

*(Translation from the Portuguese original)*

Chairman of the Board of the Shareholders'  
General Meeting of SONAE INDÚSTRIA, SGPS,  
S.A.

**Item no. 1**

**PROPOSAL**

We propose that the Annual Report, the individual and consolidated Accounts and respective annexes, for the year 2019, are approved as presented.

On behalf of the Board of Directors,

*(Translation from the Portuguese original)*

Chairman of the Board of the Shareholders'  
General Meeting of SONAE INDÚSTRIA, SGPS,  
S.A.

## **Item no. 2**

### **PROPOSAL**

In accordance with applicable legal and statutory terms, the Board of Directors proposes to the Shareholders' General Meeting that the negative results of -3,325,639.03 euros in Sonae Indústria, SGPS, SA 2019 individual accounts be transferred to retained earnings.

It also proposes that the referred amount of -3,325,639.03 euros is fully covered by free reserves.

On behalf of the Board of Directors,

# EFANOR INVESTIMENTOS, SGPS, S.A.

*(Translation from the Portuguese original)*

The Chairman of the Board of the  
Shareholders' General Meeting,  
Sonae Indústria, SGPS, S.A.,  
Lugar do Espido, Via Norte,  
4470-177 Maia

## Item no. 3

### **PROPOSAL**

We propose a vote by shareholders to express our appreciation for and confidence in the management and supervision bodies of the company.

On behalf of the Board of Directors,

# COMISSÃO DE VENCIMENTOS DA SONAE INDÚSTRIA, SGPS, SA

*(Translation from the Portuguese original)*

The Chairman of the Board of the  
Shareholders' General Meeting,  
Sonae Indústria, SGPS, S.A.,  
Lugar do Espido, Via Norte,  
4470-177 Maia

## Item no. 4

### **PROPOSAL**

The Shareholders' Remuneration Committee proposes the approval of the following statement on the remuneration and compensation policy to be applied to the Company's Statutory Governing Bodies and to "Persons Discharging Managerial Responsibilities" ("Dirigentes" - hereinafter "Senior Management"):

#### **1. Principles of the Remuneration and Compensation Policy:**

The remuneration and compensation policy to be applied to the Statutory Governing Bodies of Sonae Indústria and other Senior Management complies with European guidelines, the Portuguese law and the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) released in 2018, under the terms agreed between IPCG and the Stock Market Commission (CMVM), and is based on the understanding that initiative, competence and commitment are the essential foundations for good performance and that the latter should be aligned with the medium and long term interests of the Company, in order to achieve its sustainability.

In the definition of the remuneration and compensation policy of members of the Company's statutory bodies, the main objective is to seize talent with high performance level, which represents a relevant and material contribution to the sustainability of the Company's businesses. The remuneration policy is set out based on comparisons made with market and practices of comparable companies and with information collected by market studies prepared by specialised consultants in Portugal and other European countries, in particular those prepared by Hay Group. With that in mind, the remuneration parameters of statutory bodies are set and periodically reviewed in accordance with remuneration practices of comparable national and international companies, aligning, the maximum target amounts to be paid to members of the statutory bodies with market practices, both in individual and aggregate

terms, differentiating on an individual and positive manner the members of statutory bodies according to, amongst others, the respective profile and curriculum, the nature and job description and the responsibilities of the relevant statutory body and of the member itself, and the direct correlation degree between individual performance and businesses performance.

To determine the global market reference values, it is considered the average of values applicable to top management in Europe. The companies considered as peers for remuneration purposes are those included in the group of companies which are listed in Euronext Lisbon, and the maximum potential amounts to be paid to members of the statutory bodies are the following, according to market references:

<b>Board of Directors</b>	<b>Components</b>		<b>Market Positioning</b>	<b>Circumstances in which the amounts are due</b>
<b>Executive Directors</b>	Fixed	<i>Base Remuneration</i>	<i>Median</i>	<i>N/A</i>
	Variable	<i>Short Term Variable Component</i>	<i>Third quartile</i>	<i>Compliance with objective and subjective KPIs</i>
		<i>Medium Term Variable Component</i>		<i>Compliance with objective KPIs</i>
		<i>Long Term Variable Component</i>		<i>Compliance with objective KPIs</i>
<b>Non-Executive Directors</b>	Fixed	<i>Remuneration</i>	<i>Median</i>	<i>N/A</i>
<b>Statutory Audit Board</b>	Fixed	<i>Remuneration</i>	<i>Median</i>	<i>N/A</i>
<b>Statutory External Auditor</b>	Fixed	<i>Remuneration</i>	<i>Median</i>	<i>N/A</i>

The fixed remuneration of the Directors is determined in relation to their level of responsibility, being subject to annual review and is placed in the median position in comparable circumstances.

