

# Remuneration Committee of Sonae Indústria, SGPS, S.A.

*(Translation from the Portuguese original)*

The Chairman of of the Board of the General Meeting  
SONAE INDÚSTRIA, SGPS, S.A.  
Lugar do Espido,  
Via Norte,  
Maia

Maia, 28 March 2008

Proposal no. 11

Considering the need to make some amendments to the Compensation Policy applicable to the Statutory Bodies of Sonae Indústria, the Remuneration Committee proposes to approve the following new policy:

The Compensation Policy to be applied to the Statutory Bodies of Sonae Indústria, which we hereby propose, is based upon the understanding that initiative, effort and commitment are the essential foundations for delivering good performance. That is why we should aim to assess and measure each individual's activity, performance and contribution to our organisation's success on an annual basis, and then use this information to decide the variable remuneration and other compensation to be attributed to each individual.

## Executive Board Members

We propose that the compensation policy for the Executive Members (EDs) includes: (i) a fixed component, which includes an Annual Salary paid in reference to one year period (salaries are paid 12 months), an Annual Responsibility Allowance and a package of benefits linked to level of responsibility, (ii) a variable "Annual Performance Bonus", which is paid during the first quarter of the following year, and (iii) a discretionary variable third component, attributable on the first quarter of the following year, as a deferred performance bonus under the Medium Term Incentive Plan, which vests on the second anniversary of the attribution date.

(i) Individual compensation packages will be defined as a function of the level of responsibility of each ED and will be reviewed annually. Each ED is attributed a Sonae Indústria Management Level named "Grupo Funcional" ("GF" or "G"). Sonae Indústria's EDs are normally "Senior Executive" (G2), being attributed to the CEO the level "Group Senior Executive" (G1). Sonae Indústria Management Levels are applied in a similar way across all Efanor Group and are related to Hay's international model for the classification of corporate functions, thereby facilitating market comparisons, as well as helping to promote internal equity. The compensation packages to be awarded to EDs will be benchmarked using market surveys of the compensation of Portuguese and European top executives, with the aim of setting fixed remuneration close to the median and total compensation close to the third quartile in comparable circumstances;

(ii) Annual Performance Bonuses will be aimed at rewarding the achievement of certain pre-defined annual objectives, which are linked to both "Key Performance Indicators of Business Activity" (Business KPIs) and "Personal Key Performance Indicators" (Personal KPI's). The target amounts attributed will be based on a percentage of the fixed component of the compensation package, which will range between 40% and 60%. Business KPIs, which include economic and financial indicators, will be based on approved budgets, individual business unit performance as well as the performance of our Group as a whole, will derive 70% of the Annual Performance Bonus and are objective indicators. The remaining 30% of the Annual Performance Bonus will derive from Personal KPI's, with emphasis on subjective indicators.

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Actual amounts paid will be based on the real performance achieved or assessed and can represent anything from 0% to 120% of the target amount attributed;

(iii) The Medium Term Incentive Plan will be aimed at enhancing the loyalty of EDs, aligning their interests with shareholders, and increasing their awareness of the importance of their performance on the overall success of our organisation. Currently, the objective values are defined as a percentage of the target Annual Performance Bonus. For Executive Directors, such amounts represent between 50% and 100% of the target Annual Performance Bonus. The attributed amounts derive from one or more KPIs, aligned with value creation to shareholders and are similar for all EDs.

### Non-Executive Board Members

We propose that the remuneration of the Non-Executive Members (NEDs) should be based on market comparables and be structured as follows: (1) a Fixed Remuneration (of which approximately 15% depends on attendance at meetings) is payable; and (2) an Annual Responsibility Allowance. No other variable remuneration of any kind is payable to NEDs. The Fixed Remuneration is increased by up to 6% for NEDs serving as Chairmanship of any Board Committee.

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

We propose that the remuneration of the members of the Company’s Statutory Audit Board should be based on fixed amounts. The fixed amounts should be based on the Company’s situation and the benchmarking to the market. The fixed remuneration includes an Annual Responsibility Allowance.

### Statutory External Auditor

We propose that the Company’s Statutory External Auditor should be remunerated in accordance with normal fee levels for similar services, benchmarked against the market, and negotiated on an annual basis, under the supervision of Statutory Audit Board and Board Audit and Finance Committee.

### Board of the Shareholders’ General Meeting

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

We furthermore propose that the compensation policy set out above is applied for the mandate of our Statutory Bodies currently in course, correspondent to 2006-2008.

On behalf of the Remuneration Committee,

Bruno Walter Lehmann

José Neves Adelino