



INAPA – INVESTIMENTOS, PARTICIPAÇÕES E GESTÃO, SA

(joint stock company)

Head-office: Rua Braamcamp, n.º 40 – 9.º D, 1250-050 Lisbon, Portugal

Share capital: € 180,135,111.42

Corporate Tax Payer and registered at the Trade Registry Office of Lisbon with number 500 137 994

PROPOSAL FOR APPLICATION OF RESULTS RELATED TO FISCAL YEAR 2014

Considering that:

- the decision of the Court of Lisbon regarding the proposed action against Inapa - Investimentos, Participações e Gestão, S.A. (“INAPA”) by Parcaixa – SGPS, S.A. (“Parcaixa”) to:
 - a. cancel the resolution for the application of the results of the 2014 financial year adopted at the General Shareholders' Meeting of 28 April 2015
 - b. acquit INAPA, of:
 - i. the request to issue a decision replacing the resolution where it is decreed that the amount allocated by the General Meeting to free reserves and retained earnings would be allocated to the payment of the priority dividend for the year of 2012; and
 - ii. INAPA's request for payment to Parcaixa of the amount of € 976,574.89, relating to 49.47% of the preferred shares held by Parcaixa regarding the partial payment of the priority dividend for 2012, plus legal interest;
- in the aforementioned judgment, it was accepted that, according to the provisions of section 2 of article 341 of the Portuguese Companies Act, the payment of the priority dividend is not likely to be derogated by shareholders' resolution when there are distributable profits;
- the application of the judgment has two practical effects: (i) the resolutions approving INAPA's individual and consolidated reports and accounts for the year 2014 are valid, and (ii) ceases to exist, with effect from 04.24.2015, the will of the shareholders regarding the allocation of the results for the 2014 financial year;
- since this ruling was decided that, once the existence and effectiveness of the resolution in crisis has ceased, it is INAPA's responsibility to decide on the "new terms" for the application of the result, it is necessary for the Shareholders to decide again on the application of the results for the year In the amount of € 2 078 488.82 (two million, seventy-eight thousand, four hundred and eighty-eight euros and eighty-two cents);
- it is incumbent upon the Board of Directors to submit to the General Meeting the proposal for the application of the results for the 2014 financial year.

Bearing in mind, however, that:

- the proposal for application of results related to fiscal year 2014 to be submitted to voting by the shareholders must consider the obligation to distribute the values corresponding to the dividends of 2012, 2014 and 2014, as long as the assumptions on articles 32 and 33 of the Portuguese Companies Act are met;
- paragraph 1 of article 32 of the Portuguese Companies Act provides that "the assets of the company may not be distributed to shareholders when the shareholders' equity, including the result for the year, is less than the sum of the share equity and reserves that the Law or the contract does not allow to distribute to shareholders or becomes less than this sum as a result of the distribution";
- paragraph 1 of article 33 of the Companies Code provides that "profits for the year that are necessary to cover losses carried forward or to form or reconstitute reserves imposed by law or by the articles of association may not be distributed to shareholders";
- the provisions transcribed are mandatory and can not be derogated by any decision of the company;
- the verification of the ratios determined by Articles 32 and 33 of the Portuguese Companies Act for the purposes of the proposal to apply the results for the 2014 financial year must first be made in accordance to the balance sheet of 2014;
- Inapa Board of Directors must (and will) take into consideration on its proposal for application of results related to fiscal year 2014:
 - i. as supervening circumstances, the results for the years 2015 and 2016;
 - ii. compliance with the provisions of articles 32 and 33 of the Portuguese Companies Act as of the date hereof.

In view of the above and since INAPA's equity is, in the light of the financial statements presented to this meeting, lower by € 376,069.16 (three hundred and seventy-six thousand and sixty-nine euros and sixteen cents) to the sum of the share capital stock and unavailable reserves, the Board of Directors of Inapa - Investimentos, Participações e Gestão, SA proposes, in compliance with the mandatory rules contained in articles 295 and 32 of the Portuguese Companies Act, that the net profit for the year 2014, amounting to € 2 078 488.82 (two million, seventy-eight thousand, four hundred and eighty-eight euros and eighty-two cents), shall be applied as follows:

To legal reserves:	€ 103 924.44 (one hundred and three thousand, nine hundred and twenty four euros and forty four cents)
To retained earnings:	€ 1 974 564.38 (one million, nine hundred and seventy-four thousand, five hundred and sixty-four euros and thirty-eight cents)

Lisbon, March 24, 2017