

Decree-Law no. 1/2022 of May 25 which approves the new Commercial Code (the “2022 Commercial Code”), revoked Decree-Law no. 2/2005 of December 27¹ (the “2005 Commercial Code”). The 2022 Commercial Code will come into effect 120 days after its publication, that is, on September 22, 2022.

In terms of content, the 2022 Commercial Code brings much that is new (e.g.: classifications of companies, new corporate body, types of companies, among others) and several restructuring changes to the 2005 Commercial Code, as summarized in the comparison table below:

GENERAL SECTION		
ITEM	2005 COMMERCIAL CODE	2022 COMMERCIAL CODE
Classification of companies² (general rule) – article 5 the 2022 Commercial Code	N/A.	Micro company: up to 10 employees, annual turnover does not exceed 3.000.000,00 meticaïs; Small company: 11 to 30 employees, annual turnover from 3.000.000,00 to 30.000.000,00 meticaïs; Medium company: 30 to 100 employees, annual turnover from 30.000.000,00 to 160.000.000,00 meticaïs; Large company: employing more than 100 employees, annual volume exceeding 160.000.000,00 meticaïs.
Classification of companies in the manufacturing activities³ – article 7 of the 2022 Commercial Code	N/A.	Micro company: initial investment is less than 1.500.000,00 Meticaïs, the installed or to be installed power is less than 10 KvA and that employs a maximum of 10 employees;

¹ As amended by Law no. 2/2009, of April 24 and by Decree-Law no. 1/2018, of May 4.

²In the classification of a company that presents a combination of parameters of number of employees and turnover different from those indicated, the turnover prevails, however, for the purposes of hiring foreign employees, the classification only takes into account the number of employees. Further, for the purposes of contracting works, public works, supply of goods, and provision of services to the State, for a company to be classified in a particular category, there must also be no more than a 25% stake held by a large company or the State in each category.

³ For an industrial company to be classified in a given category it must meet at least two of the criteria mentioned.

		<p>Small company: initial investment is higher than 1.500.000 Meticaís, the installed or to be installed power is equal or higher than 10 KvA and that employs between 11 and 30 employees;</p> <p>Medium company: whose initial investment is equal or higher than 150.000.000,00 Meticaís, the installed or to be installed power is equal or higher than 500 KvA and that employs between 31 and 100 employees; and</p> <p>Large company: whose initial investment is equal or higher than 600.000.000,00 Meticaís, the installed or to be installed power is equal or higher than 1.000 KvA and that employs more than 100 employees.</p>
Capacity to exercise business activity – articles 9 and 10 of the 2005 Commercial Code; article 13 of the 2022 Commercial Code	<p>A person who has civil capacity (21 years old) can exercise a business activity.</p> <p>A minor, who is over 18 years of age, could exercise business activity, provided that he is duly authorized.</p>	A person who has reached the age of 18 is capable of exercising business activity.
Individual Entrepreneur – article 28 of the 2005 Commercial Code; articles 54 to 65 of the 2022 Commercial Code	Definition not provided, only made mention of the individual entrepreneur's firm.	<p>Defined as being the individual who professionally and habitually exercises business activity, and may be registered without or with limited liability to the value declared in the registration.</p> <p>For the debt resulting from the activity of the individual entrepreneur, who has instituted limited liability, only the assets of the individual entrepreneur are liable up to the value declared in the registration.</p>
Effective beneficiary – article 99 of the 2022 Commercial Code	N/A.	The company should maintain updated information regarding the identification of the beneficial owner, through documents confirming his identity. This information should be sufficient, accurate and current, as well as reported to the competent entity.
Corporate bodies – article 127 of the 2005 Commercial Code; article 114 of the 2022 Commercial Code	<ul style="list-style-type: none"> - General Assembly; - Administration; - Supervisory Board/Single auditor. 	<ul style="list-style-type: none"> - General Assembly; - Administration; - Supervisory Board/Single auditor; - Company Secretary⁴ (optional)

⁴ A director or any employee of the company or a third party contracted by the company for this purpose may be appointed as Company Secretary. The Company Secretary, who is also the company's representative or director, may not intervene in the same act in this dual capacity.

