

GENERAL ANNUAL SHAREHOLDERS' MEETING

PROPOSALS FOR RESOLUTION

Sociedade Comercial Orey Antunes, S.A. (listed company)

**Registered Office: Rua Carlos Alberto da Mota Pinto, no. 17, 6th Floor, Parish of
Saint Isabel, Municipality of Lisbon**

Share Capital: 12,000,000.00 (twelve million euros)

**Registered under the Commercial Registry Office of Lisbon under sole identification
and tax payer number 500 255 342**

ITEM FIVE IN THE AGENDA

Sociedade Comercial Orey Antunes S.A.'s Compensation Committee hereby submits for consideration and approval from the respective General Shareholders' Meeting, convened on 30 June 2016 and with regard to item 5 in the agenda, the following schedule purporting to the compensation policy applicable to the members of the management and supervisory bodies.

Lisbon, 7 June 2015

The Compensation Committee



COMPENSATION POLICY FOR SOCIEDADE COMERCIAL OREY ANTUNES, S.A.

1. Context

The Compensation Committee (hereinafter referred to as “Committee”) understands that a compensation policy statement should be stable throughout all of the term (2013 – 2016) due to the nature of its set of principles, had it not occurred unforeseen or unpredictable circumstances which justify any amendments thereto.

As a result, it chooses to propose the approval of a statement valid through 2015 and 2016, notwithstanding the adaptation of this statement by the Compensation Committee to the new recommendations, given the changes to the compensation background as of the publication of the Corporate Governance Code in 2013 by the CMVM, which was almost entirely implemented by the Company.

The two most common possible definitions for the compensation of the corporate bodies are considerably apart from each other. On one side, there is the straight definition of compensation from the Assembly and, on the other side, the definition of compensation by a Committee which decides in accordance with criteria which the shareholders haven’t had the opportunity of commenting.

We have before us the midway solution of submitting for the consideration of the shareholders a statement on Compensation Policy to be executed by the Committee.

We should strive to seize the best of both solutions, which we intend to do with this document, resorting and replicating rules that have been followed in this context, while still attempting to contribute with the Company’s greater experience and knowledge and the respect for the latest legal provisions which are in force on the matter.

2. Legal regime and recommendations

This statement is currently governed by Law 28/2009, of 19 June, and the recommendations from the Portuguese Securities Market Commission set forth under the CMVM’s Corporate Governance Code.

As regards said legal statute, along with the provisions on the timeliness of the statement, its submission for approval at the annual General Shareholders’ Meeting and the disclosure of its contents, it also establishes that such contents should include information purporting to:

- a) The mechanisms which allow for the alignment of interests between the members of the management body and the Company;
- b) The criteria used in defining the variable component of the compensation;



- c) The existence of share allocation schemes or share purchase options by the members of the management and supervisory bodies;
- d) The possibility of the payment of the variable component of the compensation, if applicable, taking place, fully or partially, after the final accounts of the financial year for the entire mandate;
- e) The restriction mechanisms on variable compensation, in case the accounts indicate a relevant decline of the Company's performance regarding the last financial year accounted for or when such is expected for the current financial year.

In respect of the compensation framework, the Portuguese Securities Market Commission proposes the following:

The statement on the compensation policy of the management and supervisory boards, referred by article 2 of Law 28/2009, of 19 June, shall additionally maintain:

- a) The identification and explanation of the criteria used in determining the compensation owed to the members of the corporate bodies;
- b) Information pertaining to the maximum possible amount, both individually and in aggregate, payable to the members of the corporate bodies and the identification of the circumstances in which such maximum amounts are due;
- c) Information pertaining to the demandingness or not of the payments relating to the salary or termination of the director's functions.

3. Legal and statutory framework applicable to the Company

Any definition of compensation cannot forgo both the legal framework and the specificities contemplated in the Company's Articles of Association, whenever applicable.

The legal framework for the Board of Directors is mainly set forth by article 399 of the Portuguese Companies Code, thereby establishing the following:

- The fixing of compensations is attributed to the General Shareholders' Meeting or to a Committee appointed by it;
- Such fixing of compensations must take into consideration the activities carried out and the financial situation of the Company;
- The compensation may be fixed or partly consist of a percentage of the earnings of the financial year, but the maximum percentage attributable to the directors must be authorized in the provisions of the Company's Articles of Association and cannot derive from any portion of the earnings of the financial year which cannot, by law, be distributed to the shareholders.



