board of Directors and reviews in particular the main changes, relevant transactions and the corresponding accounting treatment applied and from the the Statutory Auditor, the statutory audit report on the financial statements, and reports its opinions and decisions made;
- Records in writing communications of alleged irregularities that have been addressed to it, requesting information and clarification through the Board of Directors, and internal and/or external auditors, and prepares a report on its conclusions;
- Informs the Board of Directors about the procedures and checks carried out and the results thereof;
- Attends Shareholders' General Meetings;
- Carries out any other supervisory duties required by law.

To support the Fiscal Board's activity, the Company provides human and technical resources needed for scheduling meetings, preparing agendas, minutes and support documents and ensuring their timely distribution. Additionally, internal staff deemed relevant for matters in the agenda, is also present in the meetings, to present and explain the main questions raised by the Fiscal Board. Items in the agenda regarding External Audit issues are discussed, at the request of the Fiscal Board, without the presence of other department's staff.

The Fiscal Board represents the company with the External Auditor and proposes to the General Shareholders meeting its appointment as well as its dismissal. It also proposes an evaluation of the performance work, assuring adequate conditions to do so and is the first recipient of their reports.

The Fiscal Board issues an annual report on the supervisory work performed including the annual assessment of the Statutory External Auditor, as well as an opinion on the report of the Board of Directors, consolidated and individual financial statements and corporate governance report presented by the Board of Directors, in order to meet the legal deadlines for presentation of those documents to the annual Shareholders' General Meeting. The Fiscal Board's report on annual activity is included in the annual reports made available on the Company's website (www.sonaecapital.pt).

The Statutory Auditor is the supervisory body responsible for legal certification of financial information of the Company, with the competence of:

- i. Verify the correctness of all the books, accounting records and supporting documents;

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- ii. Verify the extent of cash and stock of any assets or securities belonging to the Company by or received as collateral, deposit or other purpose;
- iii. Verify the accuracy of financial statements and express their opinion thereon in the Legal Certification of Accounts and the Audit Report;
- iv. Verify that the accounting policies and valuation criteria adopted by the Company result in the correct valuation of assets and results;
- v. Carry out any examinations and necessary tests for audit and legal certification of accounts and carry out all the procedures determined by law;
- vi. Verify the implementation of remuneration policies and systems and the effectiveness and operation of internal control mechanisms reporting any deficiencies to the Audit Committee, pursuant under and within the limits of its statutory competence and procedural;
- vii. Confirming that the Corporate Governance Report includes the information listed in Article 245-A of the Securities Code.

IV. Statutory Auditor

39. Statutory External Auditor identification and the representing partner

The Statutory Auditor of the Company for the three year period 2015-2017 is PricewaterhouseCoopers & Associados, SROC, represented by Hermínio António Paulos Afonso or by António Joaquim Brochado Correia.

In 2015 the Statutory Auditor was represented by Herminio António Paulos Afonso.

40. Permanence of Functions

The Statutory Auditor is in its third term – a three year term notwithstanding the first two mandated of two years each – having been re-elected for the current term under proposal of the Fiscal Board, at the General Meeting of March 31, 2015. The Company's auditor is the same auditor since 2011 in almost all subsidiary companies.

41. Other services provided to the Company

The Statutory Auditors additionally provides to the Company audit services as described below.

V. External Auditor

42. Identification

The Company's Statutory External Auditor for the term ended in 2015 was PricewaterhouseCoopers & Associados, SROC, registered with nr.9077 in Commission for Securities Market, represented by Hermínio António Paulos Afonso or by António Joaquim Brochado Correia.

In 2015 the Statutory Auditor was represented by Herminio António Paulos Afonso.

43. Permanence of Functions

The Statutory External Auditor was elected by the Shareholders' General Meeting, by proposal of the Fiscal Board for the first time in 2011, to the 2011-2012 term of office and is in its third one. The representing partner prosecutes his functions since then.

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44. Policy and frequency of rotation of the external auditor and its partner

The Statutory External Auditor and the Certified Public Accountant's partner that represents the external auditor in the fulfillment of these functions, is only serving his third term, therefore, the Company complies fully with the recommendations currently in force. The rotation policy and schedule of the external auditor and the respective partner that represents said auditor shall be determined in the light of best practice in corporate governance at the date of expiry of that term, where and when relevant.

45. External Auditor assessment

According to the Corporate Governance model, the election or removal of the Statutory External Auditor is decided at the General Meeting upon the proposal of the Fiscal Board.

Additionally, the Fiscal Board oversees the performance of the External Auditor and the work during each exercise, considers and approves the additional work to provide and, annually, prepare an assessment of the External Auditor, which includes an assessment of their independence.

46. Additional work

In order to ensure External Auditor independence, tax consultancy services and other services (mostly related with management consulting) were provided by different teams than those involved in audit services. The Board Audit and Finance Committee and the Fiscal Board reviewed the scope of other services and concluded they did not affect the independence of Auditors.

The services provided by the external auditor, other than audit services, were approved by the Fiscal Board within the recommended principles. The percentage of those services in total services provided by PricewaterhouseCoopers & Asociados, SROC (PwC) to the Company amounts to 23,1%. Given the amount involved and the fact that the services are provided by a completely different team from the entity that provides audit services, was preserved the auditor independence and impartiality.

As part of its work plan, the external auditor confirmed the application of policies and remuneration systems, as well as the effectiveness and performance of internal control mechanisms, and has not identified any material issues that should be reported to the Company's Fiscal Board.

47. Annual remuneration

During 2015, the total remuneration paid to the Company's external auditors was € 246,709 (two hundred and forty six thousand seven hundred and nine euros), corresponding to the following services provided:

Services	Total 2015	%	Sonae Capital SGPS	%	Other Group entities	%
Statutory Audit ¹	189,635	76.9	35,707	95.5	153,928	73.5
Tax Consultancy ²	1,700	0,7	1,700	4.5	0	0.0
Other Services ²	55,374	22.4	0	0.0	55.374	26,5
Total	246,709	100	37,407	100	209,302	100

Values in Euro

1 Fees agreed for the year

2 Amounts invoiced

C. INTERNAL ORGANIZATION

I. Articles of Association

48. Rules governing amendment to the Articles of Association (Article 245-A/1/h))

Amendments to the Articles of Association follow the terms of the CSC, requiring a two-thirds majority of votes cast for approval of such resolution.

At a first meeting for a General Meeting to pass resolutions on amendments to the Company's Memorandum and Articles of Association, it is required that a minimum of 50% of the issued capital is present or represented at the General Meeting.

II. Whistle Blowing Policy

49. Whistle Blowing Policy

The definition of irregularities, which for the purpose of the Company's Policies and Procedures for the Communication of Irregularities are facts that infringe or severely damage:

- Compliance with legal, regulatory or ethical principles by members of the Company's statutory bodies and staff or of its affiliated companies, in the course of their professional activity;
- Assets of the Company and of its affiliated companies, as well as assets of clients, shareholders, suppliers and commercial partners of the Company or any of its affiliated companies;
- Good management practices and the image or reputation of the Company or of any of its affiliated companies.

The main features of the reporting of irregularities policy currently in place are:

- Setting up appropriate procedures for reporting irregularities, including the provision of a mail box with exclusive access by the Chairman of the Fiscal Board, together with receipt by regular mail, to ensure to all employees, shareholders or stakeholders that all communications or complaints connected to the reporting of irregularities arrive tamper-proof to the recipient. Although there is the need for explicit and clear identification of the complainant, their identity will be kept confidential and only known to the Chairman of the Fiscal Board, whenever requested.
- To ensure, following the reporting of irregularities or the knowledge of a potential irregular situation, by giving access to the Fiscal Board to all the relevant documentation that can be provided by the Company to fully investigate, through a rigorous and impartial review process, the reported irregularities and the prevention from access to the review process of any individual who, even indirectly, may have a conflict of interest with the disclosure of the review process.
- The handling of irregularities, particularly the fast and effective treatment of such communications, the implementation of corrective measures when necessary and the need to inform the whistle blower of such facts.
- The proposal of the Fiscal Board to the statutory bodies of the Company or to the statutory bodies of any affiliated Company, when deemed necessary, for the adoption of measures considered necessary to solve the irregularities investigated.
- Prevent the potential occurrence of reprisals as a consequence of the whistle blowing activity as long as the whistle blower has not shown bad faith or participated in any irregularity.

According to the best corporate governance practices the Company's Whistle Blowing Policy, which main features are summarized above, is available on the Company's website (www.sonaecapital.pt), and are applicable to all the Group subsidiaries.

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During 2015, the Fiscal Board has not received, through the available means, any communication that falls under the ruling of this policy.

III. Internal Control and Risk Management

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

Risk Management is deeply rooted in Sonae's culture and is one of its key Corporate Governance practices. It forms part of all management processes and is the responsibility of all employees of Sonae, at all levels of the organisation.

Sonae Capital assigns prime importance to the implementation of appropriate internal control and risk management principles. Market visibility, exposure and diversification of the businesses' risks and the increasing speed of information transmission, makes the implementation of these principles crucial to value creation and compliance with ethical and social responsibility values.

The main goal of Risk Management is to create value by i) managing and controlling opportunities and threats that can affect portfolio objectives and the going concern of Sonae Capital's businesses, ii) preventing errors and irregularities from occurring, minimizing their consequences and iii) maximizing the organisation's performance and the reliability of its information on a going concern basis. Risk Management is a pillar of sustainable development in the sense that better understanding and more effective management of risks contribute to the sustainable development of businesses.

Risk management is inherent in all management processes and is a continued concern for all Group managers and employees. They are a key element of a conservative risk management culture that is intended to cross all activities and hierarchical levels of the company.

The Risk Management department's mission is to help companies reach their objectives via a systematic and structured approach in identifying and managing risks and opportunities. It promotes and supports the integration of risk management into the management and planning control processes of the Company's businesses.

The Internal Audit department identifies and evaluates the effectiveness and efficiency of management and control of business processes and information systems. The Internal Audit Function is supervised by the Statutory Audit Board.

Financial and accounting information reliability and integrity risks are also evaluated and reported upon by the External Audit activity.

51. Disclosure of the relationship to other committees of the Society in hierarchical dependence and / or functional relation

BOARDS AND COMMITTEES RESPONSIBLE FOR RISK MANAGEMENT AND INTERNAL CONTROL

- Board of Directors
- Executive Committee
- BAFC (Board Audit & Finance Committee)
- Statutory External Auditor
- Internal Auditor
- Risk Management
- Corporate Centre

The Board of Directors is responsible for the definition of the Risk Management Policy for the Company and its subsidiaries.

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The Executive Committee is responsible for the ongoing assessment of risks that affect the organization and the approval of measures, models and mechanisms for the assessment, control and mitigation of those risks.

The Board Audit and Finance Committee informs the Board of Directors about the suitability of internal information provided by the Executive Committee and of the systems and internal control principles and for compliance with the best practices in corporate governance. In addition, The Board Audit and Finance Committee supports the Fiscal Board on the appointment of the Statutory Auditor and to define the scope and remuneration for their work.

External Audit evaluates and reports the risks of reliability and integrity of accounting and financial information, thereby validating the internal control system set up for that purpose at Sonae Capital.

The Internal Audit function, acting as an independent entity of internal counselling, identifies and evaluates the efficacy and efficiency of management and control of risks of business processes and information systems, as well as risks of non conformity with legislation, contracts, policies and procedures of companies. The Risk Management and Internal Audit functions are coordinated by a single manager at Sonae Capital's Corporate Centre level, and its activities are reported and followed up by the Board Audit and Finance Committee of the Board of Directors.

The Board Audit and Finance Committee reports to the Board of Directors about the quality and independence of the Internal Auditor and must be consulted by management regarding the appointment of the internal audit team.

Regarding the relationship between the two Audit committees, the Board Audit and Finance Committee reviews the scope of work of Internal Audit and its relation to the scope of work of the External Auditor and analyses with the external auditor and with the head of Internal Audit their reports on the review of the annual and interim financial information and the review of internal control, reporting the conclusions to the Board of Directors. These reports are issued to the Fiscal Board and to the Audit and Finance Committee simultaneously.

52. Existence of other functional areas regarding competences in risk control

The Risk Management, part of the Corporate Centre, reports to the Executive Committee and promotes, coordinates, eases and supports the procedure development of Risk Management, promoting the inclusion of risk level in strategic and operational decisions. This function as well as the Internal Audit function is coordinated by a manager at Sonae Capital's Corporate Centre level, and its activities are reported and followed up by the Board Audit and Finance Committee of the Board of Directors.

Like the Internal Audit and Risk Management functions, the management of financial and legal risks is also coordinated by two managers, at the Corporate Centre level of Sonae Capital and its activities are reported and followed up by the Audit and Finance Committee and by the Fiscal Board.

There are Risk Management Pivots at each business segment level, coordinated by Group Risk Management function, which work in connection with the owners of each risk to ensure the implementation of certain action plans, and constantly update the risk matrix of their business segment.

53. Main Risks (Economic, financial and legal) to which the Company and its Affiliates are exposed

53.1 General Risks

Cyclical Risks: Sonae Capital's activity is reliant upon the macroeconomic environment and the profile of the markets in which it operates. The majority of Sonae Capital subsidiaries activity is developed in Portugal therefore is largely exposed to Portuguese economy, which in turn is strongly conditioned by the developments in the Eurozone.

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In May 2011, Portugal has formalized a Memorandum of Understanding with the Troika regarding Economic and Financial Stabilization Program, which included a Eur 78 billion financing to Portugal, disbursed over a period of three years and subject to the implementation of a set of fiscal and structural measures. With the end of this program in May 2014, and despite of all the adjustments implemented, there are some doubts regarding Portuguese economy. In particular over recent years, despite of the improved quarterly variations, there has been a contraction in GDP, influenced by the restrictive fiscal policies, public spending and private sector cuts.

Given the above, the activity, business, operating results, financial situation, and Sonae Capital future perspectives, or its ability to achieve its goals, can be potentially adversely affected by a negative evolution in the Portuguese or Eurozone situation.

Several initiatives have been launched to mitigate this risk, which include inter alia internationalization of main businesses, stricter cost control measures and launching of innovative and alternative offers.

Financial Risks: Sonae Capital is exposed to a variety of financial risks namely interest rates, transaction and translation foreign currency exchange, liquidity and debt and equity financial market fluctuations, counterpart and credit risk (especially relevant in scenarios of economic downturn), commodity and raw material prices.

