

PROPOSAL FROM THE STATUTORY AUDIT BOARD OF SONAE – SGPS, S.A. FOR THE ELECTION OF THE STATUTORY EXTERNAL AUDITOR FOR THE REMAINDER OF THE CURRENT MANDATE OF 2015-2018 (Agenda Item no. 4 of the Shareholders’ General Meeting to be held on the 3rd May 2018)

Considering that:

- (i) Pursuant to the set forth in articles 420, paragraph 2, subparagraph b), and 446, paragraph 1, both from the Portuguese Companies Act, the Statutory Audit Board of Sonae - SGPS, S.A. (“Sonae SGPS” or the “Company”) has the competence to propose to the Company’s Shareholders’ General Meeting the election of the Statutory External Auditor;
- (ii) Article 54.º, paragraph 3, of the New Statute of the Statutory Auditors Association (NEOROC), Law no. 140/2015, of 7 September, establishes that, in public interest entities, the maximum period of functions of the Statutory External Auditor is 2 or 3 mandates, depending on the mandates being of 4 or 3 years, respectively, without prejudice to paragraph 4 of article 54 of such Law, that establishes the possibility of the maximum period to be exceptionally extended to a maximum of ten years, provided that such extension is approved by the Shareholders’ General Meeting, based on a proposal presented by the Statutory Audit Board;
- (iii) The current Statutory External Auditor - Deloitte & Associados – SROC, S.A. (“Deloitte”) – was elected on 2011, for the first time under the Law no. 140/2015 for the mandate 2011-2014, having been reelected for the mandate of 2015-2018;
- (iv) In the subsidiary Sonae Investimentos, Deloitte was elected for the mandates of 2010-2013 and 2014-2017, reaching the maximum period of functions, becoming necessary its replacement;
- (v) Since Sonae Investimentos is an important part of Sonae SGPS’ financial statements, it is necessary the replacement of Deloitte also in Sonae SGPS;
- (vi) In compliance with the applicable law and its own policy, the Statutory Audit Board has complied with the set forth in subparagraph f), paragraph 3, of article 3 of the Audit Supervision Law no. 148/2015 and of article 16 of (EU) Regulation no. 537/2014, having organised an enlarged selection bid, independent of any external influence and free of any contractual clause of the type mentioned in no. 6 of that law;
- (vii) Deloitte, represented by Nuno Miguel dos Santos Figueiredo, has presented his resignation as Statutory External Auditor of Sonae SGPS.

Selection process:

On the selection process, promoted and supervised by the Statutory Audit Board, were invited to participate several External Audit Companies with national and international competence and reputation, present in the market for several years.

For such purpose, the Statutory Audit Board has previously established the criteria of selection and its respective weighting, which imposed a detailed evaluation of several items to be presented by the candidates: resources and coordination capacity, quality and work field effort, type, quantity and lead-time of reports issued, tools of communications and cost of the services. The conclusions of the selection performed with such criteria were connected with the weights and complemented with the analyse imposed by paragraph 5 of article 54 of the NEOROC, regarding the existence of independence conditions of the Statutory External Auditor and the advantages and costs of its replacement.

Independence conditions:

The Statutory Audit Board has also evaluated the independence conditions of the candidates to the bid.

The bid candidates have demonstrated to been acting free of any pression, influence or interest, grounding their behaviour on the fulfilment of the rules of conduct imposed to their functions, as well as, in the economic side, it has not been identified the existence of threats to their independence, resulting from of the weight of fees received from the Company and its group in the total of fees received by Deloitte from their services revenues.

Having regard all the aforementioned, the Statutory Audit Board of the Company proposes to the Shareholders' General Meeting the approval of:

1. The election of PricewaterhouseCoopers & Associados – Sociedade de Revisores de Contas, Lda. (SROC nº 183), represented by Hermínio António Paulos Afonso (ROC nº 712) or by António Joaquim Brochado Correia (ROC nº 1076), as the Company's Statutory External Auditor for the remainder of the current mandate;
2. The election of Joaquim Miguel de Azevedo Barroso (ROC nº 1426) as Alternate Statutory External Auditor for the remainder of the current mandate.

Or alternatively, considering the set forth in article 3, paragraph 3, subparagraph f), of Audit Supervision Law and in article 16, paragraph 2, of (EU) Regulation no. 537/2014, and considering that only two external audit companies have responded to the bid,

3. The election of KPMG & Associados SROC, S.A. (SROC nº 189), represented by Inês Maria Bastos Viegas Clare Neves (ROC nº 967), as Statutory External Auditor for the remainder of the current mandate;

4. The election of Paulo Alexandre Martins Quintas Paixão (ROC nº 1427) as Alternate Statutory External Auditor for the remainder of the current mandate.

Bearing in mind the above mentioned options, and in compliance with the set forth in subparagraph f) of paragraph 3 of article 3 of Law 148/2015, as well as in paragraph 2 of article 16 of (EU) Regulation no. 537/2014, the Statutory Audit Board hereby recommends the election of PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., (CPA no. 183), represented by Hermínio António Paulos Afonso (ROC nº 712), or by António Joaquim Brochado Correia (ROC nº 1076), as Statutory External Statutory Auditor, and the election of António Joaquim Brochado Correia (ROC nº 1076) as Alternate Statutory External Auditor, in both cases for the remainder of the current mandate 2015-2018. Such recommendation is grounded by the fact that, considering the overall selection criteria adopted in the consultation period, between the two options above mentioned, the option recommended obtained the highest score.

In compliance of article 289, paragraph 1, subparagraph d), of the Portuguese Companies Act, attached to this proposal is the information legally required regarding each of the persons mentioned above.

Maia, 26th March 2018

The Statutory Audit Board

Daniel Bessa Fernandes Coelho

Manuel Heleno Sismeiro

Maria José Martins Lourenço da Fonseca