

SECTION D REMUNERATION

SUBSECTION I POWER TO ESTABLISH

66. DETAILS OF THE POWERS FOR ESTABLISHING THE REMUNERATION OF STATUTORY BODIES, AND DIRECTORS OF THE COMPANY

Within the terms of Article Twenty Nine of the Company's Articles of Association, the remuneration of the Statutory Bodies is set by the General Shareholders' Meeting or by a committee nominated by the latter. Under this last possibility, the shareholders of Jerónimo Martins decided to nominate a Remuneration Committee to set the remuneration of the members of the Statutory Bodies.

The Remuneration Committee is elected for a three year term, being the present term comprised between years 2013-2015.

The remuneration of the Company's management is decided by the respective Board.

SUBSECTION II REMUNERATION COMMITTEE

67. COMPOSITION OF THE REMUNERATION COMMITTEE, INCLUDING DETAILS OF PERSONS RECRUITED TO PROVIDE SERVICES TO SAID COMMITTEE AND STATEMENT ON THE INDEPENDENCE OF EACH MEMBER

At the General Shareholders' Meeting held on 10th April 2013, Arlindo do Amaral (Chairman), José Queiroz Lopes Raimundo and Soledade Carvalho Duarte were elected to this Committee for the term in force.

None of the members of the Remuneration Committee is a Member of the Board of Directors of the Company, or has a spouse, family Member or relative in such a position, nor do they have relationships with the Members of the Board of Directors that may affect their impartiality in the performance of their duties.

On 10th April 2014, José Queiroz Lopes Raimundo resigned as member of this Committee and the position remains vacant.

During 2014, the Remuneration Committee did not consider it necessary to contract services to support it in the performance of its duties.

68. KNOWLEDGE AND EXPERIENCE IN REMUNERATION POLICY ISSUES BY MEMBERS OF THE REMUNERATION COMMITTEE

The Members of this Committee have extensive knowledge and experience in management and remuneration policy, which gives them the necessary skills to perform their duties adequately and effectively.

Arlindo do Amaral has a Law degree from Lisbon Law School of University of Lisbon, having worked for more than thirty years in Fima Lever Iglo Group in the area of human resources management, having namely acted as Human Resources Manager, Remuneration Officer and Human Resources Director.

Soledade Carvalho Duarte has a degree in Human Resources Management and Labor Psychology by ISLA/ESOCT, working since 1986 in the Executive Search area, having been responsible for the deployment of the Executive Assessment business line in Portugal. She developed several processes for the selection and the hiring of executives and senior management in different areas of activity. She was distinguished as Practice Leader in the Automotive and Health Care sector.

SUBSECTION III REMUNERATION STRUCTURE

69. DESCRIPTION OF THE REMUNERATION POLICY OF THE BOARD OF DIRECTORS AND THE SUPERVISORY BOARD

The Remuneration Committee was of the opinion that there was no justification for major changes to the basic principles that have been the core of the Corporate Bodies Remuneration Policy, which should continue having in attention the current legal and recomendatory framework, as well as the organisational model adopted by the Board of Directors, pursuant to the election of the respective members for the 2013-2015 period.

With respect to the organisation of the Board of Directors, the Remuneration Committee has especially taken into account the following characteristics:

- The existence of a Chief Executive Officer with delegated duties regarding the day-to-day management of the Company, as well as of a Director or Directors to whom the Board have entrusted or may entrust special duties;
- The participation of Non-Executive Directors in Specialised Committees, who are therefore called to devote increased time to Company's affairs.

Considering the said organisational model, the Remuneration Committee understands that there are no grounds justifying any major changes in the principles that have been adopted as to the Corporate Bodies Remuneration Policy.

The remuneration of Directors with executive duties continues to comprise a fixed and a variable component, that together guarantee a more competitive remuneration in the market and which also serves as a motivating element for high individual and collective performance, allowing ambitious targets for accelerated growth and the appropriate shareholders remuneration to be set and achieved.

Annually, by proposal of the Chairman of the Board of Directors, the variable component is fixed by the Remuneration Committee, taking into account the expected contribution of Executive Directors to results, shareholder value creation (EVA), evolution of share prices, the work carried out during the preceding financial year, the degree of achievement of the projects integrated on the Group's Strategic Scorecard, as well as the criteria applied in the attribution of variable remuneration to the remaining Managers.