Sonae Capital's financial risk management policy seeks to minimize potential adverse effects of the volatility of financial markets, and with that end in mind, a coherent set of systems and processes are implemented at Sonae Capital allowing the identification, monitoring and management by the Corporate Finance function, on a timely basis.

The current situation of financial markets places liquidity risk, credit risk and fluctuations in capital and debt markets assume a forefront position in companies concerns due to potential impact in the continuity and development of businesses. In fact, the development of businesses of some companies held by Sonae Capital may require additional investment from Sonae Capital in its affiliates or Sonae Capital may intend to expand its businesses through organic growth or acquisitions and also business continuity demands the maintenance of appropriate liquidity reserves to face Company's activities. The additional investment and the maintenance of liquidity reserves may be raised through shareholders' equity or external debt.

Sonae Capital cannot guarantee whether these funds, if necessary, will be obtained or that they will be obtained under the desired conditions in which case plans for business expansion may have to be altered or postponed, conditioning the success of the outlined strategic goals.

In this context, the above-mentioned systems and processes of financial risks management, which are centralized in the Company's Corporate Centre, are set out in order to mitigate those risks and to ensure liquidity management through:

- i. short, medium and long term financial planning based on cash flow forecasts;
- ii. treasury and cash management control instruments;
- iii. rigorous credit policies towards customers and follow up of risk evolution;
- iv. a variety of sources of and counterparts to funding;
- v. the adjustment of debt maturity profiles to cash flow generation and investment plans; and
- vi. maintenance of an adequate level of liquidity through contractual arrangements relationship banks for short term credit facilities.

Additionally, Sonae Capital's attitude towards financial market risk management is conservative and cautious, sometimes using derivative instruments to hedge certain exposures related to its operating businesses or the arrangement of insurance credit whenever adequate.

The Company does not therefore enter into derivatives or other financial instruments that are unrelated to its operating businesses.

Legal Risks: Sonae Capital and its affiliated companies are subject to extensive and often complex regulation. As a result the performance of the activities and its compliance represents an important investment in terms of time spent and other

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resources, having therefore legal and fiscal advice. In fact Sonae Capital and its businesses have a legal and tax function permanently dedicated to its activities, which are closely carried out with the remaining sovereign functions and businesses, in order to ensure, preventively, the protection of Sonae Capital's interests while complying with legal obligations and applying best practices. Legal and tax function is also supported, on a national and international level, by external professionals, selected from reputed firms and based on criteria of competence, ethics and experience. However, Sonae Capital and its affiliated companies may be affected by legal and tax changes in Portugal, Eurozone, or other countries where it develops its activity. Sonae Capital does not control these changes, or changes regarding laws interpretation by any authority. Potential changes in Portugal laws, Eurozone or other countries where it operates may restrict the conduction of Sonae Capital business or its affiliated companies and, consequently, hinder or prevent the achievement of strategic objectives.

Information Systems Risks: Information systems of Sonae Capital are characterized by being comprehensive, wide-ranging and spread. From an information security stand point, several actions to mitigate risks of compromising confidentiality, availability and integrity of business data have been carried out. Among those actions are off site backups, implementation of high availability systems, network redundancies, control and quality check of flows between software, management of accesses and profiles and strengthening mechanisms for data network perimeter protection. On a recurrent basis, the Internal Audit function carries out audit assignments in several domains: software, servers and networks with the purpose to identify and correct potential vulnerabilities that may have a negative impact in the business as well as to ensure the protection of confidentiality, availability and integrity of information.

People Risks: Sonae Capital's ability to successfully implement its strategy depends on the ability to recruit and retain the most qualified and competent employees for each function. Despite Sonae Capital's human resources policy being oriented towards attaining those goals, it is not possible to guarantee that there will be no limitations in this area in the future.

Insurable Risks: In relation to the transfer of insurable risks (technical and operational), Group companies negotiate insurance coverage with the objective of rationalizing these types of risk by searching to establish a sound insurance capital structure for the capital values at risk, based on the constant changes in the businesses involved. On another level, insurance coverage and retention levels have also been optimized in accordance with the needs of each business, ensuring internally effective insurance management.

53.2 Company's Risks

Sonae Capital, as an investment holding Company (SGPS), promotes direct and indirectly the power to manage its affiliated companies, therefore the fulfilment of all obligations undertaken, are dependent on cash flows generated by those affiliated companies. Sonae Capital is therefore dependent upon the distribution of dividends by its affiliated companies, the payment of interest, the repayment of loans granted and other cash flows generated by those companies. The ability of affiliated companies to make funds available/repay to Sonae Capital will depend in part on their capacity to generate positive cash flows, in connection to its operational activities, as well as the legal, tax and statutory framework applicable to dividends distribution, and other forms of delivering or repayment shareholder's funds.

53.3 Affiliates Risks

Sonae Capital has a diversified portfolio, hence major risks to which its affiliates are exposed may be sector specific. Most relevant risks are identified below.

53.3.1 RESORTS

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a. The activities carried out by Resorts business are subject to economic cycles and dependent on the growth of tourism activity and real estate in Portugal. Therefore the tourism operations of this business are dependent on tourist demand which, in turn, is linked to economic trends, both nationally and internationally. Any negative developments in the Portuguese economy or in the main countries that contribute with tourists to the Portuguese market can have an adverse impact on its business performance, due to a shrinkage on the number of tourist.

b. The successful marketing of high-quality tourism and residential property developments depends on the state of the real estate sector in Portugal and in the countries of foreign investors (in view of the fact that a significant part of the tourism property developments is targeted at foreign investors) at the time that properties are put on the market as well as the stability of government incentives for foreign direct investment. The new rules for the allocation of foreign residence visas for those who want to invest in Portugal, under the Residence Permits for Investment (ARI), has caused a slowdown in the dynamics of this market segment. A less favorable economic environment than expected may impact the business, namely in relation to selling prices and marketing periods.

c. The business carried on by Resorts as tourism operator is subject to the supervision of the Directorate-General for Tourism and compliance with specific legislation for this activity. A less favourable economic framework than the one expected, may put at risk current business expectations, namely in relation to selling prices and marketing periods, with potentially negative impact on the financial performance of this business.

d. The activity carried out by Atlantic Ferries and by the Tróia Marina is subject to the terms and periods referred to in the concessionary contracts signed, as follows: (i) Atlantic Ferries entered into, with APSS (Associação dos Portos de Setúbal e Sesimbra), in 2005, a concessionary contract for the river crossing public transport service of passenger, light and heavy vehicles between Setúbal and the Tróia Peninsula. The concession was granted for a period of 15 years extendable for successive periods of 5 years, if both parties agree; (ii) the Tróia Marina entered into, with the APSS, in 2001, a concessionary contract for the operation of the Tróia Marina for a period of 50 years. Any breach of the contractual obligations could entail significant risks for the activity and have an impact on these earnings.

e. In Tróia Peninsula the tourism real estate developments may be affected by competition from other developments, in particular, on the Alentejo coast, the Algarve and southern Spain. However, it is Sonae Capital opinion that the troiaresort project is being developed in an area where the existing biodiversity and cultural heritage are considered to be the factors which differentiate the project, and can be capitalized on with new tourism services and products with a positive impact on the project.

f. The Resorts business may be subjected to seasonality, with the result that abnormally adverse conditions during these periods could negatively affect the level of activity and operating results.

53.3.2 HOSPITALITY

a. The activities carried out by the hospitality business are dependent on the growth of tourism activity in Portugal. Therefore the tourism operations of this business are dependent on tourist demand which, in turn, is linked to economic trends, both nationally and internationally. Any negative developments in the Portuguese economy or in the main countries feeding tourist visitors to the Portuguese market can have an adverse impact on its business performance, due to a shrinkage on the number of tourist

b. This activity is subject to fluctuations in demand associated with natural disasters, as well as to factors of a social or political nature which could have an impact on the inflow of tourists and consequently on occupancy rates.

c. The activity carried out by the hospitality business is subject to supervision by the Directorate-General for Tourism and compliance with specific legislation for this activity.

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d. The level of activity can depend on the intensity of competition – both regional and global – from the tourism destinations in which they operate. As a consequence of growth in demand, massive use of air transport, and the emergence of new destinations, competition between tourism destinations is becoming increasingly more aggressive. However, over and above the convenience of the location, the brand's widespread awareness and the quality of the property development, in particular the offer of complementary facilities (restaurants, golf, SPA and other leisure activities), are important competitive advantages in this sector.

e. The possibility of the occurrence of risks to public health in the restaurant and health club activities and of accidents that may put at risk the safety and health of customers at the respective premises, may result in Sonae Capital subsidiaries being held liable for damages, which could have an adverse effect on the Company's earnings and financial position. However, any possible risks for the restaurant and other businesses, arising from situations that could lead to public health risks are minimized by the implementation of a rigorous quality control and food safety system for processes and products, which is regularly audited by external companies with a view to continuous improvement. In this respect, Sonae capital subsidiaries uses tools such as HACCP (Hazard Analysis and Critical Control Points) defined in the "Codex Alimentarius" – Appendix to CAC/RCP 1-1969, Rev. 4 (2003), undertaking to comply with the requirements specified therein, as well as with prevailing legislation, namely with Regulation (EC) nr. 852/2004 of the European Parliament and Council of 29 April 2004, relating to food hygiene.

53.3.3 FITNESS

In the leisure sector, namely in the Fitness segment where Sonae Capital Group operates through Solinca Health & Fitness (health clubs), the most important risk are the follows:

a. Leisure activity (health clubs) can be affected by the economy's behavior, notably, through a drop in consumer confidence and the consequent impact on household disposable income.

b. The entrance of new competitors, mergers and acquisitions opportunities, the repositioning of current competitors or the actions they might take to reposition themselves to win new markets and gain market share (price conditions, promotional activity, introducing new concepts, innovation) may call into question the market share intended by Solinca and its business strategy. The response to increased competition could force a reduction in prices charged or the application of promotional discounts, which may have an impact on results of the company.

In order to minimize this risk, Solinca Health & Fitness constantly benchmarks competitor's actions and invests in improved or new formats, businesses and products/services in order to always offer its customers innovative proposals.

c. The provision of services, equipment and infrastructure that are not in accordance with the quality standards and changing requirements demanded by clients could expose the company to claims, difficult to capture and customer loyalty as well as negatively impact its image and reputation.

Customers frequently change their expectations and preferences, which imply a continuous adaptation and optimization of business concepts and offers.

In order to anticipate consumer needs and market trends, Solinca Health & Fitness analyses information about consumer behaviour, satisfaction and loyalty by conducting monthly surveys (Net Promoter Score). The introduction of new products, concepts and technologies is always tested using pilot schemes before being implemented globally. Additionally, Solinca Health & Fitness allocates a significant portion of its annual budget to the renewal of equipment and facilities to ensure the attractiveness and follow the challenges posed by the market.

d. The possibility of the occurrence of accidents or unforeseen situations by inadequate physical activity that affect the life, health or physical integrity of persons in health clubs that may put at risk the safety and health of costumers at the respective premises may result in Solinca Health & Fitness being held liable for

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damages, which could have an adverse effect on the companies' earnings and reputation.

In order to mitigate this risk, Solinca Health & Fitness has several initiatives such as for example the obligation of the customer to conduct a medical evaluation survey at the time of enrollment, the offer of physical assessment to all customers, training in basic life support to all employees as well as insurance schemes for accidents at work, property damage and liability.

e. Legislative changes (ex: tax, legal, labor, competition, etc.) can threaten the specific strategies defined by Solinca Health & Fitness in the development of its activities, involve contractual changes with key stakeholders or dictate the increase of its economic costs.

53.3.4 REFRIGERATION AND AIR CONDITIONING

Activities related to refrigeration and air conditioning have specific risks, the majority of which are related to competition from other companies operating in the same markets and to the economic situation. The following major risks are related to:

a. Group's activity is reliant upon the macroeconomic environment and the profile of the markets in which it operates. The products are fundamentally commodities, having the nature of durable goods, and are mainly intended for the construction and large food distribution sectors. The Group's operational activity is, therefore, cyclical, being positively correlated with general economic cycles and, in particular, with the evolution of the sectors mentioned. Thus, Group's and its subsidiaries' businesses can be negatively affected by periods of economic recession, in particular by a drop in private investment. The availability of credit in the economy is also relevant for Group's business due to its potential impact on the real estate market. The Group, through its subsidiaries, has a strong presence in Portugal, Brazil, Angola e Mozambique. These markets have different macroeconomic, political and social profiles and, as such, are reacting differently to the global economic and financial crisis. In fact, the rate at which the various markets emerge from the current crisis depends on variables outside of Group's control. Equally, possible political and/or social and/or religious tensions in any of the markets may have a material impact on Group's operations and financial situation that is impossible to estimate.

Considering the market environment that currently exist in Portugal, the development of this business area, is based on the business international growth, therefore developments in the global economy, specific risks from targeted countries and the ability to conquer new markets may have an impact on the activity performance of this business.

b. The Group activity is geographically diversified, with subsidiaries located in three different continents, and as such it is subject to transactions and balances denominated in real, kwanza and metical.

The Consolidated Statements of Financial Position and Income Statement are exposed to the risk of a change in exchange rates (risk relative to the value of capital invested in subsidiaries outside the Eurozone) and Group's subsidiaries are exposed to the risk of a change in both exchange and transaction rates (risk associated with commercial transactions made in currencies other than the euro). Transaction risk arises when there is exchange risk related to a cash flow in other than a subsidiary local currency. The Group company cash flows are largely denominated in the subsidiary local currency. This is valid independently of the nature of the cash flows, i.e.: operating or financial, and provides a degree of natural hedging, reducing the Group's transaction risk. In line with this reasoning, Group's subsidiaries only contract debt that is denominated in the respective local currency. In turn, the currency conversion risk emerges from the fact that, when preparing the Group's consolidated accounts, the financial statements of the subsidiaries denominated in currencies other than that of the consolidated accounts (euro), must be converted into euros. As exchange rates vary between accounting periods and as the value of the subsidiaries' assets do not match their liabilities, volatility in the consolidated accounts arise as a result of conversion in different periods at different exchange rates.

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In order to minimize potential adverse effects of the the volatility of financial markets, in addition to a foreign exchange risk management policy and control mechanisms to identify and quantify such exposure, the Group may also use derivative instruments to hedge certain exposures related to its operating business.

53.3.5 ENERGY

The area of Energy carries out its activity mainly in the development and management of CHP projects.