For the Audit Board and the members of the Board of the General Shareholders' Meeting, the law provides that the compensation shall consist of a fixed amount, which is determined in the same manner by the General Shareholders' Meeting or by a Committee appointed by it, taking into consideration the activities carried out and the financial situation of the Company.

As far as the Articles of Association are concerned, in SCOA's case, there is a specific provision only for the Board of Directors, article 21(3), which sets forth that the General Shareholders' Meeting may resolve the implementation of a retirement scheme or retirement complement in benefit of the Directors with a consecutive or non-sequential term length exceeding six years.

Likewise, article 21(1) further establishes that the compensation of the Board of Directors may consist of profit sharing in the Company, so long as the total percentage does not exceed 15% of the distributable earnings for the financial year, even if approved since 2011 and still in effect the fact that such participation must be composed of an amount equivalent to 10% of the net consolidated profits.

4. General Principles

The general principles to take into consideration in the fixing of the compensation for the corporate bodies are essentially those which commonly derive from the law: on one side, the activities carried out and on the other side the financial situation of the Company. Should we add to those the general terms of the market for equivalent circumstances, we find those which appear to us to be the main three generic principles:

4.1 Activities carried out

One should note the activities carried out by each member of the corporate bodies, not only from a formal standpoint, but also in a wider sense as regards the functions effectively conducted and responsibilities pertaining thereto. Not all the Executive Directors rank equally among them, neither usually the members of the Audit Board for instance. The weighting of such activities must be undertaken in its broader sense and consider such diverse criteria as, for instance, the level of responsibility, the length of dedication or the added value for the company deriving from a certain type of intervention or institutional representation.

Also, the existence of activities carried out in other controlled companies must not be disregarded in said weighting, being deemed on one hand the increase in responsibilities and on the other hand an accrued source of income. The principle according to which the compensation must be increased in case the Director performs his/her duties in other controlled companies must be, nonetheless, minimized. In fact, as a general rule, the decision-making center and, thus, the responsibility for the management of the entire Group is located at the holding company. Also relevant is whether the concerned director is or is not also compensated by the controlled companies.



4.2 Financial situation of the Company

This criterion also needs to be understood and interpreted with care. The size of the Company and inevitable complexity of the management tasks is clearly one relevant aspect of the state of affairs understood in the broadest sense. The implications exist both in the need to compensate for a responsibility which is greater in larger companies, with more complex management models and in the capacity to appropriately compensate services.

4.3 Market criteria

The match between supply and demand is an unavoidable factor in defining any compensation policy, and Company officers are no exception to this. Only by conforming to market practices is it possible to retain professionals of the appropriate caliber to the complexity of the duties and the responsibilities to be undertaken, and thereby assure not only the interests of the officers but also those of the Company, and consequently of the shareholders.

5. Compliance with legal requirements and recommendations

Having described the general principles adopted, we shall now consider the issue of framing these principles within the relevant legal requirements.

5.1 Article 2(a) of Law 28/2009. Alignment of interests.

The first requirement that Law 28/2009 regards as essential in terms of the information in this statement is the description of the procedures which ensure that the directors' interests are aligned with those of the Company, encompassing the interests of shareholders and remaining investors, workers, suppliers and clients.

As such, the compensation system adopted in Sociedade Comercial Orey Antunes, S.A. should succeed in ensuring such alignment. Firstly, it is ensured that the compensation is fair and equitable in light of the principles set out, and, secondly, because it links the directors to results by means of a variable component, which is set primarily taking these results as a fundamental factor.

5.2 Article 2(b) of Law 28/2009. Criteria for the variable component.

Information on the criteria used to determine the variable component of the compensation is the second requirement established by the aforementioned legal statutes.

The Company's results are the most important factor in setting the variable compensation. Not the results seen as an absolute, independent value, but viewed from a critical perspective in light of what may be expected of a Company of this size and characteristics, and in view of the actual market conditions.



In setting the variable component, other factors are likewise considered, which form the basis of the general principles - market, specific duties, the state of the company's affairs - and that in many cases possess an individual component, associated to the specific title and performance of each Director.

