



EST. 1833

BANCO CARREGOSA

AGREEMENT

Regulation EU No 648/2012 (EMIR)

- Protocol to comply with the obligations related to OTC derivatives -

(A) Considering the scope of the present system entitled [EMIR](#) (*European Market Infrastructures Regulation*), established by Regulation (EU) No 648/2012, of the European Parliament and of the Council, of 4 July 2012, on over-the-counter market derivatives, central counterparties and trade repositories, imposing obligations to the Non-financial Counterparty (*NFC*) concerning OTC derivatives under this regulation and definitions.

(B) Considering and recognising that the scope of the *NFC* duties differ on the value of the position in OTC derivatives that aren't risk-hedge (under the terms defined in the regulation) referring to the "clearing threshold" (*CT*), meaning that each *NFC* is obliged to assess its own real situation, taking into special account that once exceeded the *CT* foreseen, there is a clearing obligation towards a central counterparty.

(C) With no prejudice to more specific requirements, this is a requirement for both counterparties, *FC* and *NFC* (not exempt) to:

- (i) Implement risk mitigation techniques for OTC derivatives which are not subject to centralised clearing;
- (ii) Report the information concerning derivatives (OTC or non-OTC) contracts to trade repositories (*TR*),

And that the mentioned requirements result from:

- (i) article 11 of the [EMIR](#) and of the [Commission Delegated Regulation \(EU\) No 149/2013 of 19 December 2012](#), particularly articles 13 and 15, (which embrace technical standards of regulation, including rules comprising Non-Financial counterparties and risk mitigation techniques for OTC derivatives contracts not cleared through a central counterparty)
- (ii) article 9 of the [EMIR](#) and of the [Commission Delegated Regulation \(EU\) No 148/2013 of 19 December 2012](#) (technical standards of regulation that specify the minimum data to convey to trade repositories) and of the [Commission Implementing Regulation \(EU\) No 1247/2012 of 19 December 2012](#) (implementing technical standards in what concerns the format and the periodicity of trade reports to submit to trade repositories)

(D) Considering that the counterparties

- (i) Must implement procedures and mechanisms for risk mitigation, which allow to measure, follow and mitigate operational risks and credit risk of the counterparty, specially concerning:

- a) Reconciliation of the terms of OTC derivatives contracts non-cleared through a central counterparty, through the communication between the parties of the needed elements (*portfolio reconciliation*), and in any OTC derivatives, the settlement of identified disputes (*dispute resolution*), particularly regarding the presence, control valorisation and collaterals (margins);
 - b) Portfolios compression, whenever there is a minimum of 500 OTC derivatives non-cleared between the parties.
- (ii) All the counterparties are obliged to guarantee the convey of data related to all contracts of derivatives concluded (including amendment or termination) to a Trade Repository, registered or recognised pursuant the EMIR Regulation.

BANCO L.J. CARREGOSA, S.A., hereinafter referred to as **BANK**, as financial counterparty (*FC*), and

THE CLIENT, as non-financial counterparty (*NFC*), unless otherwise stated in annex I in this Agreement, recognising its bound to the obligations above set forth in full,

AGREE:

1. Portfolio Reconciliation Procedures.

- 1.1. Banco Carregosa shall convey enough information on time concerning the CLIENT's portfolio, as data sending entity
- 1.2. The CLIENT shall act as data receiving entity, committing to fulfil the reconciliation of the positions covered by the herein Regulation, in accordance to the minimum periodicity therein stated.
- 1.3. Any discrepancy detected by the CLIENT must be reported to Banco Carregosa on time alongside a written notice, whilst the case remains.
- 1.4. If the CLIENT fails to inform Banco Carregosa about the discrepancies detected within 4 p.m. of the 5th business day, taking into account the place set out below, after data delivery, foreseen in point 1.1., all data conveyed shall be considered deemed by the CLIENT.

2. Dispute Resolution Procedures

- 2.1. In case any of the parties have a dispute regarding elements conveyed or other, upon asserting the controversy of such elements, the parties agree on the following procedure to identify and solve disputes or controversies:
- 2.2. Both parties can identify a dispute by sending a notification to the counterparty;
- 2.3. After the notification, both parties must convey on good will, with a view to solve the dispute in time, inter alia, the exchange of relevant information;
- 2.4. With regard to disputes unsolved within 5 business days, the hierarchical superior of the identified Department must be informed
- 2.5. Both parties agree to keep internal procedures to register and monitor disputes, whereas these persist.

3. Portfolios Compression Procedures

In case the portfolio of the CLIENT has at least 500 OTC derivatives non-cleared, one of the parties must take the initiative to assess the appropriate measures regarding portfolio compression, according to the applicable rules.

4. Reporting Data to a Trade Repository.

4.1. Unless otherwise specified in annex I to the present document, the CLIENT delegates the BANK the power to submit all trades and positions in derivatives, where both are counterparties to a trade repository in compliance with the regulation.

4.2. Additionally, the BANK will report the transactions carried out in the accounts of the CLIENT as not being directly related to his commercial activity, or to his treasury financing activities, according to point 3 of article 10 of the EU Regulation No 648/2012.