CHP is a form of rationalizing the consumption of energy, given that the production of power based on the energy released at the moment of combustion, is synonymous of a more efficient use of fuel (natural gas in the case of projects of Sonae Capital). A CHP plant uses less fuel compared to that used in separate production of the same quantities of thermal and power energy.

Although this form of power production is a more efficient alternative and “environmental friendly”, it nonetheless entails certain specific risks that could have an impact on the earnings of the companies, such as:

a. Sonae Capital’s CHP plants use natural gas as a primary source of energy and its purchase price has a significant weight in business’ cost structure. Consequently, the volatility of the natural gas purchase price, indexed to oil prices in international markets and the euro / dollar exchange rate, may negatively impact the company’s results and margins.

On the other hand, the power selling price is regulated and also indexed to oil price and the euro / dollar exchange rate, which allows a significant reduction on the exposure to this risk. In particular, the selling price set by Portaria 58/2002 (the remuneration scheme applicable to the majority of our CHP plants) and the natural gas purchase price have a high correlation, providing a considerable degree of natural hedge at the gross margin level.

However, the DL 23/2010 and Portaria 140/2012 established a new remuneration scheme for CHP in Portugal (applicable to new CHP units), which led to a loss of the natural hedging that we had until recently. Power price is less sensible than natural gas price to oil price and exchange rate fluctuations, which results in an increased risk of exposure to the volatility of natural gas purchase price. The importance of this theme will be greater as the CHP plants move to the new remuneration scheme.

In order to mitigate this risk, Sonae Capital Group regularly monitors the evolution of the natural gas price and its expected future trend in order to evaluate the attractiveness of hedging by fixing natural gas purchase price with supplier or through financial derivative instruments.

Concerning CO₂ emission licenses, the scheme for greenhouse gas emission allowance trading within the Community (ETS), introduced for the period starting 2013, significant changes in allocation plans for CO₂ emission allowances, being the total quantity of emission allowances determined at a Community level and allocated by auction. Allocation of free emission allowances is marginally performed using Community benchmarks. The free allocation of allowances follows a downward trend for the next years aiming to its termination in 2027. The CHP units that are under this legislation (terminal nominal power above 20MW) will have an increasing need to obtain those CO₂ emission allowances on the trading market, therefore being exposed to its price fluctuations.

b. The decrease in thermal energy consumption and the failure of the defined contractual terms by the host company, such as exclusivity, take-or-pay, among others, can impact on business revenue, either through the reduction of the power tariff premium or ultimately, loss of legal status of cogenerator.

c. The focus and concentration of business in CHP activity relative to other forms of alternative energy could increase the risk of the company to external factors and consumer profiles.

In order to minimize this risk, Sonae Capital Group established a growth strategy that foresees the investment in renewable energy and the internationalization of the CHP business with the aim to achieve a technological and geographical portfolio diversification.

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In what concerns to power production from renewable sources, Sonae Capital has identified the following specific risks:

d. The electricity tariff is also regulated in renewables sector. Any future change in tariff definition may have a negative impact on company's results and margins.

e. The amount of power generated depends on the availability of the resource. Lower availability than estimated could have a negative impact on project's turnover and profitability. In addition, one of the major challenges facing the use of renewable resources is their intermittency as weather conditions (wind strength, solar radiation, etc.) not always are the best when electricity is most needed.

In order to minimize this risk, Sonae Capital Group promotes a comprehensive resource study as part of the technical due diligence that carries out in each of its projects. This study includes a scenario analysis and subsequent evaluation of the economic viability of the project.

The area of Energy still holds, regardless of the source of primary energy used, the following main risks:

f. Electricity generation under the Special Regime has predefined tariffs defined by the Portuguese State, as a way to encouraging the production of this alternative form of electric power generation, more efficient and less polluting. Therefore the risks relating to the selling price of energy are presently minimized. Electricity is sold at the price defined by the Portuguese State for a prolonged period of time. However, profitability rates are dependent on the short, medium and long term stability of regulation and policies that supports the energy efficiency. In the current economic environment, Portugal is still with restrictive measures in force, so that barriers to the development of new projects can be added.

Any future changes to energy policy by the Portuguese govern, may prove to be a risk for future projects and for the viability of the business development in the long run.

g. The power production is subjected to supervision by the Direcção Geral de Energia e Geologia (DGEG) and by the Entidade Reguladora dos Serviços Energéticos (ERSE) - the entities responsible for regulating the electricity sector in Portugal, and to the compliance with specific legislation dealing with this sector. Any change to this wide ranging legal regime applicable to the sector could imply major risks for this business activity.

h. The occurrence of extraordinary situations, such as fires, storms and / or accidents, can threaten the company's ability to maintain operations, provide essential services or cover operating costs.

In order to minimize this risk, Sonae Capital Group conducts regular prevention and safety audits of the CHP facilities and equipments and conducts periodic review and adjustment of the coverage plans of insurance for property damage, operating losses and civil liability.

i. The absence or inadequate maintenance of equipment, or lack of control of suppliers' service levels that could not provide the functionality, appropriate security and compliance, can lead to inefficient processes or significant damage to the equipments. Additionally, the non-use of resources in an appropriate manner, at the lowest cost and with the highest income may impact the profitability of each project and threaten its viability.

j. The defined growth strategic plan requires additional investment, whose conditions may be conditioned by the financial framework, the group's debt current level and the evolution of its and its subsidiaries businesses. Sonae Capital can not ensure that such funds, if necessary, will be obtained in the desired conditions, which can cause changes or deferrals in the objectives or compromising business growth capacity.

53.3.6 OTHER ASSETS

a. Norscut, a Company in which Sonae Capital holds a 36% stake through its affiliated Company, Contacto Concessões, SGPA, SA, holds the concession for the operation and maintenance under the availability for remuneration scheme of the

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A24 motorway and associated roads (motorway which links Viseu to the Chaves border). The other shareholders of Norscut are Eiffage and its affiliated companies (current stake of 36%), CNCE, SA (15% stake) and Egis Projects a French group Egis Company (10%). The concession is operated under a contract signed with the State on 30 December 2000 for a period of 30 years, starting 2001. Any breach of the contract's conditions could entail major risks for Norscut's activity and its operating performance.

b. Still in the Other Asset framework, Sonae Capital Group has a diversified group of real estate assets. The sale of these assets, at an acceptable proposal is the Group's strategic guideline aim. However, this goal achievement is not certain. This real estate portfolio (excluding Tróia real estate assets) includes a diversified group of assets with different licensing and construction stages, including land plots with or without construction viability, residential units, construction projects, offices, industrial premises and commercial areas with a widespread geographical dispersion. As at 30 September 2014, the date of the most recent appraisal by an independent specialised entity Cushman & Wakefield of Sonae Capital real estate portfolio, these assets evaluation stood at 180.1 M.€. As at 31 December 2015, the Capital Employed in this set of assets stood at 118.3 M.€.

The loss of liquidity of the assets in the portfolio and / or difficulties in placing these assets in the market can affect the growth potential of the business and the achievement of strategic goals.

Sonae Capital Group holds a wide range of business in several areas and therefore is exposed to different economic cycles, as tourism activity, hospitality, fitness, energy, refrigeration and HVAC and financial and real estate assets. Some of these markets are in addition very competitive through national and international companies, therefore Sonae Capital affiliate companies are exposed to intensive competition. The ability of Sonae Capital affiliates to establish an adequate market position in the areas they operate may have a significant impact in Sonae Capital business or in their operating results.

Sonae Capital regularly monitors the behavior of the markets in which it operates with the aim to anticipate changes and / or new market trends in order to offer its customers an innovative and differentiating proposal.

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

As a structured and disciplined approach that aligns strategy, processes, people, technology and knowledge, Risk Management is integrated throughout the planning process of Sonae Capital, aiming at identifying, assess and managing the opportunities and threats that the business of Sonae Capital face in pursuing their goals of creating value.

The management and monitoring by Sonae Capital of its main risks is completed through several approaches and agents, among which are:

Policies and procedures of internal control set at both corporate and business levels, with the goal for ensuring:

- Adequate segregation of functions and duties;
- Definition of authority and responsibility limits;
- Safeguarding Group's assets;
- Control, legal compliance and appropriateness of operations;
- Execution of corporate plans and policies;
- Integrity and accuracy of accounting records;
- Effectiveness of management and quality of information produced.

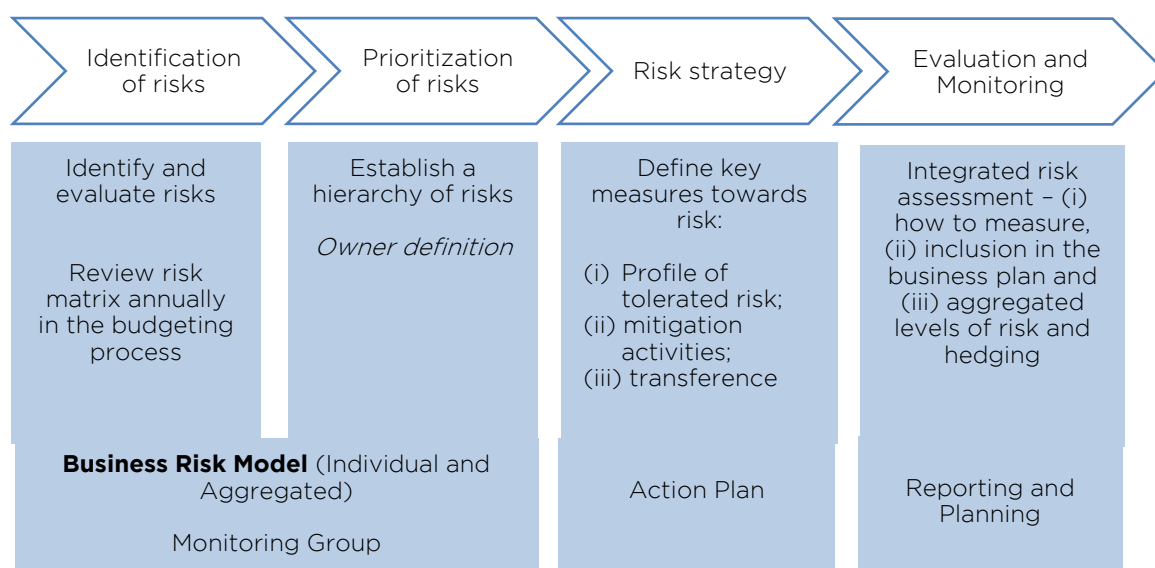
The Internal Audit team regularly carries out audit assignments with the objective of complying at all times with implemented policies and procedures.

Risk management process, relying on an uniform and systematic methodology based on the international model of Enterprise Risk Management - Integrated Framework of COSO (The Committee of Sponsoring Organizations of the Treadway Commission), which includes, amongst others, the following:

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- Definition of the risk management approach (risk dictionary, definitions, business risk matrix and a common language);
- Identification and classification of risks that affect the organization and each business segment and appointment of risk owners (employee with the responsibility to monitor risk evolution);
- Evaluation and attribution of the significance and priority of risks, according to the impact on businesses objectives and probability of occurrence;
- Identification of causes of risks and indicators for measuring those risks;
- Evaluation of risk management's strategies (accept, avoid, treat and transfer);
- Development of risk management's plan of actions and integration into the planning and management processes of each business unit and functions;
- Monitoring how risks evolve and report on progress made in implementation action plans.



This process consists of the following:

- Within the Strategic planning, are identified and assessed risks to the portfolio of existing business and the development of new business and relevant projects, and defined strategies to manage those risks;
- At the operational level, are identified and assessed risks of management of the business objectives and planned actions to manage those risks, which are monitored and included within the plans of the business units and functional units;
- For general risks, such as large scale organizational change, structured risk management programs are developed with the participation of heads of units and functions involved;
- Regarding safety risks of physical assets and human resources (risks "technical-operational"), audits and corrective measures are implemented. The reassessment of the financial coverage of insurable risks is done on a regular basis;
- Financial risk management is carried out and monitored within the financial functions of the Company and business centralized in the Corporate Center whose work is reported, coordinated and followed up by the Finance Committee of Sonae and the Board Audit and Finance Committee;
- The management of legal, tax and regulatory risks is carried out and monitored within the legal and tax function in the Corporate Centre;
- The Internal Audit develops annual work plans, which comprise audits on critical business processes, compliance audits, financial audits and audits of information systems.

Actions undertaken in 2015

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In accordance with methodologies defined and implemented in previous years, risk management procedures were integrated into business management planning and control procedures from the strategic review phase right through to operational planning, so that risk management actions were included in functional and resource plans of business units and functional departments, and monitored throughout the year.

In 2015, Risk Monitoring Groups (RMGs) were implemented in the Holding, Energy and Fitness segments, while the annual cycle of Enterprise Risk Management was followed up on, which is based on the activities described below:



	Set-up/review of risk management function	Annual risk management exercise	Monitoring and follow-up	Review of annual exercise
Board	Review of risk management alignment with the Sonae Capital strategy Define/update the governance structure	Analysis of the impact of decisions on risk management	Monitoring of significant risks and the overall risk profile of Sonae Capital	Approval of new risk profiles (if applicable)
ExCom	Definition of periodic risk reporting mechanisms by business areas	Approve Sonae Capital's risk profile at the corporate level and for each business segments	Definition and review of the risk appetite defined at the corporate level and business Approval of defined mitigation actions	Approval of new risk portfolios (if applicable)
Corporate Risk Manager	Disclosure / internal communication of Sonae Capital policies, procedures and risk management milestones	Aggregation and prioritization of risks to be treated Support to the Board in standardization and prioritizing risks of the various businesses Proposal of the Sonae Capital risk profile	Monitoring of Sonae Capital KRI's (corporate and business) Monitoring of Sonae Capital mitigation actions (corporate and business)	Elaboration of Group KRIs status and mitigation actions Presentation to the Board of the state of play
BU Risk Manager		Business risks assessment and definition of risk profiles, risk registry and response strategies	KRI update KRI monthly report and actions	Analysis of the current risks and identification of new critical risks Risk registry update

Sonae Capital encourages continuous training and the adoption of best international methodologies and practices in Risk Management and Internal Audit. To that end, the Group supports attendance to training and knowledge update

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programmes, which include the international professional certification in Internal Audit promoted by the IIA – The Institute of Internal Auditors – the Certified Internal Auditor (CIA). The Internal Audit team members are Certified Internal Auditors.