Deliberation of the General Assembly by technological means – article 116 of the 2022 Commercial Code	N/A.	The partners deliberate in the General Assembly in person or through technological means that allows the verification of the identity of the partner, as long as the security conditions of the participation, the communications, and the authenticity of the declarations are guaranteed, through the registration of the content and of the respective participants.
Voluntary representation at the General Assembly – article 130 of the 2005 Commercial Code; article 118 of the 2022 Commercial Code	The partner may be represented at the General Assembly by the spouse, descendant or ascendant, by another partner, a director, a third party, or a representative, appointed through a proxy letter. This code was silent in regard to the validity of the proxy letter for representation at the General Assembly if the same did not provide for duration or specific powers.	The partner may be represented at the General Assembly by a legal or voluntary representative, the latter to be constituted by a proxy letter. Should the proxy letter not make reference to the specific powers granted or duration, the proxy letter is valid for the respective calendar year.
Ordinary and extraordinary General Assembly meeting – article 132 of the 2005 Commercial Code; article 120 of the 2022 Commercial Code	The General Assembly must meet ordinarily within 3 months of the end of each fiscal year. Only partners representing at least 10% of the share capital can convene an extraordinary general meeting.	The General Assembly must meet ordinarily within 4 months of the end of each fiscal year. Only partners representing at least 5% of the share capital can convene an extraordinary general meeting.
Renewal of resolution – article 133 of the 2022 Commercial Code	N/A.	A void resolution may be renewed by another resolution and the latter may be given retroactive effect, without prejudice to rights acquired by third parties. The court in which a resolution has been challenged may, upon application by the company, grant a period of time, which shall not be less than 45 days, to renew the resolution.
Fiduciary duties of directors – article 140 of the 2022 Commercial Code	N/A	The directors have, among others, the following fiduciary duties: <ul style="list-style-type: none"> - To keep confidential information that has not yet confirmed and that may, when disclosed to the market, influence the market, influence, in a ponderable manner, the quotation of the company's securities, making sure that his subordinates do not disclose any information; - Disclose, on the day immediately following the fact any resolution of the General Assembly or of the day immediately following the fact, any

		<p>resolution of the General Assembly or of the management bodies, relevant fact, occurred in the its business and that may influence, in a ponderable way decisions of the investors in the securities market securities market;</p> <ul style="list-style-type: none"> - Not use information obtained as a result of their position to gain, for themselves or others, an advantage through the purchase and sale of securities; and - Optimize the use of capital, reducing its cost through more stable sources of financing.
<p>Business with the company – article 427 of the 2005 Commercial Code; article 141 of the 2022 Commercial Code</p>	<p>Prohibition of execution of contracts between the company and directors, directly or not, except if previously authorized by the board of directors (with the interested director not voting), with favorable opinion from the supervisory board/single auditor⁵.</p>	<p>Prohibition of execution of contracts between the company and directors, directly or not, or the contract executed by the company wherein the director is an interested party without prior authorization by the general assembly.</p> <p>The director is an interested party when:</p> <ul style="list-style-type: none"> - Is a party to the transaction or contract or will or may obtain a material financial benefit from that transaction or contract; - Has a financial interest in any other party to the transaction or contract; - Is a director, manager, representative of any other party or a person who obtains or may obtain a material benefit in the transaction or contract; - Is a parent, child, spouse or common law spouse of the other party to the transaction or contract who obtains or obtains or could obtain a material benefit in the transaction or transaction or contract; and - In any other way has a direct or indirect interest in the transaction or contract.
<p>Exclusion, limitation, waiver and expiration of liability – article 161 of the 2005 Commercial Code; article 161 of the 2022 Commercial Code</p>	<p>The company may only waive the right to compensation or compromise on it by express resolution of the partners without the dissenting vote of a minority representing at least 10% of the capital stock and only if the damage does</p>	<p>The company may only waive the right to compensation or compromise on it by express resolution of the partners without the dissenting vote of a minority representing at least 10% of the capital stock and only if the damage does not constitute a material reduction in the creditors' security.</p>

⁵ This prohibition was inly applicable to joint stock companies.