The Remuneration Policy continues seeking to reward the Executive Directors for the sustained performance of the Company in the long-term, and the safeguarding of the interests of the company and shareholders within this period of time. For this reason, the variable component takes into account the contribution of the Executive Directors to the conduct of business through: 1) the achievement of EVA objectives set out in the Medium and Long-Term Plan approved by the Board of Directors; 2) the development of the share price; 3) the implementation of a series of projects across the Group's Companies, which, having been identified by the Board of Directors as essential to ensure future competitiveness, have a time scale that may exceed one calendar year, being the Executive Directors responsible for each compliance stage, in the scope of their duties.

The variable remuneration is, as already noted, dependent on predetermined criteria to be fixed at the start of each year by the Remuneration Committee, following a proposal from the Chairman of the Board of Directors, which take into consideration the Company's real growth, the wealth created for shareholders, and long-term sustainability.

Bearing in mind the contribution of the several countries and business areas where the Group operates to total



turnover and consolidated results, the Remuneration Committee considers adequate that the payment of the fixed and variable components of remuneration to Directors with executive duties be split amongst the Company and its subsidiary companies where such Directors are also members of the management body, according with a ratio to be determined by this Committee.

As regards the deferral of part of the variable component of the remuneration, the Remuneration Committee conducted a study on the subject in 2011 without reaching a conclusion about the advantages or inconveniences of its adoption, considering that the manner in which the remuneration of the Executive Directors is structured is adequate and ensures full alignment of their interests with those of the Company in the long-term. For the same reason, the Remuneration Committee deems unnecessary to determine the maximum potential amount, in aggregate and/or individual terms of remuneration to be paid to members of Corporate Bodies. Furthermore, the Committee considers that the Remuneration Policy of the Company is aligned with the remuneration practices of its counterparts within the PSI-20, bearing in mind the characteristics of the Company.

The Company did not enter into any contracts with its Directors which mitigate the risk inherent to the

remuneration variability set by the Company, nor is the same aware that any such contracts have been entered into between its Directors and third parties.

The absence of a deferral period for the variable component makes it unnecessary to have mechanisms to prevent the execution of contracts by Executive Directors that subvert the rationale of variable remuneration.

The remuneration of the members of the Audit Committee as well as the remuneration of Directors with non-executive duties continues to comprise a fixed component only.

With respect to Directors with non-executive duties who are part of Specialised Committees (whether or not exclusively composed of Directors), the Remuneration Committee considered it appropriate to continue the attribution of meeting fees, bearing in mind that the duties performed within those Committees demand additional availability from the respective member Directors.

Similarly, with respect to Non-Executive Directors who take part of supervisory bodies of the Company's subsidiaries, bearing in mind that such duties arise from the exercise of their functions as Directors, the Remuneration Committee considered appropriate to attribute to them meeting fees.

As established by the Remuneration Committee in 2010, life and health insurance fringe benefits continued for Directors with executive duties.

The Statutory Auditor is remunerated in accordance with the auditing services agreement signed with the Jerónimo Martins Group, which covers almost all its subsidiaries. This remuneration shall be in line with market practices.

The Retirement Pension Plan for Executive Directors was approved at the 2005 Annual General Shareholders' Meeting, which is better described in point 76.

This Remuneration Policy was subject to discussion at the Annual General Shareholders' Meeting held last year.

70. INFORMATION ON HOW REMUNERATION IS STRUCTURED SO AS TO ENABLE THE ALIGNING OF THE INTERESTS OF THE MEMBERS OF THE BOARD OF DIRECTORS WITH THE COMPANY'S LONG-TERM INTERESTS AS WELL AS HOW IT IS BASED ON THE PERFORMANCE ASSESSMENT AND HOW IT DISCOURAGES EXCESSIVE RISK TAKING

As result from the Remuneration Policy described in point 69, remuneration is structured in a way that allows alignment between the interests

of the Board Members with the long term interests of the Company.

The existence of fixed and variable components of remuneration, the fact that the variable remuneration is fixed depending on the verification of several objective factors, e.g., the real growth of the Company, the wealth created for shareholders, the implementation of projects across the Group's Companies which ensure the future competitiveness of businesses and long-term sustainability, cause that management's evaluation is made taking into attention the interests of the Company and its shareholders not only in the short term, but also in the middle and long-term.

As referred in point 69, the Company did not enter into any contracts with its Directors which intend to mitigate the risk inherent to the variability of remuneration set by the Company.

71. EXISTENCE OF VARIABLE REMUNERATION COMPONENT AND INFORMATION ON ANY IMPACT OF THE PERFORMANCE APPRAISAL ON THIS COMPONENT

The remuneration of Directors with executive duties is comprised of a variable component depending, also, of a performance review. See point 69.

72. DEFERRED PAYMENT OF THE REMUNERATION'S VARIABLE COMPONENT AND SPECIFICATION OF RELEVANT DEFERRAL PERIOD

There is no deferred payment of the remuneration's variable component. See point 69.