External Audit evaluates and reports the risks of reliability and integrity of accounting and financial information, thereby validating the internal control system set up for that purpose at Sonae Capital and that materialize in the clear distinction between producers and users of such information and by performing several validation procedures throughout the process of its production and disclosure.

The Board of Audit and Finance Committee analyzes the risks of the Company, the models and the mechanisms adopted by the Executive Committee, assessing the suitability of these and propose to the Board possible needs for amendment of the Company's risk management policy.

55. Main elements of the internal control systems and risk management implemented by the Company regarding the financial disclosure process

The existence of an effective internal control environment, particularly in the financial reporting process, is a commitment of the Board of Directors of the Company, seeking to identify and improve the most important processes for the preparation and disclosure of financial information, with the objectives of transparency, consistency, simplicity, reliability and relevance. The purpose of the internal control system is to ensure a reasonable assurance regarding the preparation of financial statements in accordance with accounting principles, and the quality of financial reporting.

The reliability and integrity of accounting and financial information is guaranteed either by the clear distinction between producers and users, and the performing of several validation procedures throughout the process of its production and disclosure.

The internal control system with respect to accounting and preparation and dissemination of financial information includes the following key controls:

- The process of disclosure of financial information is formalized, the risks and controls are identified, being properly established and approved the criteria for the preparation and disclosure, which are periodically reviewed;
- There are three main types of controls: high-level (controls at the entity level), controls on information systems and procedural controls. These controls include a set of procedures related to the implementation, supervision, monitoring and improvement of processes, with the aim of preparing the Company's financial reporting;
- The use of accounting standards, which are explained in the notes to the financial statements, constitutes one of the fundamental pillars of the control system;
- Plans, procedures and records of the Group companies enable reasonable assurance that transactions are executed only with a general or specific authorization for management and that these transactions are recorded to allow that the financial statements comply with and that these transactions are recorded to allow the financial statements comply with generally accepted accounting standards. It also ensures that companies hold updated records of assets and the asset record is checked against the existing assets and appropriate measures are adopted when differences occur;
- The financial information is analyzed in a systematic and regular basis by the management and heads of business units, ensuring ongoing monitoring and control of the respective budget;
- A schedule is established during the process of preparing and reviewing financial information, which is shared with the different areas involved, and all documents are reviewed in detail. This procedure includes a review of the principles used to verify the accuracy of the information produced and the consistency with the principles and policies defined and used in prior periods;
- The accounting books and the preparation of financial statements are provided by the Accounting and Reporting area, which ensure the control of the recording of transactions and balances of assets, liabilities and equity;

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- The consolidated financial statements are prepared on a quarterly basis by the central function, Accounting and Reporting;
- The Board Directors Report is prepared by the Corporate Planning and Control department, with input and further review of several business and support areas. The Statutory Auditors also review the contents of this report (in its annual and semiannual versions) and its compliance with the financial support information;
- The Corporate Governance Report is prepared by the Legal department, in conjunction with the Planning and Control department;
- The financial statements are prepared under the supervision of the Executive Committee. The group of documents that constitute the semester and annually report are submitted for review and approval to the Board of Directors of Sonae Capital. Once approved, the documents are sent to the Statutory External Auditor, which discloses the Legal Certification of Accounts and the Report of the External Audit;
- The Statutory Auditor performs an annual audit and half year limited review of individual and consolidated financial statements. When performing their examination, in accordance with the Auditing Standards issued by the Portuguese Institute of Statutory Auditors, they are required to obtain a reasonable assurance, in the annual audit, and a moderate assurance, in the half year limited review, that financial statements are free from material misstatement. Such examination includes verifying, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Significant estimates and judgments made by management in their preparation are also assessed. Verification is also made of whether the accounting policies are appropriate, are consistently applied and adequately disclosed;
- In addition, in relation to the preparation of consolidated financial information and the Report of the Board of Directors, the whole process is overseen by the Fiscal Board and the Board Audit and Finance Committee. On a quarterly basis, these Bodies meet and review the consolidated financial statements and Report of the Board of Directors. The Statutory Auditors also present to the Fiscal Board and the Board Audit and Finance Committee, a summary of the main findings resulting from their examination of the Company's financial information;
- All those who are involved in the financial analysis of the Company are on the list of people with access to inside information, especially being informed about the content of their obligations and the sanctions resulting from the misuse of inside information;
- The internal rules for the disclosure of financial information aim to assure their timing and simultaneous disclosure to the entire market.

Among the causes of risk that may materially affect the accounting and financial reporting, we noted the following:

- Accounting Estimates - The most significant accounting estimates are described in the appendix to the financial statements. Estimates are based on the best information available during the preparation of the financial statements, and the best knowledge and experience;
- Balances and transactions with related parties - The most significant balances and transactions with related parties are disclosed in the notes to the financial statements. These are mainly related to operating activities of the Group, as well as loans granted and obtained, made at market prices and conditions.

More specific information about how these and other risks were mitigated is available in the appendix to the financial statements.

IV. Investor Relations Office

56. Department responsible for investor relations, composition, functions, information provided by these services and elements for contact

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Sonae Capital, SGPS, SA, via its Investor Relations Office maintains constant contact with investors and analysts by providing up to date information. In addition, on request, it provides clarification of relevant facts about the Company's activities, as already disclosed under the terms of law.

The objective of the Investor Relations Office of Sonae Capital, SGPS, SA is to ensure adequate relations with shareholders, investors, analysts, as well as with financial markets, particularly, with Euronext Lisbon and with the Portuguese Securities Market Commission (CMVM).

The Investor Relations Office of Sonae Capital, SGPS, SA, supplies, whenever necessary, all relevant information related to material events and answers queries from shareholders, investors, analysts and general public about financial indicators and different business areas' information available to the public.

In strict compliance with law and regulations, the Company informs expeditiously its shareholders and the capital markets in general of all relevant facts concerning its activities, avoiding delays between their occurrence and disclosure, in order to allow reasonable judgment about the evolution of the Company activity.

Information is made publicly available through the Information Disclosure System of the Portuguese Securities Market Commission (www.cmvm.pt) and on the Company's own website (www.sonaecapital.pt).

The Investor Relations Office can be contacted by: Telephone: +351 22 010 79 03; Fax: +351 22 010 79 35; e-mail: ir@sonaecapital.pt; Address: Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia. The Investor Relations Officer is Nuno Parreiro, who can be contacted using the above numbers and address.

57. Legal Representative for Capital Market Relations

The Legal Representative for Capital Market Relations is Anabela Nogueira Matos, who can be contacted by: Telephone: +351 22 010 79 25; Fax: +351 22 010 79 35 and e-mail: anm@sonaecapital.pt.

58. Information about the volume and response time for information request at the year or outstanding from previous years

The Investor Relations Office received in 2015 a regular number of information requests taking into account the size of the Company in the capital market.

Sonae Capital, SGPS, SA, through its Investor Relations Office maintains constant contact with investors and analysts by providing up to date information. In addition, on request, it provides clarification of relevant facts about the Company's activities, as already disclosed under the terms of law. All information requests are analysed and answered in the shortest possible by email, letter, or phone, as deemed most appropriate.

V. Web Site

59. Address

The Company has a website for disclosure of information. Its address is: <http://www.sonaecapital.pt>.

60. Location of the information mentioned in Article 171 of the Commercial Companies Code

Specific information can be found at the following website:

<http://www.sonaecapital.pt/PresentationLayer/conteudo.aspx?menuid=712&exmenuid=683>

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61. Location where the Articles of Regulation for the committees can be found

Specific information can be found at the following website:

<http://www.sonaecapital.pt/PresentationLayer/conteudo.aspx?menuid=712&exmenuid=1>

<http://www.sonaecapital.pt/PresentationLayer/conteudo.aspx?menuid=763&exmenuid=713>

62. Location where is provided information about the identity of the governing bodies, the representative for market relations, the Investor Relations Office, functions and means of access

Specific information can be found at the following website:

<http://www.sonaecapital.pt/PresentationLayer/conteudo.aspx?menuid=762&exmenuid=763>

<http://www.sonaecapital.pt/PresentationLayer/conteudo.aspx?menuid=714&exmenuid=715>

<http://www.sonaecapital.pt/PresentationLayer/conteudo.aspx?menuid=715&exmenuid=715>

63. Location where is provided the documents of accounting and the calendar of corporate events

Specific information can be found at the following website:

<http://www.sonaecapital.pt/PresentationLayer/conteudo.aspx?menuid=705&exmenuid=-1>

<http://www.sonaecapital.pt/PresentationLayer/conteudo.aspx?menuid=738&exmenuid=705>

64. Location where is provided the notice to General Meeting and related information

Specific information can be found at the following website:

<http://www.sonaecapital.pt/PresentationLayer/conteudo.aspx?menuid=800&exmenuid=742>

65. Location where the historical archives are available with resolutions adopted at general meetings of the Company, the represented share capital and the voting results, with reference to the previous 3 years

Specific information can be found at the following website:

<http://www.sonaecapital.pt/PresentationLayer/conteudostextoslistagem.aspx?menuid=742&exmenuid=800>

D. REMUNERATIONS

I. Competence

66. Competence for determining the remuneration of governing bodies of the executive committee members and managers of the Company

Based on the remuneration and compensation policy approved by the shareholders in the General Meeting, Sonae Capital's Remunerations Committee is responsible for the approval of remuneration and other compensations of the Board of Directors, Fiscal Board and members of the Board of the Shareholders' General Meeting.

Regarding the remuneration of Executive directors, the Nomination and Remunerations Committee liaises with the Shareholders' Remuneration Committee, contributing with proposals before a decision is made.

II. Remuneration Committee

67. Composition of the Remuneration Committee, including the identification of other independent commission hired to support the committee

The Board of Directors appointed the members of the Board Nomination and Remuneration Committee (BNRC).

The BNRC is composed of Duarte Paulo Teixeira de Azevedo (Chairman of the Board of Directors), Non-Executive Directors Álvaro Carmona e Costa Portela and Francisco de La Fuente Sánchez (Independent), for the 2015-2017 term.

The Board Nomination and Remuneration Committee is composed by Non-Executive Members and support the Remuneration Committee on its duties.

The members of the Remuneration Committee are independent of the board of directors, with the explanation contained in the following paragraph.

Duarte Paulo Teixeira de Azevedo, Chairman and Non-Executive member of the Board of Directors, is member of the Shareholders' Remuneration Committee, as a representative of Efanor Investimentos, SGPS, SA (majority shareholder of Sonae Capital), acting as a the shareholder's representative in the Remuneration Committee. To ensure the independence during the performance of his duties, this member does not take part in the discussion nor votes on any decision from which a conflict of interest may arise.

68. Experience and professional qualifications of the members of the Shareholders' Remuneration Committee

The experience and professional qualifications of the members of the Shareholders' Remuneration Committee is included in the appendix to this report and allows them to carry out their duties in a rigorous and competent manner.

III. Remuneration Structure

69. Remuneration policy and performance assessment

The remuneration of members of the statutory bodies of the Company is determined by the Shareholders' General Meeting. The Shareholders' General Meeting fulfilled in 31 March 2015 has appointed the current Shareholders' Remuneration Committee to set and propose the compensation and performance assessment policies and respective guidelines, pursuant to Article 2 of Law No. 28/2009 of 19th June.

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The proposals for the remuneration of members of statutory bodies are formulated, taking into account:

- General market benchmark;
- Practices of comparable companies, including other segments of Sonae Capital with comparable situations;
- Establishment a fixed remuneration for the members of the General Meeting, Fiscal Board and non-executive directors;
- Establishment of a fixed remuneration and, in some cases, variable for executive directors.

The remuneration policy for board members and executives of Sonae Capital, SGPS, SA in the current reporting period is available in Annex to this Report.

70. Information about remuneration structure in order to align the interests of members of the board with the long-term interests of the Company as well as about how the Company assesses and discourages excessive risk assumption

The proposals regarding remuneration and other compensations of the Executive Directors are prepared considering i) market benchmarks, ii) other internal comparisons and iii) individual assessment of each executive director, based on the performance against predefined objectives. Under the approved policy, the compensation package should promote the alignment between the management team and the interests of shareholders, with the variable component being dependent on both individual and Company's performance and, preventing behaviours which may lead to excessive risk assumption. This objective is also ensured by setting a maximum limit to each Key Performance Indicator (KPI).

The structure of remuneration as set out, and the deferral of at least half the value corresponding to the variable remuneration dependent on fluctuations in the share price, guarantees, in the opinion of the Company, the alignment of the interests of Executive Directors with those of all shareholders. This approach promotes management orientation towards long term interests of the Company and the adoption of risk weighting approaches.

71. Reference, if applicable, of the existence of a variable remuneration component and information about likely impact of performance appraisal in this component

As described before in point 69, remuneration and compensation policy for Executive Directors (ED) may include (i) a fixed remuneration, including a Base Salary and an annual responsibility allowance (ii) a variable remuneration, paid in the first half of the following year to which it relates and conditional to the fulfilment of the objectives set in the previous year, divided in two components, (a) a Short Term Variable Bonus, payable immediately after the granting date, and b) a Medium Term Variable Bonus, which will be payable on the third anniversary of the granting date.

It should also be noted that:

- i. Fixed remuneration of the Executive Director is determined according to individual skills and the responsibility level of each Executive Director, and is reviewed on an annual basis.
- ii. The variable remuneration aims at rewarding Directors for the achievement of predefined objectives, based on key performance indicators of business activity, of teams under his/her responsibility and on his/her individual performance and is attributed after the Company's earnings are known and performance appraisal has been done. Variable remuneration is set annually, and the value of the pre-defined objective varies between 30% and 60% of total annual remuneration (fixed remuneration and target for variable remuneration), depending on circa 70% from business KPI's which comprise a significant share of economic and financial indicators. These are objective indicators, which are divided into Company and department KPIs. The Company's business KPIs include economic and financial indicators based on the budget, on the performance of each business unit, as well as on the consolidated performance of the Company. These KPIs take into

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consideration not only the real growth of the Company and value effectively delivered to shareholders, as well as its long-term sustainability and the limits on risk assumptions. Meanwhile, the department business KPIs are similar in nature to the previous ones, being directly influenced by the performance of the Executive Director. The remaining 30% are determined by the compliance of personal KPIs, which may include subjective and objective indicators.

72. Deferring payment of the variable remuneration component, specifying the period of deferral

As described before, at least 50% of variable remuneration is deferred for a three years period. The payment is carried out according to the following paragraph.