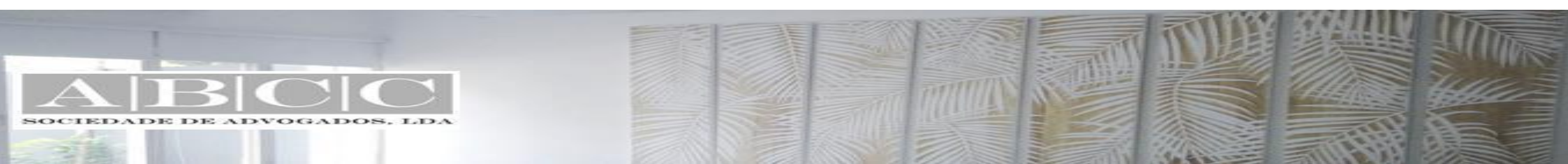
Liability action brought by a partner – article 163 of the 2005 Commercial Code; article 166 of the 2022 Commercial Code	A liability action in favor of the company may be brought by partners with unlimited liability or holding a capital interest of not less than 10%, if the company has not already brought the respective action.	A liability action in favor of the company may be brought by partners holding a capital interest of not less than 5%, if the company has not already brought the respective action.
Submission of the report of the board of directors – article 175 of the 2005 Commercial Code; article 179 of the 2022 Commercial Code	If the board of directors fails to submit the report and accounts within 3 months after the end of the fiscal year, any partner may request the court to set a time limit (not exceeding 60 days) for submission of the report.	If the board of directors fails to submit the report and accounts within 3 months after the end of the fiscal year, any partner may request the court to set a time limit (not exceeding 60 days) for submission of the report.
Publicity of the corporate act in internet sites – article 250 of the 2022 Commercial Code	N/A.	Publication of acts subject to registration must also be made on an internet site. The notice, announcement and summons addressed to the partner or to the creditor, when the law or the articles of association mandate their publication, must be made at the expense of the company on a publicly accessible internet site, with the electronic address of the entity competent for registration. The publication of the act subject to registration is automatically promoted by the entity responsible for registration.
Statute of limitations regarding the company's rights against partners, managers, fiscal council members and liquidators and vice-versa – article 252 of the 2005 Commercial Code; article 256 of the 2022 Commercial Code	The statute of limitations is 5 years.	The statute of limitations is 3 years.

Sole proprietor company – article 328 et seq. of the 2005 Commercial Code; article 257 et seq. of the 2022 Commercial Code	Provides for sole proprietor companies with only natural persons as partners. Applicable only to private limited companies.	A sole proprietor company may have natural and legal persons as partners. The sole proprietor company may adopt one of the following types: a) private limited company; b) joint stock company; or c) simplified joint stock company. In a sole proprietor company, incorporated or transformed under the terms of this code, only the company's assets are liable before the creditor for the company's debt.
TYPES OF COMPANIES		
TYPE OF COMPANY	2005 COMMERCIAL CODE	2022 COMMERCIAL CODE
Limited Partnersip – article 270 et seq. of the 2005 Commercial Code	In a limited partnership, the general partnership, which includes the general partners, and the limited partnership of funds are distinct elements. Each one of the limited partners is liable only for the payment of its capital participation, not being able to contribute with working capital, the general partners are liable for the corporate obligations in the terms established for the partners of the general partnership.	N/A.
Company of capital and industry – article 278 et seq. 9 and 10 of the 2005 Commercial Code	The capital and industry company is characterized by having partners who contribute to the formation of the capital with money, credits, or other material goods, and who limit their liability to the amount of the contribution with which they subscribed to the corporate capital, and by having partners who do not contribute to the same capital, but only join the company with their work, and who are exempt from any liability for the company's debts.	N/A.
	Overview	Overview