Besides the fixed remuneration, the executive directors participate on an incentives plan, with a variable component, which is divided in three elements, one of short term, one of medium term and another of long term nature. The total remuneration is positioned in the median position, in respect to the fixed remuneration, in the third quartile in respect to the variable component, and the total remuneration is positioned between the median and the third quartile in comparable circumstances.

The fixed remuneration and the incentives plan are set out by the Shareholders' Remuneration Committee in coordination with the Board Nomination and Remuneration Committee.

The incentives plan, awarded to executive directors, is subject to maximum percentage limits and is determined by pre-established and measurable performance criteria - performance indicators - agreed with each executive director for each financial year.

This incentives plan is established based on a set of performance indicators at business level, mainly of economic and financial nature, also referred to as "Key Performance Indicators of Business Activity" (or Business KPIs), and also at individual level, referred to as "Personal Key Performance Indicators" (or Personal KPIs).

The content of the performance indicators and their specific weight in determining actual remuneration awarded ensure the alignment of executive directors with the strategic objectives defined for the organisation and the compliance with the laws that apply to the Company's activities.

The award of the incentives plan is based on an individual performance assessment, which is made by the Shareholders' Remuneration Committee, in coordination with the Board Nomination and Remuneration Committee. This assessment takes place after the results of the Company are known.

Thus, for each financial year, an evaluation is made of business activity and of the performance and individual contributions to the collective success, which, obviously, impacts the awards of the fixed and variable components of the remuneration package of each executive director.

In applying the Remuneration and Compensation Policy consideration is given to roles and responsibilities performed in affiliated companies.

The Company's Remuneration and Compensation Policy incorporates the principle of not contemplating any compensation to members of the Board of Directors, or to members of other Statutory Governing Bodies, related with the termination of a mandate, whether such termination occurs at the end of the respective mandate, or there is an early termination for any reason or on any basis, without prejudice of the Company's obligation to comply with the applicable law.

The Remuneration and Compensation Policy does not include any additional benefits, particularly retirement benefits, in favour of the members of the governing bodies or other "Senior Management", without prejudice of the Shareholders' Remuneration Committee having the option to proceed with the payment of part of the amounts due through the attribution of retirement saving plans.

To ensure the effectiveness and transparency of the objectives of the Remuneration and Compensation Policy, the executive directors have not, and will not, enter into agreements with the Company or third parties that have the effect of mitigating the risk inherent in the variability of their remuneration awarded by the Company.

**2. To implement the principles set out above, the remuneration and compensation of the Company's Statutory Governing Bodies shall respect the following rules:**

**Executive Directors (EDs)**

The remuneration and compensation policy for the executive directors includes, in its structure, control mechanisms, taking into account the connection to personal and collective performance, to prevent behaviours that involves excessive risk-taking. This objective is also reinforced by the fact that each Key Performance Indicator is limited to a maximum value.

The remuneration of EDs normally includes two components: (i) a fixed component, which includes a Base Remuneration paid with reference to one year period (remuneration is paid in 12 months) and an annual responsibility allowance, (ii) a variable component which comprises three elements, (ii.1) a first element of Short Term, awarded in the first half of the year following the year to which it relates (the "Performance Year"), subject to the accomplishment of the objectives fixed for the Performance Year, paid immediately after its award, (ii.2) a second element of Medium Term, awarded in the first half of the year to which it relates, subject to the accomplishment of the objectives in each of the three years until its payment after a 3 years deferral period, and (ii.3) a third element of Long Term, awarded in the first half of the year following the year to which it relates, subject to the accomplishment of the objectives fixed in each of the following five years and paid five years after its award.