73. Criteria that underlie the allocation of variable remuneration in shares and the maintenance of these shares by Executive Directors

According to the plan approved by the Shareholders' General Meeting, eligible members are granted the right to acquire, at no cost, a number of shares corresponding to the division between the amount of the medium term variable bonus granted and the lower of the following closing share prices, in the Portuguese stock market: i) closing share price of the first business day after the Shareholders' General Meeting, or ii) the average closing share price of the thirty-day period of trading prior to the Shareholders' General Meeting.

If dividends are distributed, changes in the nominal value of shares or in the share capital of the Company occur or any other change in equity with impact in the economic value of attributed rights, after the granting date and before its exercise, the amount converted in shares will be adjusted to an equivalent figure considering the effect of the mentioned changes.

To ensure effectiveness and transparency of objectives of the Remuneration and Compensation Policy it was established that the executive directors:

- have not signed contracts with the Company or third parties aimed at mitigating the risk inherent to changes in the remuneration that was set by the Company;
- shall not sell during the new mandate, shares of the Company that were attributed as variable remuneration, up to the limit of two times the value of the total annual remuneration, except those which need to be sold to cover tax payments which may arise following the attribution of those same shares

74. Criteria that underlie the allocation of variable remuneration in options and indication of the deferral period and the exercise price and the members of the Company

The Company did not establish any variable remuneration in options.

75. Main parameters and reasoning for any scheme of annual bonuses and any other non-cash benefits

Main parameters and reasoning about variable remuneration are detailed at the remuneration policy approved in 31 March 2015 at Shareholders General Meeting and is available at: <http://www.sonaecapital.pt/>.

76. Main characteristics of complementary pension or early retirement schemes for the Administrators

The Company does not have any complementary pension or early retirement schemes for Directors.

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IV. Remuneration Disclosure

77. Statement of the annual amount of remuneration received by the board members including fixed and variable remuneration, and for this, mentioning the different components that gave rise

During 2015, members of the Board of Directors of Sonae Capital, SGPS, S.A. were paid the following remuneration and other compensation:

Name	Fixed Remuneration	Performance Bonus Paid	Deffered Performance Bonus Paid	Total
Maria Cláudia Teixeira de Azevedo	125,053	51,798	0	176,850
Ivone Pinho Teixeira	136,640	23,090	53,387	213,117
Subtotal Executive Directors	261,693	74,888	53,387	389,967
Belmiro Mendes de Azevedo ^{a)}	63,750	0	395,860	459,610
Duarte Paulo Teixeira de Azevedo	107,300	0	0	107,300
Álvaro Carmona e Costa Portela	76,050	0	0	76,050
Francisco de La Fuente Sánchez	37,300	0	0	37,300
Paulo José Jubilado Soares de Pinho	17,300	0	0	17,300
Subtotal Non Executive Directors	301,700	0	395,860	697,560
Total	563,393	74,888	449,247	1,087,527

^{a)} Ceased functions as at 31 March 2015

78. Any amounts paid by other companies in a control or group or that they are subject to the same domain

No other values than those described above, were paid to any the board members by other companies in a control or group domain.

79. Compensation paid in the form of profit sharing and / or bonus payments and the reasons why such bonuses and / or profit sharing were granted

Amounts were paid as described above - point 77, and were granted based on the degree of achievement of objectives, on account of achievement of pre-established objectives, according to the remuneration and compensation policy approved by the Shareholders' General Meeting of March 31, 2015.

80. Compensation paid or owed to former executive directors following the termination of their duties during the year

The Company neither paid nor has due compensations to any former executive director.

81. Indication of the annual remuneration earned in aggregate and individually, by the members of the Fiscal Board of the Company

During 2015, members of the Fiscal Board of Sonae Capital, SGPS, SA were paid the following fixed remuneration (no other remuneration was paid):

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Name	Values in Euro Fixed Remuneration
António Monteiro de Magalhães	7,450
Manuel Heleno Sismeiro	7,350
Carlos Manuel pereira da Silva	5,950
Armando Luis Vieira de Magalhães ^{a)}	1,025
Jorge Manuel Felizes Morgado ^{a)}	1,025
Total	22,800

^{a)} Ceased functions as at 31 March 2015

Remuneration paid to Statutory Auditor was previously described in item 47.

82. Information about the annual remuneration earned by the Chairman of the Shareholders' General Meeting

The fixed remuneration of the former and current Chairman of the Shareholders' General Meeting was of 750 euro and 3,750 euro respectively in 2015.

V. Agreements with remuneration implications

83. Contractual limitations provided for compensation payable for unfair dismissal Managers and its relationship with the variable remuneration component

The appropriate legal instruments shall be established so that in the event of a Director's dismissal without due cause, the envisaged compensation shall be paid. It can be negotiated a different value if it is considered as reasonable for both parties.

Members of the Board of Directors receive no additional compensation, applying the same criteria as all employees. There are not yet any individual contracts with administrators to define the methodology of calculation of any compensation. Moreover, Sonae Capital never assigned or assigns any compensation plans in the event of dismissal or termination of service by inadequate performance.

84. Reference to the existence and description, stating the sums involved, of the agreements between the Company and members of the Board of Directors, 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 agreements with any of the directors in order to establish a calculation method for any potential compensation to be paid in the event of unfair dismissal or termination of the employment relationship, following a change in Company control. Moreover, Sonae Capital has never assigned or plans to assign any compensation in case of dismissal or termination of service by inadequate performance.

VI. Plans in place to attribute shares or Stock Options

85. Identification of the plan and recipients

The current plan was approved by the Shareholders' General Meeting as at 31 March 2015, under proposal of the Remuneration Committee in establishment of article 2 of the Law 29/2009 of 19 June and the Recommendation II.1.5.4 CMVM (2010), currently Recommendation II.3.4 CMVM (2014), and can be found at www.sonaecapital.pt (General Meeting section).

The MTVR is one of the components of remuneration policy, integrating the share of the variable remuneration of executive directors whose payment is deferred in

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time. Under the approved plan, are eligible for the allocation of the MTVR executive directors of Sonae Capital Group. The Board of Directors may also extend the MTVR to employees whom, by this policy, the Plan is applicable.

Eligible members	Value of reference of the variable medium term remuneration component (% of total variable remuneration objective)
Sonae Capital Executive Directors	At least 50%
Business Executive Directors	At least 50%
Employees	Terms to be set up by the Board of each Company

86. Plans functioning (assignment conditions, non-transfer share clauses, criteria on share and options valuation, exercising period for options, characteristics of shares or options to be granted, the existence of incentives for share acquisition and/or exercise of options)

The MTVR is set annually for three years periods. From the beginning of the third consecutive plan overlapping three-year plans will occur at every moment.

The MTVR is valued at the date of attributing at a representative price of the share price considering the effect corresponding to the closing of the first business day following the General Meeting or the average price more favourable value (considering for the purpose of determining the average price, the closing price in the 30 trading days prior to the date of the General Meeting).

To the members covered by the Plan is assigned the right to purchase a number of shares determined by dividing the value of the variable remuneration awarded and medium-term share price at the grant date calculated in accordance with the preceding paragraph, such right may be exercised after three years of the grant.

The executive directors covered by the plan, acquire the shares without payment of compensation. Other employees who have been assigned that right can acquire shares under the conditions established by the Board of each Company.

If dividends are distributed, changes in the nominal value of shares or in the share capital of the Company occur or any other change in equity with impact in the economic value of attributed rights, after the granting date and before its exercise, the amount converted in shares will be adjusted to an equivalent figure considering the effect of the mentioned changes.

On the vesting date, the Company reserves the right to settle in cash, equivalent to the marketvalue of shares. The right to exercise is dependent on the maintenance of a contractual link between the Director and the Company three years after the grant date.

The right to purchase the shares allocated by MTVB matures expired three years after being granted.

The exercise of the right to acquire the shares granted at the end of the Plan expires if occurs the termination of the bond between the member and the Company without prejudice in the following paragraphs.

The right will remain in force if permanent disability or death of the member, in which case, the payment to own or the inheritors at the date of the respective maturity.

In case of retirement of the member, which was granted the right, it may be exercised on its expiration date.

The plans of the MTVR of the executive members of the Board of Directors and Executive Directors of the Company active in 2015 can be summarized as follows:

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Granting Year	Vesting Year	Number of Participants ¹	# shares granted	Granting Date		31.12.2014	
				Share Price	Value	Share Price	Value
2012	2015	3	770.316	0,19 €	146.360 €	0,510 €	392.861 €
2013	2016	3	818.428	0,18 €	147.317 €	0,510 €	417.398 €
2014	2017	2	177.860	0,50 €	88.930 €	0,510 €	90.709 €
2015	2018	2	263.342	0,39 €	103.151 €	0,510 €	134.304 €
Total			2.029.946		485.758 €		1.035.272 €

¹ As at 31 December 2015

Under the approved remuneration policy, the Executive Directors may not alienate in the financial year and up to the term of office for which they were appointed the allotted Company's shares through the allocation of the variable remuneration, up to a limit of twice the amount of total annual remuneration, other than those that may be sold to withstand tax payments related to said shares.

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

During 2015, the Company did not approve any plan to attribute share options.

88. Control mechanisms in any system of employee participation in the capital

There are any control mechanisms to control employee participation in the capital.

E - RELATED PARTY TRANSACTIONS

I. Mechanisms and Controls Procedures

89. Mechanisms implemented by the Company for purposes of monitoring of transactions with related parties (for this purpose refers to the concept resulting from IAS 24)

The Company defines the execution of transactions with related parties by principles of stringency, transparency and strict compliance with the competitive market rules. Such transactions are subjected to specific administrative procedures arising from regulatory constraints, including those relating to transfer pricing rules, or voluntary adoption of internal systems of checks and balances, in particular reporting processes or formal validation, depending on the value of transaction at issue.

In 2010, the Fiscal Board approved the regulation regarding transactions between the Company and qualified shareholders (under the terms of the Securities Code, article 16 and 20) and its related parties (definition of the Securities Code, article 20 paragraph 1), which defines the applicable transactions values from which the Executive Board must notify the Board of Audit and Finance Committee and the Fiscal Board. Such regulation implies that all related party transactions above 1 million euros are reported (on a semester basis) by the secretary of the ExCom to those Bodies and if above 10 million euros, a prior approval by the BAFC and Fiscal Board must be granted.

Under these rules, and jointly with the transaction notification, the Executive Board shall submit the procedures adopted to the BAFC and the Fiscal Board to ensure that the transaction is executed according to best practices and market conditions and is free from any potential conflicts of interest. Consequently, the Fiscal Board shall issue its opinion on those transactions.

In 2015, the Fiscal Board was informed, regularly, of transactions with related parties, having been provided detailed information whenever justified. During 2015, according to the regulation it was not necessary any prior approvals.

90. Statement of the transactions that were subject to control in the reference year

In accordance with the exposure in point 10, in 2015, there were no significant transactions with qualified shareholders. Transactions between the Company and its subsidiaries and its qualified shareholders, or companies owned by them are conducted following best practices and according to market prices and conditions.

During the 2015 financial period, no significant business or commercial transactions occurred between the Company and the Board of Directors or the Fiscal Board.

Transactions with the External Auditor were approved by the Fiscal Board and are detailed on point 47.

Transactions between the company and its subsidiaries and the holders of qualified shareholdings in the Company are conducted according to best practices and market conditions. The following types of transactions should be highlighted:

- Works conducted performed by the Refrigeration & HVAC businesses (Sistavac) driven, primarily by the development and maintenance of Sonae's Group retail stores;
- Rents, charged by Sonae Sierra, to the Fitness segment (Solinca gyms chain);
- IT/IS services, performed by Sonae's Group companies, as Sonae Capital has decided to outsource the majority of these services to specialized companies.

During 2015, besides the regular transactions, it should also be highlighted:

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- the sale, on the regulated market and at market prices, the total number of Imosede's Participation Units. Those Participation Units were acquired by Sonae's group companies;
- On 14 December 2015, Sonae Capital has publicly announced the sale of subsidiary Aqualuz - Turismo e Lazer, Lda., which owns the hotel operations of Hotel Aqualuz Lagos, to Efanor Group

The amounts and respective balances are detailed on the Notes to the Consolidated Financial Statements.

91. Description of the procedures and criteria for intervention by the Authority for the purpose of preliminary assessment of the business carried out between the Company and holders of qualifying holdings or entities that are in a relationship with them, under Article 20. of the CVM

Criteria and procedures defined in paragraph 89. above.

II. Elements related to transactions

92. Location where the financial statements and the information about transactions with subsidiaries can be found (in accordance of IAS 24)

Specific information can be found at the Company's website (www.sonaecapital.pt) (Tab: Investors, Section: Corporate Governance/Report and Accounts).

PART II – GOVERNANCE MODEL EVALUATION

1. Identification of adopted Corporate Governance Code

The Corporate Governance Report provides a description of the Corporate Governance structure and practices followed by the Company under the terms of article 245-A of the Portuguese Securities Code and information duties required by CMVM Relation no. 4/2014, of 1 August. The Report additionally discloses, in light with the principle of comply or explain, the terms of compliance by the Company with the CMVM Recommendations contained in the CMVM Corporate Governance Code (2014).

This section should be read together with and as a complement to the 2014 Management Report and Individual and Consolidated Accounts.

The information requirements of article 3 of Law no. 28/2009, of 19 June, articles 447 and 448 of the Portuguese Companies Act, article 245-A of the Portuguese Securities Code and CMVM Regulation no. 5/2008 has been fulfilled.

The Company has adopted the Corporate Governance Code issued by the CMVM in July 2014.

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

2. Analysis of compliance with the adopted Corporate Governance Code

Sonae Capital has been promoting the implementation and adoption of best practices of corporate governance, basing its policy for high standards of conduct of ethics and social responsibility.

It is an objective the Board of Directors to implement an integrated and effective management of the Group, which allows the creation of value by the Company, promoting and ensuring the legitimate interests of shareholders, employees and stakeholders, always bringing transparency in the relationship with investors and the market.

Therefore, taking into account the forty recommendations contained in the new Corporate Governance Code 2013 CMVM, thirty-five were adopted in full by the Company and five were not applicable for the reasons set out below. The degree of adoption of the recommendations is complete and thorough.

Pursuant to and for the purposes of that laid down in paragraph o) of no. 1 of Article 245-A of the Securities Code, the recommendations included in the CMVM's Corporate Governance Code are listed below.

I. VOTING AND COMPANY CONTROL

I.1 Companies should encourage their shareholders to participate and vote in general meetings, in particular by not setting an excessively high number of shares required to be entitled to one vote and implementing essential means to the exercise of voting rights by electronic means.

