

SHAREHOLDERS' GENERAL MEETING OF THE 27TH OF MAY 2017

PROPOSAL PRESENTED WITHIN THE SCOPE OF THE SECOND ITEM

Pursuant to the effects of legal and regulatory provisions, the proposal of allocation of results for the year 2016 presented by the Board of Directors is hereby provided, in order to be submitted for discussion and voted on at the Shareholders' General Meeting to be held on 27th May 2017:

Excerpt from the text of the Management Report
approved by the Board of Directors in the meeting of 26th April, 2017

“As the amount of EUR 400,000 (four hundred thousand Euros), planned to be distributed to the employees and to the Directors, was, pursuant to the applicable regulations, recorded as an expense in the financial year of 2016 in the financial statements included in this Management Report, with the approval of these documents, the shareholders confirm, on the one hand, their agreement to distribute results to the employees and to the members of the Board of Directors, and, on the other hand, that the Net Result that is object of the proposal of allocation of results is EUR 7,092,173.40 (seven million ninety two thousand one hundred and seventy three Euros and forty cents).

Furthermore, it is also the policy of Teixeira Duarte to privilege the reinforcement of the company's equity and ensure a continued and balanced distribution of dividends to the shareholders, which, in the present conjuncture, is understood as to be especially moderate, being also understood that it is appropriate to reinforce the company's equity, by completing the legal reserve in full.

Considering these assumptions, the Board of Directors proposes that the individual net results of “TEIXEIRA DUARTE, S.A.” for the financial year of 2016, amounting to EUR 7,092,173.40 (seven million ninety two thousand one hundred and seventy three Euros and forty cents), be allocated as follows:

Reinforcement of the legal reserve	EUR 5,500,000.00
Reinforcement of the free reserves	EUR 752,173.40
Dividends to shareholders	EUR 840,000.00”

Lagoas Park, the 27th of April 2017

The Company's Secretary,
José Pedro Cobra Ferreira