

ANNUAL GENERAL MEETING OF SHAREHOLDERS

PHAROL, SGPS S.A.

26 May 2017

PROPOSAL OF THE BOARD OF DIRECTORS

ITEM 3 OF THE AGENDA:

(To resolve on the proposal for application of results)

Considering that in the year ended December 31, 2016 a negative net result of Euros 75,077,177 was obtained, the Board of Directors of PHAROL proposes that they be transferred to the Company's Retained Earnings.

Lisbon, 27 April 2017

The Board of Directors,