RECOMMENDATION FULLY ADOPTED - CHAPTER 12 OF THIS REPORT

The Company encourages its shareholders to participate in general meetings, in particular by assigning to each share one vote, not limiting the number of votes that may be held or exercised by each shareholder and making available to shareholders the means necessary to exercise voting by correspondence (postal vote) or electronically.

Additionally, the Company publishes on its website, from the date of notice of each General Meeting, standard documents to facilitate access to information necessary for issuing the

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notifications required by shareholders to ensure their presence at the meeting, and also provides an e-mail address to clarify all doubts and for the reception of all communications to participate in the General Meeting.

1.2 Companies should not adopt mechanisms that hinder the passing of resolutions by shareholders, including setting a deliberative quorum greater than foreseen in the law.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 12, 13 AND 14 OF THIS REPORT

The Company's Articles of Association do not establish deliberative quorum greater than the legally prescribed.

1.3 Companies shall not establish mechanisms, which therefore cause the mismatch between the right to receive dividends or subscription of new securities and the voting rights of each ordinary share, unless duly justified according to the long-term interests of shareholders.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 12 AND 13 OF THIS REPORT

Any mechanism of this nature is established.

1.4 Corporate Articles of Association that provide a limitation to the number of votes that may be held or exercised by a single shareholder, individually or in agreement with other shareholders, shall also establish that, at least every five years, the maintenance of such articles shall be subject to a resolution at the Shareholders' General Meeting - with no requirements for an aggravated quorum as compared to the legal one - and that upon such resolution all votes cast shall be counted without the operation of such limitation.

RECOMMENDATION NOT APPLICABLE

The Company's Articles of Association do not establish any limitation on the number of votes that may be issued by a shareholder.

1.5 Measures that have the effect of requiring payments or assumption of charge by the Company in the case of change of control or composition of the Board of Directors, thus hindering the shares' free transferability and shareholders' free evaluation of the performance of members of the Board of Directors, shall not be adopted.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 4 AND 84 OF THIS REPORT

The Company does not adopt, unilaterally, policies that by default may have any restrictions listed in this recommendation. The contracts concluded by the Company reflect the defence of their social interest in order to achieve business sustainability in the long term within market conditions framework.

II. SUPERVISION, ADMINISTRATION AND SURVEILLANCE

II.1 SUPERVISION AND ADMINISTRATION

11.1 Within the limits established by law, and unless the Company is of a reduced size, the Board of Directors shall delegate the daily management of the Company and the delegated duties should be identified in the Annual Corporate Governance Report.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 28 AND 29 OF THIS REPORT

The Board of Directors has delegated the daily management of the Company to the Executive Committee.

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II.1.2 The Board of Directors shall ensure that the activity of the Company is in accordance with its ends, and should not delegate its duties, namely in what concerns: i) definition of the Company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions made that must be considered strategic due to the amounts, risk and particular characteristics involved.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 21 OF THIS REPORT

The powers not delegated by the Board of Directors comply with the rules contained in this recommendation.

II.1.3 The General Supervisory Board, in addition to the exercise of supervisory powers that are entrusted to them, must assume full responsibility at corporate governance level. So by the statutory provision or by equivalent means, should be given the obligation to this body to decide on the strategy and major policies of the Company, the definition of the corporate structure of the group and the decisions that must be considered strategic due to the amounts or risk. This body should also assess compliance with the strategic plan and the implementation of major policies of the Company.

RECOMMENDATION NOT APPLICABLE

The adopted Corporate Governance model does not include the General Supervisory Board.

II.1.4 Unless the Company is of a reduced size and depending on the adopted model, the Board of Directors and the General and Supervisory Board, shall set up the necessary Committees in order to: i) ensure that a competent and independent assessment of the Executive Directors' performance is carried out, as well as its own overall performance and further yet, the performance of all existing committees; ii) study the adopted governance system and verify its efficiency and propose to the competent bodies, measures to be carried out with a view to its improvement.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 27 AND 29 OF THIS REPORT

The Board of Directors has appointed two specialized committees composed of non-executive members, for the purpose of assisting and enhancing the quality of its work. The Board Audit and Finance Committee and the Board of Nomination and Remuneration Committee are in place.

II.1.5 The Board of Directors or the General and Supervisory Board, depending on the model adopted, should set goals in terms of risk-taking and create systems for their control in order to ensure that the risks actually incurred are consistent with those goals.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 29 AND 51 OF THIS REPORT

The Board of Directors has established internal risk control systems with appropriate components.

II.1.6 The Board of Directors shall include a sufficient number of non-executive directors whose role is to ensure an actual ability to audit, supervise and assess the activity of its executive members.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 18 AND 29 OF THIS REPORT

The Board of Directors consists of a total of six members, three of whom are non-executive.

II.1.7 The Non-Executive Members shall include an appropriated number of independent members, taking into account the adopted governance model, the size of the Company and its shareholder structure and the respective free float.

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The independence of the members of the General and Supervisory Board and members of the Audit Committee is assessed in accordance with applicable law, and as to the other members of the Board are considered independent if the person is not associated with any group of specific interests of the Company, nor under any circumstance likely to affect their unbiased analysis or decision, particularly in relation to:

a. Have been an employee of the Company or with which it is found in a control or group situation in the past three years;

b. Have provided services or established significant business relationship with the Company or with which it is found in a control or group, either directly or as a partner, director, manager or agent, in the past three years;

c. Being in favour of compensation paid by Company or by a Company with which it is found in a control or group relation, in addition to the remuneration resulting from the exercise of the duties of a director;

d. Living in consensual union, or be a spouse, relative or other kind of relation directly to the 3rd degree, even in the collateral line, of Directors or individuals directly or indirectly qualifying shareholders;

e. Be qualified shareholder or a representative of a qualified shareholder.

RECOMMENDATION FULLY ADOPTED - CHAPTER 18 OF THIS REPORT

The Board of Directors is composed of two independent non-executive directors who meet the independence criteria set out in this recommendation.

II.1.8 When Directors that perform executive functions are requested by other Governing Bodies to provide information, the former shall do so in a timely manner and the information provided must be adequate to the request made.

RECOMMENDATION FULLY ADOPTED - CHAPTER 29 OF THIS REPORT

The Executive Committee provides in a timely manner to the Board of Directors the contents of all the resolutions it has adopted during the year. The executive members provide to non-executive members, as well as to the other Governing Bodies, all explanations necessary for the exercise of their powers, either at members' request or on their own initiative.

II.1.9 The Chairman of the Board of executive directors or Executive Committee shall send, as applicable, to the Chairman of the Board of Directors, the Chairman of the Fiscal Board, the Chairman of the Audit Committee, the Chairman of the General and Supervisory Board and the Chairman of the Commission for Financial Affairs, the convening notices and minutes of its meetings.

RECOMMENDATION FULLY ADOPTED - CHAPTER 29 OF THIS REPORT

The Chief Executive Officer provided to the Chairman of the Board of Directors and Chairman of the Fiscal Board all the information regarding the meetings held.

II.1.10 If the Chairman of the Board of Directors has an executive role, this body shall appoint, amongst its members, an independent trustee to ensure the coordination of the work of other non-executive members and they make decisions in an independent and informed manner or find an equivalent mechanism to ensure such coordination.

RECOMMENDATION NOT APPLICABLE

The Chairman of the Board of Directors does not perform executive functions.

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II.2 SUPERVISION

II.2.1 The Chairman of the Fiscal Board, the Audit Committee or the Committee for Financial Affairs (as the applicable model) shall be independent, according to the applicable legal standard, and have adequate skills to carry out his duties.

RECOMMENDATION FULLY ADOPTED - CHAPTER 32 AND APPENDIX OF THIS REPORT

The Chairman of the Fiscal Board, as all the others board members, are independent according to the criteria set out in nr. 5 of article 414 of the Portuguese Companies Act and have the skills and experience needed to carry out their functions.

II.2.2 The Supervisory Board should be the main interlocutor of the external auditor and the first recipient of their respective reports, and also responsible for propose the respective remuneration and to ensure that are provided the appropriate conditions for the provision of services within the Company.

RECOMMENDATION FULLY ADOPTED - CHAPTER 38 OF THIS REPORT

The Fiscal Board is responsible for the supervision of the Statutory External Auditor activity and independence, interacting directly with him the terms of their competencies and performance standards contained in Regulation of the Fiscal Board, and receive and approve their reports. The Company believes that the fact that the Statutory External Auditor simultaneously sends reports to the Board of Directors does not threaten compliance with this recommendation.

II.2.3 The Supervisory Board shall assess the Statutory External Auditor on an annual basis and propose the removal of the same or the termination of the contract for the provision of their services whenever justifiable grounds are present.

RECOMMENDATION FULLY ADOPTED - CHAPTER 28 OF THIS REPORT, ANNUAL REPORT AND FISCAL BOARD REPORT

The Fiscal Board annually assesses the External Auditor, stating that evaluation on its annual report and opinions, available along with other required accounting documents at www.sonaecapital.pt (Investors tab, General Meeting's section).

II.2.4 The Supervisory Board shall evaluate the internal control and risk management systems and propose adjustments that may be required.

RECOMMENDATION FULLY ADOPTED - CHAPTER 38 OF THIS REPORT

The Board of Directors proactively ensures internal control and risk management systems. The Fiscal Board assesses the effectiveness of those systems, proposing necessary measures to optimize it and stating its opinion on the annual report and accounts.

II.2.5 The Audit Committee, the General and Supervisory Board and the Fiscal Board shall decide on the work plans and resources allocated to internal audit and to the services that ensure compliance with the rules applicable to the Company (compliance services), and should be addressed to the reports from these services at least when there are concerned matters related to accounting, identification or resolution of conflicts of interest and the detention of potential illegalities.

RECOMMENDATION FULLY ADOPTED - CHAPTER 38 AND 51 OF THIS REPORT

The Fiscal Board establishes the action plan with the internal audit, supervises their activities, receives regular reporting on activities undertaken, assesses the results achieved, assesses the existence of irregularities and issues guidelines as are deemed convenient.

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II.3 REMUNERATION DEFINITION

II.3.1 Members of the Remuneration Committee or similar, shall be independent from the executive members of the Board of Directors and include at least one member with knowledge and experience in matters of remuneration policy.

RECOMMENDATION FULLY ADOPTED

Duarte Paulo Teixeira de Azevedo, elected at the Shareholders' General Meeting and indicated by the Board of Directors as Chairman, is a non executive member of the Remuneration Committee.

II.3.2 Any individual or legal person which provides or has provided, over the past three years, services to any structure subject to the Board of Directors, or the Board itself or that has current relationship as consultant with the Company shall not be recruited to assist the Remuneration Committee. This recommendation also applies to any individual or legal person who has an employment contract or provides services.

RECOMMENDATION FULLY ADOPTED - CHAPTER 67 OF THIS REPORT

The Board Nomination and Remuneration Committee is entirely composed by non-executive directors and supports the Remuneration Committee in carrying out its responsibilities. This activity may be supported by independent and reference consultants autonomous from the Board of Directors, administrative and supervision Bodies.

II.3.3 The statement on the remuneration policy of the Board of Directors and Supervisory Board referred to in Article 2 of Law No. 28/2009 of 19 June, shall contain in addition:

- a) Identification and clarification of the criteria for determining the remuneration to be paid to members of governing bodies;*
- b) Information on the maximum potential amount, individually, and the maximum potential amount, aggregated, to be paid to members of governing bodies, and identification of the circumstances under which these maximum amounts may be payable;*
- c) Information regarding the liability or not of payments for the dismissal or termination of appointment of administrators.*

RECOMMENDATION FULLY ADOPTED - CHAPTER 69 AND 80 OF THIS REPORT AS WELL AS REMUNERATION POLICY APPROVED IN 17 MARCH 2014.

A statement on the remuneration policy was presented to the Shareholders' General Meeting on 17 March 2014, which includes the information referred to in this recommendation. Payments for the dismissal or termination of appointment of directors are not required, subject to the applicable legal provisions.

A statement on the remuneration policy is available at www.sonaecapital.pt.

II.3.4 Proposals relative to approval of share attribution plans and/or share acquisition options, or based on share price variations, to Governing Bodies should be submitted to the General Meeting of Shareholders. Proposals should include all necessary elements for correct plan evaluation.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 85 AND 86 OF THIS REPORT

The variable compensation plan for the medium term and its implementation was approved at the Annual General Meeting held on 17 March 2014 and is available at www.sonaecapital.pt.

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II.3.5 Proposals relative to approval of any system of retirement benefits established for members of governing bodies must be submitted to the Shareholders' General Meeting. Proposals should include all necessary elements for correct system evaluation.

RECOMMENDATION NOT APPLICABLE

The approved remuneration policy does not establish any system of retirement benefits.

III. REMUNERATION

III.1 Remuneration of executive members of the Board of Directors shall be based on actual performance and discourage excessive risk-taking.

RECOMMENDATION FULLY ADOPTED - CHAPTER 70 OF THIS REPORT AND REMUNERATION POLICY APPROVED IN 17 MARCH 2014.

The remuneration of the members of the Board of Directors who perform executive functions is based on the performance of those Directors, measured according to predetermined criteria and is built to align their activities with the Company's sustainability and shareholder interests. Excessive risk taking is discouraged.

III.2 The remuneration of non-executive members of the Board of Directors and the remuneration of the members of the Supervisory Board shall not include any component whose value depends on the performance of the Company or of its value.

RECOMMENDATION FULLY ADOPTED - CHAPTER 69 OF THIS REPORT AND REMUNERATION POLICY APPROVED ON 17 MARCH 2014

The remuneration of non-executive members of the Board of Directors consists solely of a fixed amount, without any connection with the Company performance or of its value.

III.3 The variable component of remuneration should be reasonable in relation to the fixed component of remuneration and maximum limits should be set for all components.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 77 AND 78 OF THIS REPORT AND REMUNERATION POLICY APPROVED ON 17 MARCH 2014

The remuneration policy provides a solid relationship between the fixed and variable component of the remuneration, which is suitable to the Company and group profile. It also sets maximum limits in accordance with the practices of comparable companies. Such measures were considered by shareholders and annually approved on the Shareholder's General Meeting.

III.4 A significant portion of variable remuneration should be deferred for a period not less than three years, and the right to receive should depend on the positive performance of the Company during that period.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 71, 72 AND 86 OF THIS REPORT

In accordance with the remuneration policy approved at the Annual General Meeting held on 31 March 2015, a portion of not less than fifty per cent of variable remuneration is deferred for a period of three years and its value depends on the performance of the Company over that period, once it is indexed to the share price performance.

