

## Report and Opinion of the Audit Committee

Dear Shareholders,

In accordance with sub-paragraph g) of paragraph 1 of article 423-F of the Commercial Companies Code, we herewith present our report on our supervisory activity and our opinion on the Jerónimo Martins, SGPS, S.A. management report, consolidated and individual accounts for the year ending December 31<sup>st</sup>, 2017, as well as on the proposals presented by the Board of Directors.

### Supervisory activity

Throughout the year, this Committee monitored the management and evolution of the Company's businesses by holding regular meetings with the Directors and Heads of the functional areas of the corporate centre, with the members of the Managing Committee, the Company Secretary and the Statutory Auditor (who also performs the duties as External Auditor), and in all cases received their full co-operation.

This Committee was given access to all corporate documentation that it considered relevant, namely the minutes of the meetings of the Managing Committee and the Internal Control Committee, as well as all the related documentation it deemed relevant, in order to assess compliance with its regulations and with the applicable laws.

From the External Auditor and those responsible for preparing the Company's individual and consolidated financial information, with whom it met regularly, it obtained sufficient and necessary information to gauge the accuracy of the accounting documents, accounting policies and valuation criteria adopted by the Company, thereby ensuring that these correctly represent the results and the equity of the Company.

The Committee monitored, in particular, the development of tax proceedings and litigation involving Group's companies, having obtained all clarifications necessary from the Company personnel, to assess the adequacy of the Group's provisions and contingencies to which it is exposed.

In compliance with the Financial Risk Management Policy, it monitored, in particular, the financing and equity reinforcement proposals for the Colombian subsidiary, with the co-operation of the Financial Operations Department, and verified that the actions taken by the Company were adequate to comply with the policies issued by the Board of Directors.

Obtained from several departments of the Company, namely those responsible for the financial area, the risk management, the internal audit, and from the representatives of the External Auditor, all information and clarifications requested, which allowed to verify the adequacy and effectiveness of the internal control and risk management systems.

It met with the Chairman of the Ethics Committee, having obtained all clarification deemed necessary regarding the organisation and the activities developed by this committee.

In view of the International occurrences related to cyber-attacks at several organisations, it met with the Information Security Officer, having obtained the necessary clarifications regarding the impacts of such occurrences on the Company and its subsidiaries. It was also informed of the measures implemented to mitigate future events and of the contingency plans in place.

It closely monitored the work carried out by the Internal Audit Department, by following its annual activity plan, the conclusions of the reports on the work carried out, as well as the actions that the Company implemented as a result of the recommendations issued by this department and also those contained in the reports issued by the External Auditor. The Committee reviewed and approved the internal audit plan for 2018 as well as the necessary resources allocation.

Following the election of the new Statutory Auditor on April 6, 2017,(also appointed as External Auditor), it monitored the adopted work methodology , in particular the transitional process, which was accomplished as planned, without any relevant differences being reported in view of the opinion of the previous Statutory Auditor.

It monitored the evolution of issues raised, as well as the conclusions of the audit work carried out by the Statutory Auditor, which gave rise to the Auditor's Report being issued without any reservations.

Within the scope of its responsibilities, the Audit Committee verified the independence and competence of the Company's Statutory Auditor in carrying out their functions.

It verified and approved all non-audit services provided by the firm of External Auditors to the Group's companies, ensuring that were carried out by their employees who took no part in the audits, and that these services are not forbidden under applicable law. It also guaranteed that the amounts paid for the services rendered in no way jeopardise the independence of the work carried out by the External Auditor nor do they affect the opinion of the Statutory Auditor.

It also verified that, under the terms of paragraph 5 of article 420.º of the Commercial Companies Code, the Corporate Governance Report includes all the elements mentioned in article 245.º - A of the Portuguese Securities Code.

## Opinion

Taking into account the information received from the Board of Directors, the Company's personnel and the conclusions outlined in the Report of the Auditors for Statutory and Stock Exchange Regulatory Purposes in Respect of the Individual and Consolidated Financial Information, we are of the opinion that:

- i) The Management Report should be approved;
- ii) The Individual and Consolidated Financial Statements should be approved; and
- iii) The Board of Directors' results appropriation proposal should be approved.

## Statement of Responsibility

In accordance with sub-paragraph c) of paragraph 1 of article 245.º of the Portuguese Securities Code, the members of the Audit Committee, identified below, declare that to the best of their knowledge:

- i) the information contained in the Management Report, the Annual Accounts, the Auditors' Report and all other accounting documentation required by law or regulation, was produced in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, the financial position and the results of Jerónimo Martins, SGPS, S.A. and the companies included in the consolidation perimeter.
  
- ii) The Management Report is a faithful statement of the evolution of the businesses, the performance and position of Jerónimo Martins, SGPS, S.A. and of the companies included within the consolidation perimeter, and contains a description of the main risks and uncertainties which they face.

Lisbon, March 5, 2018

Sérgio Tavares Rebelo  
(Chairman of the Audit Committee)

Clara Christina Streit  
(Member)

Hans Eggerstedt  
(Member)