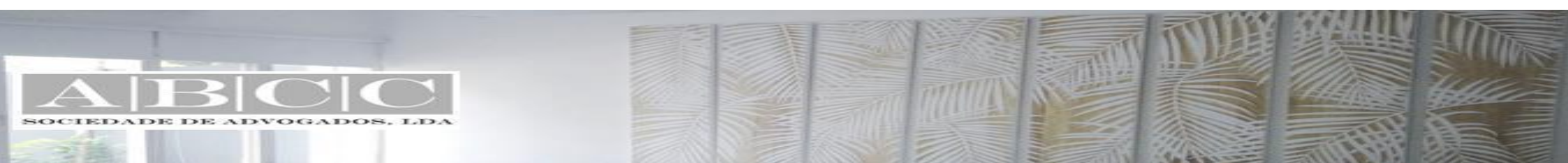
General partnership – article 253 et seq. of the 2005 Commercial Code; 262 et seq. of the 2022 Commercial Code	<p>The partner is held subsidiary liable in relation to the company and jointly and severally with the other partners for the company's obligations, even if these have been contracted prior to the date of his or her admission.</p>	<p>The partner is not subsidiary liable in relation to the company for the company's obligations, limiting its liability to the company's assets.</p>
	<p>General Assembly The convening notice must be published at least 30 days before the general meeting.</p>	<p>General Assembly The notice period has been reduced to 15 days before the meeting date.</p>
	<p>Dissolution The company is dissolved if the number of partners is reduced to unity, without the plurality of partners being reestablished within 3 months, or the company becomes a sole proprietor company.</p>	<p>Dissolution The company is dissolved if the number of partners is reduced to unity without, within 6 months, reestablishing the plurality of partners or transforming the company into another corporate type.</p>
Private limited company – article 283 et seq. of the 2005 Commercial Code; article 281 et seq. of the 2022 Commercial Code	<p>Transfer of Quotas Unless otherwise provided for in the articles of association, the company and, if the company does not exercise it, the quota holders in proportion to their respective quotas, have pre-emption rights in all cases of transfer of quotas between living persons. The articles of association cannot establish other limitations on the transfer of shares between living individuals.</p>	<p>Transfer of Quotas Unless otherwise stipulated in the articles of association, the company and, if the company does not exercise it, the quota holder in proportion to the respective quota, has pre-emption rights in all cases of transfer of quotas between living individuals. Furthermore, unless otherwise stipulated in the articles of association, the transfer of a quota does not depend on the company's consent. The memorandum of association may establish that, if a member dies, the respective quota shall not be transferred to the successors of the deceased, or it may condition the transfer to certain requirements.</p>
	<p>Exclusion of a quota holder A quota holder may be excluded in the cases specifically provided for in the articles of association. A quota holder can also be excluded by judicial decision, in an action brought by the company after prior resolution, when his/her disloyal behavior or serious disturbance to the company's operation has caused or may cause him/her significant losses. The exclusion of a quota holder does not affect the duty to compensate the company for any losses he/she may have caused.</p>	<p>Exclusion of a quota holder A quota holder may be excluded in cases specifically provided for in the articles of association. The administration, having become aware of a fact that is contractually permissible for exclusion, is obliged to notify the quota holder of the company within 30 days. Within 30 days, counted from the administration's notification of such fact, the quota holders can resolve on the exclusion of the quota holder. Within 60 days of the quota holders' decision to exclude a quota holder, the company must, by means of a quota holders' resolution, amortize the quota holder's quota, acquire it or have it acquired, establishing the respective consideration.</p>

