

This translation has been prepared to the best of our knowledge and does not represent a legally binding document.

In case of legal matters, the original documents written in Portuguese, and other Portuguese legislation should be consulted.

EURONEXT SECURITIES PORTO CIRCULAR 1/2024 – Corporate Actions – Debt Instruments

In compliance with article 28 of INTERBOLSA Regulation 2/2016 on the establishment of operational rules of the centralised securities systems and of the securities settlement systems managed by INTERBOLSA (Euronext Securities Porto), this Circular sets out the procedures related to the pursuit by Euronext Securities Porto of the exercise of rights attached to the debt securities integrated in the centralised system, as well as operations of debt securities conversion.

Therefore, under the above established, the Board of Directors of INTERBOLSA - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (Euronext Securities Porto), decided to approve the following Circular:

CHAPTER I – GENERAL PROVISIONS

SECTION 1 – Harmonised rules

1. Scope of this section

1.1. Euronext Securities Porto provides the Service for the processing of corporate actions on debt securities registered in its systems.

1.2. This section sets out the procedures for the exercise of Corporate Actions relating to debt securities registered in the system.

1.3. Corporate actions events for other types of securities than debt securities, are out of scope of this Circular, and shall be regulated by the current processes described in the operational rules of INTERBOLSA Circular 1/2016, as amended, related to the service for processing of corporate actions securities other than debt securities.

1.4. The description of the corporate actions supported by Euronext Securities Porto related to debt securities, as well as how these corporate actions are processed,

are established in the operational rules of the present Circular and in the user guidelines or operational manual (referred, hereinafter, as operational documents).

2. Lifecycle

2.1. Any corporate action is processed in accordance with the instructions provided by the Issuer, or its Agent.

2.2. Detailed information related to specific obligations and processing are described in Chapter I, Section II and in Chapters II and III of the present Circular and in the operational documentation.

3. Eligible securities

All debt securities registered in Euronext Securities Porto system are subject to the corporate actions process, identified as supported by Euronext Securities Porto, according to the processes described in the relevant operational documents of Euronext Securities Porto.

4. Eligible currencies

Euronext Securities Porto handles the processing of corporate actions in the currencies identified in Euronext Securities Porto website.

5. Corporate Actions event types

5.1. Euronext Securities Porto processes the exercise of such corporate actions on debt securities as described in the operational documentation, related to:

- a)** Distributions;
- b)** Mandatory and voluntary reorganizations;
- c)** Transaction management.

5.2. The distribution is an operation that does not affect the characteristics of the underlying security. The distribution can be:

- a)** Cash distribution; and/or
- b)** Securities Distribution.

5.3. A reorganization is an operation that changes the position held of the underlying security and/or the characteristics of that same security, including operations in which the underlying security is replaced by another, with different characteristics and/or by cash. The reorganization can be:

a) Mandatory reorganizations, when processed according to the instruction of the Issuer, without the possibility of the investor to choose to exercise or not it's right; or

b) Voluntary reorganisations, when the investor can choose to exercise or not it's right.

5.4. The transaction management includes the necessary procedures to ensure, through an automatic adjustment of the pending operations, who is entitled to the final result of a particular corporate action. The transaction management on pending settlement instructions includes market claims, transformations and buyer protection operations.

5.5. The corporate action event can be decomposed into several operations, depending on the corporate actions.

5.6. The conversion operations supported by the Euronext Securities Porto are defined in the operational documentation.

5.7. The definition of the procedures applicable to the processing of the corporate actions related to debt securities as described in this Section are established in this Circular and in the relevant operational documentation of Euronext Securities Porto.

6. Corporate action cancellation

6.1. During the corporate action lifecycle, issuers, issuing agents, or paying agents, are able to request the event cancellation. If the request is received before the record date event, the cancellation of the corporate event will be performed accordingly.

6.2. As a result, all parts involved in the process will receive a notification of the cancellation and a "cancellation advice".

7. Rounding rules

7.1. Once calculating cash or securities payments Euronext Securities Porto has to comply with the following rounding rules:

a) Cash rounding rules

Corporate actions cash payments are rounded down to the number of decimal permissible with the currency of payment.

b) Securities rounding rules

Corporate actions securities payments are rounded down to the nearest full unit or the Settlement Unit Multiple (SUM) of the security if any.

7.2. By decision and at the request of the issuer, or of who represents it, in a distribution of securities a fraction compensation in cash may occur. In this case, a securities distribution is processed by rounding down to the nearest integer and fractions are compensated in cash.

7.3. The result of the application of the rounding rules by Euronext Securities Porto should be passed in the processing chain, with no rounding or truncation.

SECTION II – Non harmonised rules

8. Information

8.1. The Issuer, whenever corporate actions have to be exercised, shall expressly inform Euronext Securities Porto of those facts with at least fifteen working days prior to the date of payment or the beginning of the corporate action, providing Euronext Securities Porto, within the term that for this purpose is fixed, all the necessary information.

8.2. Euronext Securities Porto shall send to the Participants all the necessary information for processing the corporate actions communicated by the Issuer.

8.3. Euronext Securities Porto shall send to the Issuer, or agents specified by it, all the necessary information to the pursuit of that corporate actions, as well as the results of it.

