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(Translation from the Portuguese original)

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

Item no. 5

PROPOSAL

Considering that according with 2016 accounts of the Company the shareholder's funds of the Company is of 253,296,156.58 Euros, thus evidencing the loss of more than half of the share capital, the Board of Directors proposes to decide on the reduction of the share capital of the Company from the current 812,107,574.17 Euros to 253,319,797.26 Euros, correspondent to a capital reduction in the amount of 558,787,776.91 Euros, under the following conditions:

- a) the reduction is intended to cover losses in the amount of 558,787,776.91 Euros evidenced in the Company's accounts;
- b) the reduction is performed without change of the existent number of shares, which do not have nominal value.

Moreover, in consequence of the share capital reduction, it proposes to amend the wording of number 1 of article 5th of the Company's Articles of Association as follows:

"Article Five

One - The share capital is of two hundred and fifty three million three hundred and nineteen thousand and seven hundred and ninety seven euros and twenty six cents, is fully subscribed and paid up."

It furthermore proposes to grant powers to any member of the Board of Directors to, individually, performed all actions necessary to the implementation and execution of the share capital reduction.

On behalf of the Board of Directors,

(Christopher Lawrie)

(Louis Brassard)