73. CRITERIA WHEREON THE ALLOCATION OF VARIABLE REMUNERATION ON SHARES IS BASED AND ALSO ON MAINTAINING COMPANY SHARES THAT THE EXECUTIVE DIRECTORS HAVE HAD ACCESS TO, ON THE POSSIBLE SHARE CONTRACTS, HEDGING OR RISK TRANSFER CONTRACTS, THE CORRESPONDING LIMIT AND ITS RELATION TO THE TOTAL ANNUAL REMUNERATION VALUE

The Company does not have any type of plan for attribution of shares to Directors and officers, as defined in no. 3 of Article 248-B of the Portuguese Securities Code.

74. CRITERIA WHEREON THE ALLOCATION OF VARIABLE REMUNERATION ON OPTIONS IS BASED AND DETAILS OF THE DEFERRAL PERIOD

The Company does not have any plan for the attribution of share purchase options to Directors and officers, as defined in no. 3 of Article 248-B of the Portuguese Securities Code.

75. KEY FACTORS AND GROUNDS FOR ANY ANNUAL BONUS SCHEME AND ANY ADDITIONAL NON-FINANCIAL BENEFITS

See points 69 to 71. Directors with executive duties receive also life and health insurance fringe benefits.

76. KEY CHARACTERISTICS OF THE SUPPLEMENTARY PENSIONS SCHEMES FOR DIRECTORS AND DATE WHEN SAID SCHEMES WERE APPROVED AT THE GENERAL SHAREHOLDERS' MEETING, ON AN INDIVIDUAL BASIS

At the 2005 Annual General Shareholders' Meeting, a Retirement Pension Plan for Executive Directors was approved.

It is a Defined Contribution Pension Plan, in which the value of the contribution is fixed in advance - the percentage of the monthly deduction for the Fund is currently 17.5% -, the value of the benefits varying depending on the earnings obtained. The Remuneration Committee defines the contribution rate of the Company and the initial contribution.

Plan participants, as defined in the respective regulation, include the Executive Directors of the Company. In the specific case of Executive Directors in office at the time



of the 2005 General Shareholders' Meeting, those who opted for the current Pension Plan would forego eligibility for the Alternative Pension Plan, by way of expressly and irrevocably waiving it.

The retirement date coincides with the day itself or the first day of the month following the month in which the Participant reaches normal retirement age, as established into the General Social Security Scheme. A Participant will be considered to be in a state of total and permanent invalidity if recognized as such by the Portuguese Social Security.

The pensionable salary is the gross monthly basic salary multiplied by 14 and divided by 12. To this fixed monthly amount is added, at the end of each calendar year, a variable amount comprising all the amounts received as variable remuneration.

Additionally, concerning Directors who were in office at the date of the said 2005 General Shareholders' Meeting, the complementary pension or retirement system regime applies, under the terms of the respective Regulation, Directors have the right to a Complementary Pension at retirement age, cumulatively, when they: i. are over 60 years old; ii. have performed executive functions; and iii. have performed the role of a Director for more than 10 years. This supplement was established in the 1996 Annual General Shareholders' Meeting and only those Directors that have not opted for the Retirement Pension Plan mentioned above may benefit from this supplement.

SUBSECTION IV REMUNERATION DISCLOSURE

77. DETAILS ON THE AMOUNT RELATING TO THE ANNUAL REMUNERATION PAID AS A WHOLE AND INDIVIDUALLY TO MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS

The remuneration of the members of the Board in 2015 totaled 1,741,999.08 euros, corresponding the total amount to fixed remuneration.

In the chart below reference is made to the remuneration paid individually to the Members of the Board of Directors: (euros)

Director	Remuneration Paid	
	Fixed Component	Variable Component
Pedro Soares dos Santos*	456,160.05	-
Alan Johnson**	493,500.00	-
Andrzej Szlezak	70,000.00	-
António Pedro de Carvalho Viana-Baptista	70,000.00	-
Artur Stefan Kirsten	30,000.00	-
Clara Christina Streit	50,000.00	-
Francisco Seixas da Costa	70,000.00	-
Hans Eggerstedt	70,000.00	-
Henrique Soares dos Santos	40,000.00	-
José Soares dos Santos***	242,339.03	-
Nicolaas Pronk	50,000.00	-
Sérgio Tavares Rebelo	100,000.00	-

* Includes contributions in the financial year to the Retirement Pension Plan, in the amount of 86,362.52 euros.

