

**Announcement** | Lisbon | 16 March 2020

## ADMINISTRATIVE OFFENSE - DECISION

PHAROL SGPS, S.A. ("PHAROL") hereby informs that it has been notified of the decision taken in administrative offence proceeding no. 33/2014.

This proceeding was initiated by the Portuguese Securities Commission ("CMVM") against PHAROL and several former directors, due to the fact that the disclosure of consolidated reports and accounts for the years 2012 and 2013 and the first quarter of 2014, as well as the corporate governance reports for the years 2012 and 2013, did not comply with the information requirements provided for in article 7 of the Portuguese Securities Code ("PSC"), regarding the information on investments made in debt issued by the Espírito Santo Group, namely in Commercial Paper issued by ESI and Rio Forte.

Pursuant to article 401/2 of the PSC, PHAROL is held liable for the actions of members of its corporate bodies, in the exercise of their respective functions.

PHAROL was sentenced to a single penalty of one million euros, and CMVM considered that *"(a) an opportunity to the issuer and its new board of directors shall be granted, in order to proceed in compliance with the law and that (b) a limitation of the material impact of the penalty on the company is fair, under appropriate conditions"* and therefore decided to partially suspend the penalty, in the amount of seven hundred and fifty thousand euros, for a period of two years.

Thus, if PHAROL does not appeal - which is under study - the fine to be paid will be limited to two hundred and fifty thousand euros.

### PHAROL, SGPS S.A.

Public Company  
Share capital Euro 26,895,375  
Registered in the Commercial  
Registry Office of Lisbon and  
Corporation no. 503 215 058

PHAROL is listed on the Euronext  
(PHR).  
Information may be accessed on  
Bloomberg under the symbol PHR  
PL.

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