

ANNUAL GENERAL MEETING OF SHAREHOLDERS

PHAROL, SGPS S.A.

25 May 2018

PROPOSAL OF THE BOARD OF DIRECTORS

ITEM 3 OF THE AGENDA:

(To resolve on the proposal for application of profits)

Considering that in the year ended December 31, 2017 a negative net result of Euros 782,767,357 was obtained, the Board of Directors of PHAROL proposes that they be transferred to the Company's Retained Earnings.

Lisbon, April 23, 2018

The Board of Directors,