

ANNUAL GENERAL SHAREHOLDERS MEETING

PHAROL, SGPS S.A.

24 May 2016

PROPOSAL OF THE BOARD OF DIRECTORS

ITEM 5 OF THE AGENDA:

Considering that:

1 - In accordance with the provisions of the Corporate Governance Code as published by the Portuguese Securities Market Commission (Comissão de Mercado de Valores Mobiliários - "CMVM") on July 2013, as well as with the form attached to CMVM Regulation no. 4/2013, in particular the Recommendation I.4., that states the following: "The company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the General Assembly (5 year intervals), on whether that statutory provision is to be amended or prevails - without super quorum requirements as to the one legally in force - and that in said resolution, all votes issued be counted, without applying said restriction.";

2 - The Company's Bylaws establish a limitation on the votes that may be cast by each shareholder, according to number 10 of article 13 of the Articles of Association, which provides that votes exceeding ten per cent of the Company's votes corresponding to its share capital shall not be counted;

3 - The shareholders were called one last time about this subject at the General Meeting held on 2 March 2007, but the respective proposal was rejected by a majority of the votes cast and without the opposition of Class A shares.

The Board of Directors proposes as follows:

To resolve on the opportunity to change or maintain the statutory provisions that limit the number of votes that can be held or exercised by each shareholder.

Lisbon, 28 April 2016

The Board of Directors