4.3. The CLIENT recognises and accepts that the BANK may charge a commission for this service, which will be applied according to the terms practiced by the market, once the trade repositories start their commercial activity.

5. General provisions.

5.1. Time limits in this agreement, particularly on business days are established according to legal rules and regulations relevant to the activities in issue in Portugal, unless otherwise specified in annex I in this agreement.

5.2. The BANK and the CLIENT agree and accept the rules foreseen on the ISDA standard contract - *ISDA 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol* -, content which can be read on the following link <http://assets.isda.org/media/f253b540-12/b9c7f210.pdf/> for interpretation and inclusion means of the terms of this agreement.

5.3. This agreement will be in force whilst the CLIENT has open positions of derivatives registered at the BANK. Periodically, both parties must review its terms to better comply with legal requirements and procedures when performing operations, and any change, amendments or execution rules must be put in written and must be expressly accepted by the parties, becoming integral part of this agreement.

5.4. Both parties accept that the results of this agreement take effect on 15 September 2013, whereas such performance effects are executable, legally and regulatory.

5.5. The foreseen communications in this document must be addressed to the following addresses:

BANCO CARREGOSA:

Portfolio reconciliation – EMIR@BancoCarregosa.com

Disputes Discrepancies/Resolution notification - EMIR@BancoCarregosa.com

If the communication fails through email, the communication must be upheld through the following means:

- FAX – No +351 22 608 64 90; or, in case it fails, through
- Telephone + immediate confirmation by other means of communication.

The BANK can demand confirmation of the communications through mail addressed to “*Departamento de Operações do Banco Carregosa, Av. Boavista 1083, 4100-129 Porto, Portugal*”.

5.6. This agreement is under the Portuguese Law to the exclusive jurisdiction of the District Court of Porto in any disputes, where a settlement of interests out-of-court have not been attained; both parties commit to provide the appropriate written report of the interests claimed, and the reply must follow the same process.

Date: ____/____/____

The Client,

1 Holder / Representative _____

2 Holder / Representative _____

3 Holder / Representative _____

4 Holder / Representative _____

BANCO CARREGOSA (To be filled out by the Bank)

Pre-LEI: 213800UFLAA5SS55IZ10

Date: ____/____/____ **Received by:** _____
(yyyy/mm/dd)

Date: ____/____/____ **The Bank:** _____
(yyyy/mm/dd)

ANNEX I - Protocol to comply with the obligations related to OTC derivatives

Full Name: _____

NIPC¹: _____

LEI/ pre-LEI: _____ Expires on ____/____/____
(yyyy/mm/dd)

Type of Counterparty:

- Financial Counterparty (FC)
 Non-Financial Counterparty (NFC)
 Non-Financial Counterparty, subject to clearing (NFC+)

For the purpose of point 4.1. of this agreement, I wish to carry over an independent report of transactions for the following accounts of a repository in compliance with the regulation:

Operations on derivatives in the following accounts must be reported as directly related to the commercial activity or treasury financing, for the purpose of point 4.2.:

Place different from what is defined in point 5.1. _____

Alternative Contacts to those defined when opening the account: _____

Portfolio reconciliation _____

Disputes Discrepancies/Resolution notification _____

Date: ____/____/____

The Client,

1 Holder / Representative _____

2 Holder / Representative _____

3 Holder / Representative _____

4 Holder / Representative _____

BANCO CARREGOSA (To be filled out by the Bank)

Pre-LEI: 213800UFLAA5SS55IZ10

Date: ____/____/____ **Received by:** _____
(yyyy/mm/dd)

Date: ____/____/____ **The Bank:** _____
(yyyy/mm/dd)

¹ The NIPC is the corporate tax identification number, which identifies the corporate entity recorded in the register.

ANNEX II – Indication of the Type of Financial Counterparty

(For Financial Counterparties only)

If you have filled in Annex I as Financial Counterparty, please indicate by virtue of what title. Otherwise, this annex shall be ignored:

Type of Financial Counterparty (for Financial Counterparties only):

- Investment Firm under the terms of the Directive No 2004/39/CE
- Credit Institution under the terms of the Directive No 2006/48/CE
- Insurance Company under the terms of Directives No 73/239/CEE and 2002/83/CE
- Reinsurance Company under the terms of the Directive No 2005/68/CE
- Collective Investment in Transferable Securities under the terms of the Directive No 2009/65/CE or its Managing Body
- Institutions for occupational retirement provision, as set out in point a) in article 6. of the Directive No 2003/41/CE
- Alternative Investment Fund managed by the authorised entity accountable for the authorised management or registered under the terms of the Directive No 2011/61/CE

Date: ___/___/_____

The Client,

1 Holder / Representative _____

2 Holder / Representative _____

3 Holder / Representative _____

4 Holder / Representative _____

BANCO CARREGOSA (To be filled out by the Bank)

Pre-LEI: 213800UFLAA5SS55IZ10

Date: _____/_____/_____ **Received by:** _____

(yyyy/mm/dd)

Date: _____/_____/_____ **The Bank:** _____

(yyyy/mm/dd)