5.3 Article 2(c) of Law 28/2009. Share or option plans.

The decision whether or not to provide share or option plans is structural in nature. The existence of such a plan is not a simple add-on to an existing compensation scheme, but rather an underlying change to the existing system, at least insofar as variable compensation is concerned.

Although a compensation scheme of this type is not incompatible with the Company's Articles of Association, we feel that the wording of the relevant provisions in the articles and the historical background to the existing system argue in favour of maintaining a global compensation scheme without any share or option component.

This is not to say that we see no merits in including a share or option component for the directors' compensation, nor that we would not be receptive to restructuring the directors' compensation to incorporate such a plan. However, such a component is not essential in order to promote the principles we sustain.

5.4 Article 2(d) of Law 28/2009. Date of payment of variable compensation.

Specialists in this field have sustained that there are significant advantages in partially deferring payment of the variable component of compensation to a future date, when the entire period corresponding to the term of office could in some way be appraised.

We accept this principle as theoretically sound, but its application should be mitigated in the specific case of Sociedade Comercial Orey Antunes S.A. and other similar companies.

One of the main arguments supporting this proposed alternative is that directors should be committed to achieving sustainable medium-term results, and that the compensation system should reflect this, avoiding a situation where compensation is pegged simply to one financial year, which may not be representative, and which may present higher profits at the cost of worse results in subsequent years.

Whilst this danger is real and is worth safeguarding against by means of systems such as this in companies where capital is completely dispersed and the directors may be tempted to maximize quick results by sacrificing long term potential, this does not correspond to the situation in a company such as Sociedade Comercial Orey Antunes, S.A., with a stable shareholder and managerial structure, where these concerns are inherently addressed. Notwithstanding, partial deferment will nonetheless be justified, insofar as other interests connected to the Company are taken into account which



should always be protected, namely those of investors, workers, suppliers and clients, among others.

5.5 Article 2(e) of Law 28/2009. Procedure limiting variable compensation.

This type of procedure is designed to limit variable compensation in the event that the results indicate a relevant decline of the Company's performance regarding the last financial year accounted for or when such is expected for the current financial year.

This mechanism also reflects a concern that a worthy short-term performance, which may boost directors' compensation, could be achieved at the cost of future performances.

5.6 Recommendation II.3.3(a). Criteria for setting compensation.

The criteria for setting the compensation for the Company's officers are those deriving from the principles set out under this chapter 5 and, specifically concerning the variable component of directors' compensation, those described under paragraph 2 thereof.

In addition to these criteria, there are no other pre-determined mandatory criteria for setting compensation, although the Executive Directors must undergo a performance appraisal, based on a system of KPIs, for the purpose of defining their variable compensation.

5.7 Recommendation II.3.3(b). Potential maximum value of compensation, on an individual and aggregate basis.

There are no numerical upper limits on compensation, notwithstanding the limitation resulting from the principles set out in this document. The Committee has sufficiently established the limits mentioned under paragraph 6.1 below in order to ensure their fairness and adequacy.

5.8 Recommendation II.3.3(c). Severance or termination pay.

There are no agreements, and no such provisions have been defined by this Committee, regarding payments by Sociedade Comercial Orey Antunes, S.A. relating to dismissal or termination of Directors by mutual agreement.

6. Compensation of executive directors

6.1 Guiding principles

Accordingly, the compensation policy of executive directors follows these guiding principles:

- To be simple, clear and transparent;



- To be adequate and adjusted to the dimension, nature, scope and specific circumstances of the activity of Sociedade Comercial Orey Antunes, S.A.;
- To ensure competitive and equitable full compensation, in line with the best practices and latest national and European tendencies, in particular regarding peers of Sociedade Comercial Orey Antunes, S.A.;
- To include a fixed component adjusted to the directors' functions and responsibilities;
- To include a variable component indexed to the evaluation of the individual and organizational performance, according to the achievement of specific, measurable objectives, aligned with the Company's and shareholders' interests; and
- To establish a variable medium term compensation component indexed to the development in the value of Sociedade Comercial Orey Antunes, S.A., ensuring the linkage of the executive directors' compensation to the sustainability of results achieved and to the creation of value for its shareholders.