** Includes contributions in the financial year to the Retirement Pension Plan, in the amount of 73,500.00 euros.

*** Includes contributions in the financial year to the Retirement Pension Plan, in the amount of 28,583.32 euros.

78. AMOUNTS PAID, FOR ANY REASON, BY OTHER COMPANIES IN A CONTROL OR GROUP RELATIONSHIP OR ARE SUBJECT TO A COMMON CONTROL

Additionally to the amounts referred to in point 77, amounts were paid by other companies in a control or Group relationship or subject to a common control to Directors during 2015 totalling 475,500.00 euros, being the individual amounts paid detailed in the chart below:

Director	Amounts Paid (euros)	
	Fixed Component	Variable Component
Pedro Soares dos Santos*	409,500.00	-
Andrzej Szlezak**	22,000.00	-
Francisco Seixas da Costa**	22,000.00	-
Hans Eggerstedt**	22,000.00	-

* For exercise of management duties.

** For exercise of functions in Supervisory Board.

79. REMUNERATION PAID IN THE FORM OF PROFIT-SHARING AND/OR BONUS PAYMENTS AND THE REASONS FOR SAID BONUS AND/OR PROFIT-SHARING BEING AWARDED

The Company did not pay to Directors any remuneration in the form of profit-sharing or bonus.

80. COMPENSATION PAID OR OWED TO FORMER EXECUTIVE DIRECTORS CONCERNING CONTRACT TERMINATION DURING THE FINANCIAL YEAR

No payment was made, nor there is any payment obligation whatsoever, in the event of termination of functions during the term of the Board of Directors.

81. DETAILS OF THE ANNUAL REMUNERATION PAID, AS A WHOLE AND INDIVIDUALLY, TO THE MEMBERS OF THE COMPANY'S SUPERVISORY BOARD

The remuneration paid to the members of the Audit Committee, in such quality, as a whole, was 48,000.00 euros, being the individual amounts paid detailed in the chart below:

Audit Committee	Amounts Paid (euros)	
	Fixed Component	Variable Component
Hans Eggerstedt (Chairman)	16,000.00	-
António Pedro de Carvalho Viana-Baptista	16,000.00	-
Sérgio Tavares Rebelo	16,000.00	-

82. DETAILS OF THE REMUNERATION OF THE CHAIRMAN OF THE PRESIDING BOARD TO THE GENERAL SHAREHOLDERS' MEETING IN THE YEAR OF REFERENCE

The remuneration paid by the Company to the Chairman of the Board of the General Shareholders' Meeting in the year of reference was 5,000.00 euros.

SUBSECTION V AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. ENVISAGED CONTRACTUAL RESTRAINTS FOR COMPENSATION PAYABLE FOR THE UNFAIR DISMISSAL

There are no contractual restraints for the compensation payable in the event of dismissal of Directors without due cause. This matter is regulated by the applicable law.

84. EXISTENCE AND DESCRIPTION OF AGREEMENTS BETWEEN THE COMPANY AND MEMBERS OF THE BOARD OF DIRECTORS AND MANAGERS THAT ENVISAGE COMPENSATION IN THE EVENT OF RESIGNATION OR UNFAIR DISMISSAL OR TERMINATION OF EMPLOYMENT FOLLOWING A TAKEOVER BID

There are no agreements between the Company and members of the Managing Bodies, officers or employees that foresee indemnity payments in the event of resignation, dismissal without due cause or termination of the labour relationship as a consequence of change in the Company's control.

SUBSECTION VI SHARE ALLOCATION AND/OR STOCK OPTION PLAN

85. DETAILS OF THE PLAN AND THE NUMBER OF PERSONS INCLUDED THEREIN

The Company does not have any plan in force to attribute shares or options to acquire shares.

86. CHARACTERISTICS OF THE PLAN

The Company does not have any plan in force to attribute shares or options to acquire shares.

87. STOCK OPTION PLAN FOR THE COMPANY EMPLOYEES AND STAFF

The Company does not have any plan in force to attribute options to acquire shares.

88. CONTROL MECHANISMS FOR A POSSIBLE EMPLOYEE-SHAREHOLDER SYSTEM

There is no employee-shareholder system in the Company.

SECTION E RELATED PARTY TRANSACTIONS

SUBSECTION I CONTROL MECHANISMS AND PROCEDURES

89. MECHANISMS IMPLEMENTED BY THE COMPANY FOR THE PURPOSE OF CONTROLLING TRANSACTIONS WITH RELATED PARTIES

Business between the Company and the Members of the Board

Any dealings that may exist between the Company and its Board Members, are subject to the provisions of Article 397 of the Commercial Companies Code and may only be entered into if so authorised by a resolution of the Board of Directors, for which the interested Director cannot vote, and that authorisation must be preceded by a favourable opinion from the Audit Committee.