(i) The fixed component of the remuneration (FR) of the EDs is based on the personal competences and level of responsibility of the function exercised by each ED and is reviewed annually. Each ED is attributed a classification named internally as Management Level ("Grupo Funcional"). EDs are classified under one of the following Management Levels: "Group Leader", "Group Senior Executive" and "Senior Executive". The Management Levels are structured according to Hay's international model for the classification of corporate functions, thereby facilitating market comparisons as well as helping to promote internal equity.

(ii) The variable component of the remuneration (VR) is designed to motivate and reward the EDs to achieve predetermined objectives and to reinforce the alignment of the EDs with the shareholders' interests and to increase their awareness for the importance of their performance in a sustainable manner on the overall success of the organisation. These objectives should be based on indicators of Company performance, of the working teams under their responsibility and of their own personal performance. This variable component will be awarded after the annual accounts are closed and after their performance evaluation has been completed.

(a) The Short Term Variable Bonus

The target value of the Short Term Variable Bonus (STVB) equals, the maximum, to 1/3 of the target value of the total variable component.

The amount of the variable bonus of EDs without a specific geographic responsibility is based on the Company consolidated KPI's, resulting 40% from the Operational Cash Flow, 20% from Departmental KPI's, of which one is from Fixed Costs (10%) and the remainder to be approved by the Shareholders' Remuneration Committee and 10% from continuous improvement performance indicators also to be approved by the Shareholders' Remuneration Committee, and based on individual KPI's with a 30% weight.

Regarding EDs with geographic responsibility, the calculation is similar to the previously described but the Company's consolidated Operational Cash Flow has a weight of 10%, the weight of the relevant geography represents the 40%, allocated as follows: (i) 30% to the EBITDA; (ii) 5% to Working Capital and (iii) 5% to Fixed Costs; 20% depend on continuous improvement performance indicators, namely related to the performance of the working teams under the responsibility of the ED, approved by the Shareholders' Remuneration Committee and the weight of Individual KPI's is also 30%.

(b) The Medium Term Variable Bonus (Deferred for 3 years)

The Medium Term Variable Bonus (MTVB), that equals, the maximum, to 1/3 of the target value of the total variable component, is designed to reinforce the alignment of the EDs with the strategic objectives of the company and the interests of the shareholders. The payment of the amount awarded is deferred for 3 years and adjusted proportionally in the year to which it relates and in the following two years, in the portion of one third in each year.

For the EDs without a specific geographic responsibility, the indicators to be used are ROEC (40%), the achievement of the business strategic objectives in Canada (25%), the achievement of the transformation process of the laminates & components business (15%) and Individual KPI's (20%), registered in the year of the adjustment.

For the EDs with geographic responsibilities, the indicators to be used are ROEC (50%) and the achievement of the business strategic objectives (50%), which include the sales percentage of value-added products, the increase of the utilization capacity and the general assessment.

(c) The Long Term Variable Bonus (Deferred for 5 years)

The Long Term Variable Bonus (LTVB) is designed to increase the awareness of the importance of performance in a sustainable manner on the overall success of the organisation. The maximum amount of this bonus in euros is equal to the Short Term Variable Bonus awarded, will be deferred for a 5 years period and will only be due if the company registers consolidated profits in all years during the deferred period and if such profits are, in each year, in an amount equal or higher than 20% of the consolidated Shareholders' Funds registered in the beginning of the year they respect to.

Considering all the elements of short, medium and long term of the variable component, the target values set in advance range between 50% and 70% of the total annual remuneration (fixed remuneration and variable component target value).

In respect to the calculation of the results and in respect to the Short Term Variable Bonus and the Medium Term Variable Bonus the total value to be received is limited to the minimum 0% and the maximum of 250% of the target previously defined for such variable components.

The payments may be made by any of the forms of termination of an obligation as set forth in the law and in the Company's articles of association, at the Shareholders' Remuneration Committee criteria, who may, namely, at its free criteria, fix the receipt of any of the parts of the variable

component through the sale at discount of shares of Sonae Indústria, SGPS, S.A.. Such discount corresponds to a contribution to the acquisition of shares that will be supported by the persons to whom variable component remuneration was awarded, which shall correspond to a percentage of the trading price of the shares, at the date of the share transmission, up to a maximum percentage of 5% of such value.

The right of receipt of the deferred parts of the variable component remuneration expires if the contractual link between the member and the company ceases before its vesting date.