8.4. The paying agent shall have the possibility to put on hold a corporate action until the record date and release the event on the payment date through the procedures defined by Euronext Securities Porto in the operational documentation.

8.5. The time periods set out in this Circular may be modified if Euronext Securities Porto, at the request of the issuer, considers that different time limits should apply for that specific operation.

CHAPTER II – Specific provisions

SECTION I - DISTRIBUTIONS

9. CASH DISTRIBUTION

9.1. General Provisions

9.1.1 Whenever the Issuer decides a distribution of cash, related to securities integrated into the centralised system, the Issuer shall send to Euronext Securities Porto an acceptance statement of the Participant that ensures the exercise (the paying agent), in the case of interest or other similar income payment, up to the fourth business day prior to the payment date.

9.1.2. The currency to be used for the income payments and redemptions is the euro or any other currency accepted by the Non-Euro Currency Settlement System, which may not coincide with the issuance currency.

9.1.3. The Participants who do not have an account in the payment system operated by CGD - Caixa Geral de Depósitos, SA (hereinafter, CGD) for financial settlement purposes of securities transactions denominated in a currency other than the euro, cannot be designated by the Issuers to carry out the functions of paying agent.

9.1.4. The Issuer must inform Euronext Securities Porto, within the deadlines established, about the characteristics of the corporate action to be processed, in order to enable the timely processing of the corporate action according to the operating procedures established in the operational documentation.

9.1.5. The final amounts for income are determined by Euronext Securities Porto based on the account balances of the Participants where the relevant securities are registered at the end of the business day immediately preceding the payment date (*Record Date*).

9.1.6. If the Issuer fails to comply with the obligation required in paragraph 1 of this article, within the terms therein, the income is not processed on the day established by the Issuer and Euronext Securities Porto shall, after informing CMVM and, where appropriate, the managing company of the regulated market and/or multilateral trading facility (MTF), proceed in accordance with 9.2 of the present Section.

9.1.7. The procedures related to the income payment in euro or in a currency accepted by the T2S or in a currency other than euro not accepted by T2S are defined in the operational documentation.

9.2. Cases of non-compliance

If the interest payment, on the date fixed by the Issuer, fails, Euronext Securities Porto shall not process the respective payment, only doing it on the new date to be fixed by the Issuer, where:

a) The new date for interest payment should be explicitly communicated by the Issuer to Euronext Securities Porto till the fourth business day prior to the payment to allow the processing, and the Issuer should submit, by that date, all the necessary elements, including the statement referred to in 9.1.1 of the present Section;

b) Upon the occurrence of the established in the preceding paragraph, Euronext Securities Porto, in the date fixed by the Issuer to pay interest, shall process the corporate action in accordance with the procedures established in the present Circular and in the operational documentation;

c) If the concerned securities are admitted to trading, Euronext Securities Porto, verified the established in paragraph a), shall immediately inform the regulated market and/or MTF of the new date indicated by the Issuer.

9.3. Specific situation of Euronext Securities Porto link with other CSDs

The procedures related to Euronext Securities Porto link with other CSDs are defined in the operational documentation and in the rules related to the corporate actions of other securities different from debt instruments (Interbolsa Circular 1/2016, as amended).

10. SECURITIES DISTRIBUTION

The procedures related to the securities distribution are defined in the operational documentation and in the rules related to the corporate actions of other securities different from debt instruments (Interbolsa Circular 1/2016, as amended).

SECTION II - REORGANISATIONS

11. REORGANISATIONS

The procedures related to the reorganisations are defined in the operational documentation and in the rules related to the corporate actions of other securities different from debt instruments (Interbolsa Circular 1/2016, as amended).

SECTION III - TRANSACTION MANAGEMENT

12. TRANSACTION MANAGEMENT

The procedures related to transaction management, namely market claims, are defined in the operational documentation and in the rules related to the corporate actions of other securities different from debt instruments (Interbolsa Circular 1/2016, as amended).

12.1. Market Claims Instructions - Automatic adjustment in distribution operations – Detection rules - specificities

In case of a distribution of cash or securities, Euronext Securities Porto at the end of Record Date creates a debit instruction to the seller's account with the amount equal to the distribution, against the credit to the buyer, whenever:

- a)** There are matched instructions not settled by the end the Record Date, with intended settlement date prior or equal to Record Date, in the case of securities represented in amount;
- b)** There are instructions with intended settlement date prior or equal to Record Date passing to the matched situation after that date, up to a maximum of twenty working days after Record Date; the instruction is created on a daily basis, at end of day.

SECTION IV - CONVERSION OPERATIONS

13. CONVERSION OPERATIONS

The procedures for conversion operations, relating to changes in the form of representation of securities are defined in the operational documentation and in the rules related to the corporate actions of other securities different from debt instruments (Interbolsa Circular 1/2016, as amended).

CHAPTER III – FINAL PROVISIONS

14.1. In all matters not provided for in this Circular, the provisions of Interbolsa Circular 1/2016 and the operational documentation shall apply, with the necessary adaptations.

14.2. This Circular comes into force on 8 April 2024, subject to the effective enter into force of Euronext Securities common corporate actions platform.

Interbolsa
Board of Directors