III.5 The members of the Board of Directors shall not enter into contracts with the Company or with third parties, which have the effect of mitigating the risk inherent to the variability of the remuneration established by the Company.

RECOMMENDATION FULLY ADOPTED - CHAPTER 73 OF THIS REPORT AND REMUNERATION POLICY APPROVED ON 17 MARCH 2014

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The remuneration policy approved at the Shareholders' General Meeting held on 17 March 2014 addresses the principle defined in this recommendation.

III.6 Until the end of his mandate, executive directors shall hold their Company shares which were allotted by benefit of variable remuneration schemes, up to twice the value of total annual remuneration, except those which need to be sold for to pay taxes on the gains of the same actions.

RECOMMENDATION FULLY ADOPTED - CHAPTER 73 OF THIS REPORT AND REMUNERATION POLICY APPROVED ON 17 MARCH 2014

The remuneration policy approved at the Shareholders' General Meeting held on 17 March 2014 addresses the principle laid down in this recommendation.

III.7 When the variable remuneration includes stock options, the early exercise period shall be deferred for a period not less than three years

RECOMMENDATION NOT APPLICABLE

The approved remuneration policy doesn't include stock options.

III.8 When the removal of an administrator is not due to serious breach of its duties or their unfitness for the normal exercise of their functions, but still is due a poor performance, the Company should have the appropriate and necessary legal instruments to deal with any damages or compensation, beyond the legally owed, not required.

RECOMMENDATION FULLY ADOPTED - CHAPTER 83 OF THIS REPORT AND REMUNERATION POLICY APPROVED ON 17 MARCH 2014

The Company fully complies with this recommendation in its policy.

IV. AUDIT

IV.1 The external auditor must, within its responsibilities, verify the implementation of remuneration policies and systems of governing bodies, the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the Company's Supervisory Board.

RECOMMENDATION FULLY ADOPTED - CHAPTER 46 OF THIS REPORT

The Statutory Auditor pronounced on the activity carried out in its annual audit report, which is subject to approval at the Annual Shareholders' General Meeting, and is available in www.sonaecapital.pt.

IV.2 The Company or any entities with which it has a controlling relationship with shall not recruit the external auditor for services other than audit services, nor any entities with which takes part or incorporates the same network. If there are reasons for hiring such services - which must be approved by the Supervisory Board and explained in its Annual Corporate Governance Report - they should not exceed 30% of the total value of services rendered to the Company.

RECOMMENDATION ADOPTED WITH CLARIFICATIONS - CHAPTER 46 AND 47 OF THIS REPORT

The services provided by the external auditor, other than audit services, were approved by the Fiscal Board within the recommended principles. The percentage of those services in total services provided by PricewaterhouseCoopers & Associados, SROC (PwC) to the Company amounts to 17,7%.

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IV.3 Companies shall advocate the rotation of auditors after two or three terms of office in accordance with four or three years respectively. Their extension beyond this period must be based on a specific opinion for the Supervisory Board to formally consider the conditions of auditor independence and the benefits and costs of replacement.

RECOMMENDATION FULLY ADOPTED - CHAPTER 44 OF THIS REPORT

The External Auditor and the representative certified public accountant are still in their second mandate in 2014. The periodicity of rotation of the External Auditor shall be assessed in relation to the best practices in corporate governance at the expiry of that term of office.

V. CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES

V.1 Where deals are concluded between the Company and shareholders with qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be carried out in normal market conditions.

RECOMMENDATION FULLY ADOPTED - CHAPTERS 10, 89 AND 90 OF THIS REPORT

Transactions with holding companies, affiliates or group companies are conducted by principles of rigor, transparency and strict compliance with the competitive market rules. Such transactions are subject to specific administrative procedures arising from normative regulation, including those related with transfer pricing rules, or the voluntary adoption of internal checks and balances systems, in particular reporting processes or formal validation, depending on the value of transaction in question.

V.2 The Supervisory Board shall establish the required procedures and criteria to define the relevant significance level of business with holders of qualifying holdings or entities in any relationship situation referred to in no. 1 of article 20 of the Portuguese Securities Code. Conducting business of significant importance is dependent on prior opinion of this board.

RECOMMENDATION FULLY ADOPTED - CHAPTER 38 AND 89 OF THIS REPORT

The Company has adopted and implemented a formal internal procedure in order to obtain the opinion of the Fiscal Board and the Board of Audit and Finance Commission prior to the conducting of business by Executive Committee with holders of qualifying holdings or entities and related parties (according to the definition of article 20 of the Portuguese Securities Code), when such transactions involve an interest higher than ten million euro. All transactions in excess of one million euro are still subject to semi-annual reporting to those two Boards.

VI. INFORMATION

VI.1 Companies shall provide, through their website, in Portuguese and English, access to information to enable knowledge about their evolution and current reality in economic, financial and governance terms.

RECOMMENDATION FULLY ADOPTED

All the recommended information is available in Portuguese and English versions on the Company's website - www.sonaecapital.pt.

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VI.2 Companies should ensure the existence of an Investor Relations Office and the permanent contact with the market to timely respond to investor requests and a register of applications submitted and the treatment that was given should be maintained.

RECOMMENDATION FULLY ADOPTED - CHAPTER 56 OF THIS REPORT

The Company has an Investor Relations Office that provides to investors and financial community, regular and relevant information, making registration of relevant dialogues in order to optimize the quality of its performance.

3. Other information

There is no further information.

Maia, 25 February 2016

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Maria Cláudia Teixeira de Azevedo

Álvaro Carmona e Costa Portela

Ivone Pinho Teixeira

Francisco de La Fuente Sánchez

Paulo José Jubilado Soares de Pinho

Appendix to the Corporate Governance Report

Curricula Vitae of the Members of the Governing Bodies and Remuneration Policy

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Duarte Paulo Teixeira de Azevedo

Chairman of the Board of Directors of Sonae Capital, SGPS, S.A.

Age: 50

Nationality: Portuguese

Education:	<ul style="list-style-type: none">▪ Graduation in Chemical Engineering - École Polytechnique Fédérale de Lausanne (1986)▪ MBA - Porto Business School (1989)
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Positions held in Group Companies:

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Positions held in other Companies:	<ul style="list-style-type: none">▪ Chairman of the Board of Directors of Sonae MC - Modelo Continente, SGPS, S.A.▪ Chairman of the Board of Directors of Sonae - Specialized Retail, SGPS, S.A.▪ Chairman of the Board of Directors Sonae Center II, S.A.▪ Chairman of the Board of Directors Sonae Indústria, SGPS, S.A.▪ Chairman of the Board of Directors and Co-CEO of Sonae, SGPS, S.A.
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Main Professional activities of the last five years:

- 2009-2015 - Chairman of Curators Council of Universidade do Porto
 - 2012-2015 - Member of the Board of COTEC Portugal
 - Since 2008 - Member of ERT - European Round Table of Industrialists
 - Since 2013 - Member of International Advisory Board da Allianz, SE
 - Since 2015 - Member of Consejo Iberoamericano para la Productividad y la Competitividad
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Álvaro Carmona e Costa Portela

Vice-President of the Board of Directors of Sonae Capital, SGPS, S.A.

Age: 63

Nationality: Portuguese

Education:	<ul style="list-style-type: none">▪ Graduation in Mechanical Engineering - FEUP (1974)▪ MBA, Master of Business Administration (Universidade Nova de Lisboa - 1983)▪ AMP / ISMP - Harvard Business School (1997)
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Positions held in Group Companies:	<ul style="list-style-type: none">▪ Member of the Board of Directors of Capwatt, SGPS, S.A.▪ Member of the Board of Directors of SC, SGPS, S.A.▪ Member of the Board of Directors of Sistavac, SGPS, S.A.▪ Member of the Board of Directors of Spred, SGPS, S.A.▪ Member of the Board of Directors of Sonae Turismo, SGPS, S.A.
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Positions held in other Companies:	<ul style="list-style-type: none">▪ Non-Executive Director of Casa Agrícola HMR, S.A.▪ Non-Executive Director of COPAM - Companhia Portuguesa de Amidos, S.A.▪ Non-Executive Director of Sonae SGPS, S.A.▪ Non-Executive Director of SPDI - SECURE PROPERTY Development & Investment, PLC▪ Director of Foundation Victor e Graça Carmona e Costa▪ Manager of Portela & Portela, Lda.▪ Member of Investment Committee do ECE European Prime Shopping Centre Fund, Luxembourg
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Main Professional activities of the last five years:	<ul style="list-style-type: none">▪ 1990-2010 - Executive Chairman of Sonae Sierra, SGPS, S.A. and all its subsidiaries▪ 1999-2010 - Executive Director and Vice-President of Sonae, SGPS, S.A.▪ 2010-2015 - Non Executive Director of Sonae, SGPS, S.A.▪ 2010-2014 - Chairman (until 2012) and Member of the Council Representatives of Faculdade de Economia da Universidade do Porto▪ 2010-2012 - Trustee of Urban Land Institute (EUA)▪ 2010-2012 - Director of Sonae RP▪ 2010-2014 - Non Executive Chairman of the Board of Directors of MAF Properties, Dubai, EAU▪ 2011-2013 - Member of Investment Advisory Committee of PanEuropean Property Limited Partnership
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Francisco de La Fuente Sánchez

Non Executive Director of Sonae Capital, SGPS, S.A.

Age: 74

Nationality: Portuguese

Education: ▪ Graduation in Electro technical Engineering - Instituto Superior Técnico (1965)

Positions held in Group Companies: -

Positions held in other Companies:

- Chairman of the Shareholder's General Meeting of APEDS - Associação Portuguesa de Engenheiros para o Desenvolvimento Social
- Chairman of the Managing Council da AAAIST - Associação de Antigos Alunos do Instituto Superior Técnico
- Co-opted Member of Conselho da Escola do Instituto Superior Técnico
- Honorary Member of Hidroeléctrica del Cantábrico, S.A.
- Member of Remuneration Committee Sonae SGPS, S.A. and of Sonaecom, SGPS, S.A.
- Member of the Curators Council of Luso-Brazilian Foundation
- Member of Ibero America Forum
- Member of the Curators Council of Luso-Spanish Foundation
- Member of Patronato of Hidroeléctrica del Cantábrico Foundation

Main Professional activities of the last five years:

- 2010-2015 - Chairman of the Shareholder's General Meeting of Iberwind - Desenvolvimento e Projectos, S.A.
- 2007-2013 - Chairman of the General Council of PROFORUM
- 2007-2013 - Chairman of the National Council of the Electro technical Engineering Board of the Engineers Institute
- 2007-2012 - Invited member of Conselho Nacional da Água
- 2007-2012 - Chairman and Non-Executive Vice President of the Board of Directors of EFACEC Capital
- 2005-2012 - Member of Consulting Council of Fórum para a Competitividade
- 2004-2010 - Member of Consulting Council of Instituto Português de Corporate Governance
- 2000-2010 - Non Executive Director of Portugal-Africa Foundation
- Since 2009 - Co-option Member of Instituto Português de Corporate Governance
- Since 2005 - Member of Patronage of Fundação Hidroeléctrica del Cantábrico
- Since 2004 - Member of the Curators Council of the Luso-Brazilian Foundation
- Since 2003 - Member of the Ibero America Forum
- Since 2002 - Member of the Curators Council of the Luso-Spanish Foundation

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Paulo José Jubilado Soares de Pinho

Non Executive Director of Sonae Capital, SGPS, S.A.

Age: 53

Nationality: Portuguese

Education:	<ul style="list-style-type: none">▪ Graduation 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)
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Positions held in Group Companies : -

Positions held in other Companies:	<ul style="list-style-type: none">▪ Chairman of the General Council of Venture Capital Syndication Fund PME-IAPMAI▪ Member of the Board Directors of Change Partners, SCR, S.A.▪ Managing Partner of Finpreneur, Ltda.▪ Academic Director of Lisbon MBA (MIT - Católica - Nova)
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Main Professional activities of the last five years:	<ul style="list-style-type: none">▪ Chairman of the General Council of Fundo de Sindicação de Capital de Risco PME-IAPMAI▪ Member of the Board Directors of Change Partners, SCR, S.A.▪ Director (representative in Portugal) da Venture Valuation, Suíça▪ Mangager Finpreneur, Ltda.▪ Senior Consulting of New Next Moves Consultants, Portugal▪ Associate Professor Faculdade de Economia da Universidade Nova de Lisboa▪ Visiting Professor at Cass Business School, London▪ Visiting Professor at Universidade do Luxemburgo
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Maria Cláudia Teixeira de Azevedo

Chief Executive Officer of Sonae Capital, SGPS, S.A.

Age: 46

Nationality: Portuguese

Education: ■ Graduation in Business Administration - Universidade Católica Portuguesa and MBA by INSEAD

Positions held in Group Companies:

- Chairman of the Board of Directors of Troiaresort, SGPS, S.A. (previously called Imoareaia - Investimentos Turísticos, SGPS, S.A.)
- Chairman of the Board of Directors of SC Hospitality, SGPS, S.A. (previously called Sonae Turismo - SGPS, S.A.)
- Member of the Board of Directors of Capwatt, SGPS, S.A.
- Member of the Board of Directors of Capwatt ACE, S.A. (previously called Integrum ACE, S.A.)
- Member of the Board of Directors of Capwatt - Brainpower, S.A.
- Member of the Board of Directors of Capwatt Colombo - Heat Power, S.A (previously called Integrum Colombo - Energia, S.A.)
- Member of the Board of Directors of Capwatt Engenho Novo - Heat Power, S.A. (previously called Integrum Engenho Novo - Energia, S.A.)
- Member of the Board of Directors of Complementary Grouping of Companies (Agrupamento Complementar de Empresas) Capwatt Hectare - Heat Power, ACE (previously called by Companhia Térmica Hectare, ACE)
- Member of the Board of Directors of Capwatt II - Heat Power, S.A. (previously called Integrum II - Energia, S.A.)
- Member of the Board of Directors of Capwatt III - Heat Power, S.A. (previously called Integrum III - Energia, S.A.)
- Member of the Board of Directors of Capwatt Maia - Heat Power, S.A. (previously called Ecociclo II - Energias, S.A.)
- Member of the Board of Directors of Capwatt Martim Longo - Solar Power, S.A. (previously called Integrum Martim Longo - Energia, S.A.)
- Member of the Board of Directors of Capwatt Vale do Caima - Heat Power, S.A. (previously called Integrum Vale do Caima - Energia, S.A.)
- Member of the Board of Directors of Capwatt Vale do Tejo - Heat Power, S.A. (previously called Integrum Vale do Tejo - Energia, S.A.)
- Member of the Board of Directors of SC, SGPS, S.A.
- Member of the Board of Directors of Sistavac, S.A.
- Member of the Board of Directors of Sistavac, SGPS, S.A.
- Member of the Board of Directors of Spred, SGPS, S.A.
- Member of the Board of directors of Sopair, S.A.
- Member of the Board of Directors of QCE - Desenvolvimento e Fabrico de Equipamentos, S.A.
- Member of Management Body of Carvemagere, Manutenção e Energias Renováveis, Lda.
- Member of Management Body of C.T.E. - Central Termoeléctrica do Estuário, Unipessoal, Lda.
- Member of Management Body of Enerlousado - Recursos Energéticos, Unipessoal, Lda.
- Member of Management Body of Ronfegen - Recursos Energéticos, Unipessoal, Lda.