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

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

### **Non-Executive Directors**

The remuneration of the Non-Executive Members of the Board of Directors (NEDs) is based on market comparable and is structured as follows: (1) a Fixed Remuneration (of which approximately 15% depends on attendance at Board of Directors and Board Committee meetings); (2) an Annual Responsibility Allowance. Fixed Remuneration may be increased by up to 5% for those NEDs serving as Chairman of any Board Committee. There is no remuneration as variable bonus.

### **Statutory Audit Board (“Conselho Fiscal”)**

The remuneration of the members of the Company’s Statutory Audit Board is based exclusively on fixed amounts and includes an Annual Responsibility Allowance. The levels of remuneration are determined by taking into consideration the Company’s situation and by benchmarking against the market.

### **Statutory External Auditor**

The Company’s Statutory External Auditor is remunerated in accordance with normal fee levels for similar services, benchmarked against the market, under the supervision of the Statutory Audit Board and the Board Audit and Finance Committee.

### **Board of the Shareholders’ General Meeting**

The remuneration of the members of the Board of the Shareholders’ General Meeting corresponds to a fixed amount based on the Company’s situation and benchmarked against the market.

### **Senior Management**

Under the terms of Paragraph 25) of number 1 of Article 3º of the (EU) Regulation no. 596/2014, dated 16 of April, in addition to the members of the Statutory Governing Bodies mentioned above, Senior Management also includes top management who have regular access to Privileged Information relating direct or indirectly to the Company and have the power to take managerial decisions affecting the future developments and business prospectus of the Company.

The remuneration policy applicable to other individuals who, under the terms of the law, are considered to be Senior Management, shall be equivalent to the one adopted for other managers with the same level of function and responsibility, without awarding of any additional benefits other than those inherent to the respective Management Level.

The executive directors of Sonae Indústria's subsidiary companies are also eligible to be awarded the variable component, as well as and in accordance with the remuneration policy approved by the Board of Directors, the employees who are entitled to the incentives plan in the scope of that policy.

### 3. To comply with Recommendation V.2.3 of the Corporate Governance Code, the Company further informs:

3.1. The remuneration of the Company's directors in 2019 was the following:

<b>Executive Directors</b>	Total Fixed Remuneration*	STVB*	MTVB*	LTVB*	Total*	Ratio Fixed Remuneration/ Variable Remuneration
George Christopher Lawrie	251.600,00	118.745,00	125.000,00	118.745,00	614.090,00	41%-59%
Louis Brassard**	199.561,55	112.688,24	96.340,05	112.688,24	521.278,08	38%-62%%
<b>Non-Executive Directors</b>						
Duarte Paulo Teixeira de Azevedo	51.800	-	-	-	51.800	
Carlos António Rocha Moreira da Silva	31.700	-	-	-	31.700	
Albrecht Olof Luther Ehlers	28.300	-	-	-	28.300	
Berta Maria Nogueira Dias da Cunha	28.700	-	-	-	28.700	
Isabel Sofia Bragança Simões de Barros	24.700	-	-	-	24.700	
Javier Vega de Seoane Azpilicueta	54.890	-	-	-	54.890	
é Joaquim Romão e Sousa	700				700	

\* Values in Euros

\*\*Values in Euros which corresponds to the amounts paid in Canadian Dollars by the Company's subsidiary Tafisa Canada, Inc.

In the definition of total remuneration, the Company's Shareholders' Remuneration Committee applied, in a regular and ordinary manner, the principles and rules of the Remuneration and Compensation Policy of the Statutory Governing Bodies and Senior Management approved at the Shareholders General Meeting held on 29 April 2019, as detailed below (to the extent that the contents of the current proposal is considered a renewal of such principles and rules, we refer to the relevant sections of the present proposal, for the purpose of optimizing the reading):