Bearing these principles in mind, the compensation of the executive director is mainly determined based on four general criteria: (i) competitiveness, taking into account the practices of the Portuguese market; (ii) fairness, being that the compensation must stand upon uniform, consistent, fair and balanced criteria; (iii) performance evaluation, in accordance with the functions and level of responsibility of each person, and with the assumption of adequate levels of risk and compliance with the rules governing the activities of Sociedade Comercial Orey Antunes, S.A.; and (iv) the alignment of director's interests with the Company's interests and its sustainability and wealth creation in the long term.

Executive directors' compensation has a fixed component and a variable component. The latter integrates a portion intended to reward short-term performance, and a intended to reward medium-term performance.

6.2 Fixed Component

The fixed component of the compensation is composed exclusively by the base compensation. No other compensation is paid.

This componente is paid in cash, 14 times per year.

The fixed compensation of the executive directors of the Company, taken as a whole, may not be superior to an annual gross amount of €2,000,000 (two million euros), paid directly or indirectly by Sociedade Comercial Orey Antunes, S.A.. The Committee is entrusted with defining the maximum amount to attribute individually.



No other fixed compensation accrues to this base amount, without prejudice to the complementary benefits respecting to the use of a car, associated costs and insurance.

Even if the director with executive functions earns a compensation for the exercise of functions in subsidiaries, the global fixed compensation may not exceed the abovementioned amounts.

6.3 Variable component

The variable component of the compensation, which in 2015 and 2016 shall not exceed an amount equivalent to 10% of the distributable consolidated profits of the relevant financial year nor an amount corresponding to 100% of the maximum annual fixed compensation, has a short-term and a medium-term component.

Requirements applicable to both components:

- a) The attribution of the variable component of the compensation only occurs upon approval of the accounts of the relevant financial year, after the assessment of the performance relating to the year to which the payment refers to is carried out and only if the predefined objectives are achieved by reference to indicators of the performance of the individuals in question and the company that are indexed to metrics of the strategic plan of Sociedade Comercial Orey Antunes, S.A.
- b) The degree of achievement of the objectives is assessed through an annual performance assessment, which is based on a predefined matrix. Hence, if compliance with the objectives is below 80% (minimum level of performance), the payment of the variable compensation will not take place, but, if compliance with the objectives is between 80% and 120% or superior, the corresponding total variable compensation will be situated, gradually, between 50% and 100% of the maximum fixed annual compensation.
- c) The annual assessment is based on the Key Performance Indicators (KPI) of Sociedade Comercial Orey Antunes, S.A. on a consolidated basis (60% weight) and on the individual assessment (40% weight), which, being negative, results in the Variable Compensation not being attributed.
- d) To that effect, the following Key Performance Indicators will be considered throughout the mandate: Net Income growth, net income versus budget, return on equity.
- e) Taking into account the objectives pursued by the compensation model foreseen herein, the executive directors of the Company shall not enter into agreements aimed at mitigating the risk inherent to the variability of their compensation.



- f) Considering the limits, requirements and criteria applicable to the variable component of the compensation and the value of the fixed compensation referred to in 6.2., the maximum potential amount (annual gross amount) of the variable compensation corresponds to a potential maximum value fixed by reference to the highest performance objectives aimed essentially at motivating the management team, which are dependent upon the degree to which such objectives were attained considering a 4-year mandate and the annual performance assessment, as well as subject to non-foreseeable aspects related to the sector and the country as a whole, as well as specificities of the business and the company.
- g) The Human Resources area is responsible for preparing the calculations, being the Board of Directors responsible for drafting a proposal of variable compensation, with the abstention of the executive directors and, in the case of the CEO's compensation, with his abstention. Once approved, the proposal is submitted to the opinion of the Supervisory Board which, in that context, validates the calculations presented. Once the opinion from the Supervisory Board is issued, the non-executive members of the Board of Directors shall forward the proposal to the Compensation Committee, which, in turn, shall resolve on the proposal presented by the Board of Directors.