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- Member of Management Body of Companhia Térmica Tagol, Unipessoal, Lda.

Positions held in Other Companies:

- Chairman of the Board of Directors of Digitmarket - Sistemas de Informação, S.A.
- Chairman of the Board of Directors of Efanor - Serviços de Apoio à Gestão, S.A.
- Chairman of the Board of Directors of GRUPO S 21 SEC GÉSTION, S.A.
- Chairman of the Board of Directors of ITRUST - Ciber Security and Intelligence Services, S.A.
- Chairman of the Board of Directors of Linhacom, SGPS, S.A.
- Chairman of the Board of Directors of Saphety Level - Trusted Services, S.A.
- Chairman of the Board of Directors of Sonaecom - Ciber Security and Intelligence Services, SGPS, S.A.
- Chairman of the Board of Directors of WeDo Consulting, Sistemas de Informação, S.A.
- Chairman of the Board of Directors of WeDo Technologies Americas, INC
- Member of the Board of Directors of Efanor Investimentos, SGPS, S.A.
- Member of the Board of Directors of Imparfin, SGPS, S.A.
- Member of the Board of Directors of PCJ - Público, Comunicação e Jornalismo, S.A.
- Member of the Board of Directors of Praesidium Services Limited
- Member of the Board of Directors of Público - Comunicação Social, S.A.
- Member of the Board of Directors of Sonaecom, SGPS, S.A.
- Member of the Board of Directors of Sonaecom - Serviços Partilhados, S.A.
- Member of the Board of Directors of Sonae Investment Management - Software and Technology, SGPS, S.A. (previously called Sonaecom Sistemas de Informação, SGPS, S.A.)
- Member of the Board of Directors of WeDo Technologies (UK) Limited.
- Member of the Board of Directors of WeDo Technologies Australia PTY, Limited.
- Member of the Board of Directors of ZOPT, SGPS, S.A.
- Member Curators Council of Fundação Belmiro de Azevedo
- Director of Sonaecom - Sistemas de Información España, SL
- Director of WeDo Technologies Mexico, S. De R.L. de C.V.
- Director of WeDo Technologies Egypt
- Manager of Saphety - Transacciones Electronicas, S.A.S

Main Professional activities of the last five years:

- Executive Director of Sonaecom, SGPS, S.A.
- Executive Director of Zon Optimus, SGPS, S.A.
- Member of the Board of Directors of the following companies:
 - Sonae Investment Management - Software and Technology, SGPS, S.A. (anteriormente designada por Sonaecom Sistemas de Informação, SGPS, S.A.)
 - Sonae Matrix Multimédia
 - WeDo Consulting, Sistemas de Informação, S.A.
 - Efanor Investimentos, SGPS, S.A.
 - ZOPT, SGPS, S.A.

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Ivone Pinho Teixeira

Executive Director and CFO of Sonae Capital, SGPS, S.A.

Age: 43

Nationality: Portuguese

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- Education:**
- Graduation in Economics – Faculdade Economia da Universidade do Porto (1995)
 - Post Graduation Credit Analysis – Instituto Superior de Gestão Bancária (1996)
 - Post Graduation Internacional Taxation – Universidade Católica (2004)

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- Positions held in Group Companies :**
- Member of the Board Directors of Complementary Grouping of Companies (Agrupamento Complementar de Empresas) Atelgen, Produção de Energia, ACE
 - 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 Capwatt ACE, S.A. (previously called Integrum ACE, S.A.)
 - Member of the Board of Directors of Capwatt – Brainpower, S.A.
 - Member of the Board of Directors of Capwatt Colombo – Heat Power, S.A. (previously called Integrum Colombo – Energia, S.A.)
 - Member of the Board of Directors of Capwatt Engenho Novo – Heat Power, S.A. (previously called Integrum Engenho Novo – Energia, S.A.)
 - Member of the Board Directors of Complementary Grouping of Companies (Agrupamento Complementar de Empresas) Capwatt Hectare – Heat Power, ACE (previously called Companhia Térmica Hectare, ACE)
 - Member of the Board of Directors of Capwatt II – Heat Power, S.A. (previously called Integrum II – Energia, S.A.)
 - Member of the Board of Directors of Capwatt III – Heat Power, S.A. (previously called Integrum III – Energia, S.A.)
 - Member of the Board of Directors of Capwatt Maia – Heat Power, S.A. (previously called Ecociclo II – Energias, S.A.)
 - Member of the Board of Directors of Capwatt Martim Longo – Solar Power, S.A. (previously called Integrum Martim Longo – Energia, S.A.)
 - Member of the Board of Directors of Capwatt Vale do Caima – Heat Power, S.A. (previously called Integrum Vale do Caima – Energia, S.A.)
 - Member of the Board of Directors of Capwatt Vale do Tejo – Heat Power, S.A. (previously called Integrum Vale do Tejo – Energia, 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 Complementary Grouping of Companies (Agrupamento Complementar de Empresas) Companhia Térmica do Serrado, ACE
 - Member of the Board of Directors of Contacto Concessões, SGPS, S.A.
 - Member of the Board of Directors of Country Club da Maia – Imobiliária, S.A.

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- Member of the Board of Directors of Empreendimentos Imobiliários 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, 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 Norscut - Concessionária de Auto-Estradas, 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 SC Assets, SGPS, S.A. (previously called Praedium - SGPS, S.A.)
- Member of the Board of Directors of Praedium II - Imobiliária, S.A.
- Member of the Board of Directors of Prédios Privados - 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 SC - Engenharia e Promoção Imobiliária, 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 Finance, BV
- Member of the Board of Directors and Committee Executive of SC Hospitality, SGPS, S.A. (previously called Sonae Turismo - SGPS, S.A.)
- Member of the Board of Directors of S.I.I. - Soberana - Investimentos Imobiliários, S.A.
- Member of the Board of Directors of Sistavac, S.A.
- Member of the Board of Directors of Sistavac, SGPS, 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 Soira - Sociedade Imobiliária de Ramalde, SA
- Member of the Board of Directors of Solinca - Health and Fitness, SA
- Member of the Board of Directors of Porto Palácio Hotel - Exploração Hoteleira, S.A. (previously called Solinca -

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Investimentos Turísticos, 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 Sonae Turismo, SGPS, S.A. (previously called SC Assets, SGPS, S.A.)
- Member of the Board of Directors of Sopair, 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 Complementary Grouping of Companies (Agrupamento Complementar de Empresas) Soternix - Produção de Energia, ACE
- 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 Spred, SGPS, SA
- Member of the Board of Directors of The Artist Porto Hotel & Bistro - Actividades Hoteleiras, 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. (previously called Imoareia - Investimentos Turísticos, S.A.)
- Member of the Board of Directors of Aqualuz Troia - Exploração Hoteleira e Imobiliária, S.A. (previously called Troiaverde - Exploração Hoteleira e Imobiliária, 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 Vistas do Freixo - Empreendimentos Turísticos, S.A.
- Member of the Board of Directors of The Artist Ribeira - Actividades Hoteleiras, S.A.
- Member of the Board of Directors of QCE - Desenvolvimento e Fabrico de Equipamentos, S.A.
- Member of the Management Body of Carvemagere, Manutenção e Energias Renováveis, Lda.
- Member of the Management Body of Companhia Térmica Tagol, Unipessoal, Lda.
- Member of the Management Body of C.T.E. - Central Termoeléctrica do Estuário, Unipessoal, Lda.
- Member of the Management Body of Enerlousado - Recursos Energéticos, Unipessoal, Lda.
- Member of the Management Body of Ronfegen - Recursos Energéticos, Unipessoal, Lda.
- Member of the Management Body SC For - Serviços de Formação e Desenvolvimento de Recursos Humanos, Unipessoal, Lda

Main Professional activities of the last five years:

- Since 2012 - Chief Financial Officer, Sonae Capital Group
 - 2007-2012 - Head of Corporate Finance, Sonae Capital Group
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António Monteiro de Magalhães

Chairman of the Fiscal Board of Sonae Capital, SGPS, S.A.

Education: ▪ Graduation in Economics - Faculdade de Economia da Universidade do Porto (1969)

Positions held in Group Companies: -

Positions held in Other Companies: ▪ Managing Partner of António Magalhães & Carlos Santos - SROC (since the company was founded, in 1989)
▪ Chairman of the Fiscal Board of Nexponor - Sociedade Especial de Investimento Imobiliário de Capital Fixo - SICAFI, S.A.
▪ Member of the Fiscal Board of the following companies:
 ▪ Montepio Holding, SGPS, S.A.
 ▪ Montepio Investimento, S.A.
 ▪ Cin - Corporação Industrial do Norte, S.A.

Main Professional activities in the last five years: ▪ Chairman of the Superior Council of Ordem dos Revisores Oficiais de Contas in mandates of 2012/2014 and 2015/2017
▪ Chairman of the Board of the Shareholders' General Meeting of Ordem dos Revisores Oficiais de Contas in mandate of 2009/2011

Manuel Heleno Sismeiro

Member of the Fiscal Board of Sonae Capital, SGPS, S.A.

Education: ▪ Bachelor degree in Accounting, ICL, Lisboa (1964)
▪ Graduation in Finance, ISCEF, Lisboa (1971)

Positions held in Group Companies: -

Positions held in Other Companies: ▪ Chairman of the Fiscal Board of the following companies:
 ▪ Sonae Indústria, SGPS, S.A.
 ▪ OCP Portugal - Produtos Farmacêuticos, S.A.
 ▪ BBI - Banif Banco de Investimentos, S.A.

▪ Member of the Fiscal Board of Sonae, SGPS, S.A.
▪ Chairman of the Board of the Shareholders' General Meeting of Segafredo Zanetti (Portugal) - Comercialização e Distribuição de Café, S.A.

Main Professional activities in the last five years: ▪ Since 2008 - Advisor, namely on matters of internal audit and internal control

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Carlos Manuel Pereira da Silva

Member of Fiscal Board of Sonae Capital, SGPS, S.A.

Education: ▪ Graduation in Economics - Faculdade de Economia da Universidade do Porto (1978)

**Positions held
in Group
Companies:** -

**Positions held
in Other
Companies:** -

**Main
Professional
activities in the
last five years:** ▪ Since 2010 - Statutory Auditor and Managing Partner at Magalhães, Carlos Silva & Associados, SROC, Lda.

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Corporate Governance Report

(Translation from a Portuguese Original)

Declaration of the Remuneration Committee about the Remuneration and Compensation Policy for statutory governing bodies and to key management staff (“dirigentes”) of the Company

ATTRIBUTION PLAN OF SONAE CAPITAL SHARES

(Medium term variable bonus - MTVB)

Characteristics and Regulation

1. Characteristics of MTVB

MTVB is one of the components of Sonae Capital’s Remuneration and Compensation Policy. This component is distinct from others due to its restrictive and volunteer nature, with attribution conditional to the eligibility rules described in this document.

MTVB allows participants to share with shareholders value created, through their direct intervention in strategy definition and business management, based on the result of the annual performance evaluation.

2. Scope of MTVB

MTVB aims to align executive directors’ interests with the objectives of the organisation, strengthening their commitment and the perception of the importance of their performance to Sonae Capital’s success, reflected in the market capitalisation of the share.

3. Eligibility

Executive directors of Sonae Capital, SGPS, SA and companies in domain relationship are eligible for the attribution of the MTVB.

In accordance with the remuneration policy approved by the Board of Directors, employees who, through that policy, are entitled to the Plan, are also eligible to the attribution of MTVB.

Eligible Members	Reference Value of medium term variable bonus (% of total variable remuneration set as objective)
Sonae Capital’s Executive Directors	At least 50%
Businesses’ Executive Directors	At least 50%
Employees	Terms to be defined by each Company’s Board of Directors

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4. Duration of MTVB

MTVB is set on an annual basis, for a period of three years. From the beginning of the third consecutive plan, in each moment, three plans with three year duration will coexist.

5. MTVB reference amount

The MTVB is valued at the date of attribution using prices which represent the price of the share, in the Portuguese stock market, considering for this effect the most favourable of the following: closing share price of the first day of trading after the General Meeting of Shareholders or the average closing share price (regarding the thirty-day period of trading prior to the General Meeting of Shareholders).

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. Such right can be exercised three years after attribution, which will be adjusted, through the deferral period by the completion level of long term KPIs, in order to ensure the continued alignment with the long term business sustainability objectives.

Aiming to ensure a policy that strengthens the alignment of executive directors with the company's long term objectives, the Remuneration Committee can, at its sole discretion, determine an executive director's co-payment in the acquisition of shares, which will correspond to a percentage of the share price, up to 5% of its share price at the date of the share transmission.

If dividends are distributed, changes in the nominal value of shares or in the share capital of the company occur or any other change in equity with impact in the economic value of attributed rights, after the granting date and before its exercise, the amount converted in shares will be adjusted to an equivalent figure considering the effect of the mentioned changes.

6. Delivery by the Company

On the vesting date of the MTVB plan, the company reserves the right to settle in cash, equivalent to the market value as at the date of the respective delivery, instead of shares.

7. Due date of MTVB

The right to acquire shares granted via MTVB expires three years after its attribution.

8. Conditions to exercise acquisition rights

The right to exercise acquisition rights of shares granted under MTVB plans 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 payment is made to the member himself or to his/her heirs on the vesting date.

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

The current policy is extensive to all active plans regarding which shares have not yet been transmitted.