- a) The fixed remuneration awarded to the Board members is the median of the market values and takes into account the level of responsibility of the respective Board member, as mentioned in section 1 above.
- b) The non-executive directors were not awarded any variable remuneration, according to section 2 above.
- c) The STVB corresponds to the performance of the executive directors according to the terms of paragraph a), item (ii) of section 2, and includes the weighing of the achievement of the individual and business KPIs previously defined, according to the terms of such section, after the results of the company are closed and the performance appraisal is carried out.
- d) The MTVB was awarded in accordance with paragraph b) of item (ii) of section 2 and its payment is deferred for three years and adjusted proportionally in the year to which it relates and in the following two years, in order to align the executive directors interests with the Company's strategic objectives and the shareholders' interests.
- e) The LTVB was awarded in accordance with paragraph c) item (ii) of section 2 and its payment is deferred for five years and is due only if the Company registers positive consolidated results in every year of the deferral period and if, in each year, those results are equal or above 20% of the consolidated Shareholders' Funds.
- f) There are no agreements that determine the award of compensations to the Board members related with the termination of a mandate or that consider the possibility of requesting the refund of a variable remuneration, without prejudice of the Company's obligation to comply with the applicable law.

3.2 The remunerations awarded by Group subsidiaries are identified on the table of paragraph 3.1 above.

The Shareholders' Remuneration Committee,

# EFANOR INVESTIMENTOS, SGPS, S.A.

*(Translation from the Portuguese original)*

Chairman of the  
Board of the Shareholder's General Meeting of  
Sonae Indústria, SGPS, S.A.,  
Lugar do Espido, Via Norte,  
4470-177 Maia

## Item no. 5

### **PROPOSAL**

It is hereby proposed to amend the remuneration policy of the members of the Shareholders Remuneration Committee previously approved, so that all its members who do not integrate any other statutory governing bodies of the proponent or any companies held, direct or indirectly, by the proponent are awarded the annual remuneration already approved of 5,000 euros.

On behalf of the Board of Directors,

*(Translation from the Portuguese original)*

Chairman of the Board of the Shareholders' General Meeting of SONAE INDÚSTRIA, SGPS, S.A.

## **Item no. 6**

### **PROPOSAL**

We propose to decide to authorise the Board of Directors on:

- a) acquiring, during the following eighteen months, shares that represent the company's share capital, in Regulated Market and/or outside Regulated Market if the seller is a directly or indirectly controlled company, by an amount not lower than the average of the ten share market prices prior to the acquisition date deducted by 50% per share and not higher than the average ten share market prices prior to the acquisition date added by 10% per share, under the legal limit of 10% of the company's share capital (no. 2 of Article 317 of the Companies Code), being included in such limit the company's shares acquired by companies that are controlled by this company;
- b) selling, during the following eighteen months and under the legal terms, a minimum amount of one hundred shares that represent the company's share capital, in Regulated Market and/or outside Regulated Market if the purchaser is a directly or indirectly controlled company, by an amount not lower than the average of the ten share market prices prior to the selling date deducted by 10% per share.

Furthermore, we propose the Board of Directors to be authorised to decide on the opportunity of such transactions – which may revert the form of sale or allocation of shares to directors or staff of the company or any controlled companies or companies within the same group, under the exact terms of the respective policy – always considering the market conditions, the company's interest and the interest of its shareholders, and, when applicable, the rules set forth by (EU) Regulation no. 596/2014, of the European Parliament and of the Council, of 16 of April.

On behalf of the Board of Directors,

*(Translation from the Portuguese original)*

Chairman of the Board of the Shareholders' General Meeting of SONAE INDÚSTRIA, SGPS, S.A.

**Item no. 7**

**PROPOSAL**

According to no. 2 of Article 325-B of the Companies Code, we propose to decide to authorise the acquisition and holding of own shares of this company by companies that at the purchase date are directly or indirectly controlled by this company, under the terms of Article 486 of the Companies Code.

Those acquisitions may be performed during the following eighteen months, in Regulated Market and/or outside Regulated Market if the seller is this company or a directly or indirectly controlled company, by an amount not lower than the average ten share market prices prior to the acquisition date deducted by 50% per share and not higher than the average ten share market prices prior to the acquisition date added by 10% per share, under the legal limit of 10% of the company's share capital, being included in such limit the company's shares directly acquired by the company.

The acquisition hereby authorised must be implemented by the Board of Directors of those companies, considering the respective needs, namely the sale or allocation of shares to directors and staff under the respective policy, as well as the market conditions, the company's interest and the interest of its shareholders, and, when applicable, the rules set forth by (EU) Regulation no. 596/2014, of the European Parliament and of the Council, of 16 of April.

On behalf of the Board of Directors,