Variable Compensation in the Short Term

- a) The Variable Compensation in the Short Term (VRST) is paid in cash according to the annual performance assessment. The relevant amount varies according to the degree of achievement of the objectives related to the abovementioned Key Performance Indicators.
- b) The payment of the VRST is deferred for a 3-year period as from the date of the respective allocation, in accordance with the following scale: (1) 50% paid after the approval of the 1st year accounts; (2) 25% paid after the approval of the 2nd year accounts, and (3) 25% paid after the approval of the 3rd year accounts. The right to the compensation matures on the date of each payment.
- c) The payment of the deferred amount shall be conditioned to the positive performance of SCOA during the 3-year period of deferral.

Variable Compensation on the Medium Term

- a) The Variable Compensation on the Medium Term (VRMT) is aimed at reinforcing the alignment of interests of the executive directors of Sociedade Comercial Orey Antunes, S.A. with the ones of the Company and shareholders, varying in accordance with the annual performance assessment (i.e. with the requirements already specified in Point 6.2.) and following the same matrix of the VRMT. In addition, the VRMT attributable for the period of the 4-year mandate will be situated up to 100% of the annual fixed compensation, according to the degree of achievement of the objectives set.



- b) The attribution of the VRMT is based on the annual Total Shareholder Return, composed by each share of Sociedade Comercial Orey Antunes, S.A. measured in the period of the mandate of the Board of Directors (TSR) (60% weight) and the individual performance assessment of the last year of mandate (40% weight), which, being negative, results in the non-attribution of the VRMT.
- c) If the calculated TSR reaches 15%, the VRMT will be equal to 50% of the fixed annual compensation of each executive director in the last year of the mandate. If the TSR reaches or is superior to 30%, the VRMT will be equal to 100% of the annual fixed compensation of each executive director in the last year of the mandate. The calculation of the VRMT will be adjusted pro-rata (gradually) to TSR values verified between 15% and 30%: If the TSR calculated is below 15%, there will be no payment of VRMT.
- d) The right to the VRMT matures on the date when the General Shareholders Meeting approves the report and accounts for the last year of the mandate.

Termination of functions

In case of dismissal without just cause or resignation by an executive member of the board of directors, there will be no compensation, including VRST and VRMT, except if legally due.

7. Compensation of the non-executive directors

The fixed component of the compensation is composed exclusively by attendance fees. No other compensation will be paid.

This component is paid annually in cash.

The compensation of the non-executive directors of the Company, as a whole, cannot be superior to an annual gross amount of € 240,000 (two hundred and forty thousand euros). The Committee determines the amount to be attributed individually.

8. Compensation of the Board of Directors aimed at promoting the alignment of interests with the Company, sustainability and wealth creation in the long term

As detailed above, the compensation policy of the Members of the Board of Directors permits to ensure the achievement of the following objectives:

- A competitive and equitable total compensation that is aligned with the best practices and last tendencies verified at the national and European levels;
- The motivation of the management team for pursuing the objectives established and the attraction and retention of qualified staff;



- The balance between a fixed component adjusted to the functions and responsibilities of the directors and a variable component, globally reasonable in relation to the fixed compensation;
- A variable compensation indexed to the individual and organizational performance assessment in accordance with objectives that are concrete, quantifiable and aligned with the interests of the Company and the shareholders.

9. Compensation of the Audit Board and the members of the Board of the General Meeting

The members of the Audit Board will receive an annual fixed compensation paid once or twice a year.

The compensation of the members of the Audit Board of the Company, as a whole, cannot exceed an annual gross amount of € 240,000 (two hundred and forty thousand euros).

The members of the Board of the General Meeting will receive a fixed amount for their participation in each meeting. The amount, per meeting, for the members of the Board of the General Meeting as a whole, cannot exceed € 5,000 (five thousand euros).

The Committee will determine the amounts to attribute individually to the Members of the Board of the General Meeting and the Audit Board.

10. Corporate Bodies competent to propose amendments to the present document as determined by Law or practice

The preparation and adjustments to introduce in the definition of the Compensation Policies is entrusted to the Human Resources Direction, which will adopt the legal provisions and recommendations that the Internal Control Bodies (Risk Management, Audit and Compliance) will prepare until December 15 of each year. These Bodies will be entrusted with assessing compliance with the applicable law and its correct application in Sociedade Comercial Orey Antunes, S.A. The General Shareholders Meeting shall resolve annually on the Compensations Policy proposed by the Compensation Committee.