		A quota holder may be excluded by court order if, by his/her disloyal behavior or behavior that seriously disturbs the functioning of the company, he/she has caused or may come to cause relevant damages to the company ⁶ .
	General Assembly The minutes of the General Assembly meeting must be signed by all the quota holders who participated in it.	General Assembly The General Assembly is chaired by the quota holder present who owns or represents the largest fraction of the share capital, with the oldest member preferring, in equal circumstances. The minutes of the General Assembly meeting must be signed: <ul style="list-style-type: none"> - By the Board of the Assembly, in the case where this has been instituted in the articles of association; or - By the person presiding over the meeting and the company secretary, if any; or - By all the quota holders who took part in the meeting.
	Distribution of profits The quota holder's credit to his or her share of the profits becomes due 30 days after the date of the resolution to distribute the profits.	Distribution of profits The quota holder's credit to his or her share of the profits becomes due 6 months after the date of the resolution to distribute the profits.
Joint stock company – article 331 et seq. 10 of the 2005 Commercial Code; article 320 et seq. of the 2022 Commercial Code	Types of shares Unless otherwise provided by law or the articles of association, shares can be nominative or to bearer.	Types of shares Shares are always nominative.
	Management and Supervision The company is managed by a Board of Directors made up of an odd number of members, or by a sole director as long as the share capital does not exceed 500.000,00 Meticaís. The supervision of the company is the responsibility of the supervisory board or a single auditor.	Management and Supervision The management and supervision of the company can be structured in one of two ways: <ul style="list-style-type: none"> - Board of Directors and Supervisory Board or Single Auditor; and - Board of Directors which includes, at least, the Audit Committee and the external auditor.

⁶ The proposal of the exclusion action must be decided by the quota holders, who may appoint a special representative for this purpose, however, this is dispensed when the company has two quota holders and the exclusion action is promoted by one of them.



		<p>The company may establish a sole director provided that the share capital does not exceed 5.000.000,00 Meticaís and that the company does not resort to public subscription or offer, nor has shares or bonds traded on the securities market.</p> <p>The Audit Committee is composed of an odd number of at least three members of the Board of Directors, as established in the articles of association.</p>
<p>Simplified joint stock company – article 441 et seq. of the 2022 Commercial Code</p>	N/A.	<p>Overview</p> <p>The simplified joint stock company is constituted by one or more individuals or legal entities, with limited liability, regardless of the activity foreseen in its corporate object.</p> <p>Each shareholder limits his liability to the value of the shares he has subscribed for.</p> <p>Payment of share capital</p> <p>The shares issued by the simplified joint stock company are not registered with the Central Securities Depository, nor can they be listed or traded on the stock market. The subscription and payment of capital are made under the conditions, in the proportions, and within the deadlines set forth in the share issue document. In no case must the term for paying up the shares exceed three years.</p> <p>Voting rights</p> <p>The simplified joint stock company can issue common or preferred shares, with or without voting rights. The voting right corresponding to each class of shares must be expressly provided for in the articles of association, with express indication of single or multiple voting rights, if applicable.</p>



GROUP OF COMPANIES		
TYPE OF GROUP	2005 COMMERCIAL CODE	2022 COMMERCIAL CODE
Colligated Company – article 500 et seq. of the 2022 Commercial Code	N/A.	Company with simple participation: two companies are in a simple participation relationship when one of them holds quotas or shares of the other in a percentage equal to or greater than 10% of its capital stock.
		Company in a reciprocal participation relationship: two companies are in a reciprocal participation relationship when each one participates in the capital of the other as soon as both participations are equal to or greater than 10% of the capital stock.
Company in Group Relationship – article 505 et seq. of the 2022 Commercial Code	N/A.	Companies in a dominant relationship: when a company, called dominant, is in a position to exert a dominant influence, directly, through companies, through a shareholders' agreement, or through persons, over another company, called dependent or dominated.
		Companies in a group relationship by parity agreement: when two or more companies, which are not dependent neither on each other nor on other companies, may constitute a group of companies, by contract whereby they agree to be subject to a common unitary management, embodied in a third entity with management power.
		Companies in a group relationship constituted by a subordination contract: when a company, by contract, subordinates the management of its own activity to the management of another company, called the director, whether or not the director is its dominant company.