

INFORMATIVE NOTE



CAPITAL MARKETS

DISCLOSURE OF LONG FINANCIAL EXPOSURES

“Portuguese Law Firm of the Year”
*Chambers Europe Excellence 2009, IFLR
Awards 2006 & Who’s Who legal Awards
2006, 2008, 2009, 2010*

“Corporate Law Firm of the Year -
Southern Europe”
ACQ Finance Magazine, 2009

“Best Portuguese Law Firm for Client
Service”
*Clients Choice Award - International Law
Office, 2008, 2010*

“Best Portuguese Tax Firm of the Year”
*International Tax Review - Tax Awards
2006, 2008*

Mind Leaders Awards™
Human Resources Suppliers 2007

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Regulation 5/2010 of CMVM (“Regulation”) has entered into force on October 12th, imposing a disclosure duty on long financial exposures related to Portuguese issuers with shares admitted to trading on a regulated market. Cash-settled derivative contracts and financial instruments are now caught by new rules on disclosure duties to the market.

Under this Regulation, the following are considered as long financial exposures: (i) shares which voting rights are attributable / aggregated according to article 20 of the Portuguese Securities Code, as well as (ii) the contracts or financial instruments with a financial effect similar to the holding of shares that do not autonomously give rise to the aggregation of voting rights, held directly or by a third party in any of the situations set out in article 20 (1) of the Portuguese Securities Code, such as CFD’s and cash-settled swaps, options, futures and forwards.

The disclosure duty to CMVM and to the target company (which subsequently shall release it to the market) is triggered whenever a long financial exposure reaches or exceeds a threshold of 2%, 5%, 10%, 15%, 20%, 25%, one third, 40%, 45%, one half, 55%, 60%, two thirds, 70%, 75%, 80%, 85% and

90% of the share capital and also when such exposure is reduced below any of these thresholds.

The disclosure of long financial exposures must include, *inter alia*, information regarding its main characteristics, the number of shares, percentage of share capital and voting rights attached, as well as its termination or maturity date.

This new regime provides for an exemption for agreements or financial instruments held (i) by credit institutions and investment companies (authorized to render investment services in Portugal) acting as counterparties by solicitation of a client which acquires the corresponding short position; or (ii) by financial intermediaries acting as market makers satisfying the requirements set out in article 16 - A of the Portuguese Securities Code.

CMVM is preparing FAQ’s on the practical applicability of this Regulation, which shall be made available in its website in due course.

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