





TL CASE A Merger of the European industrial units of two international groups.

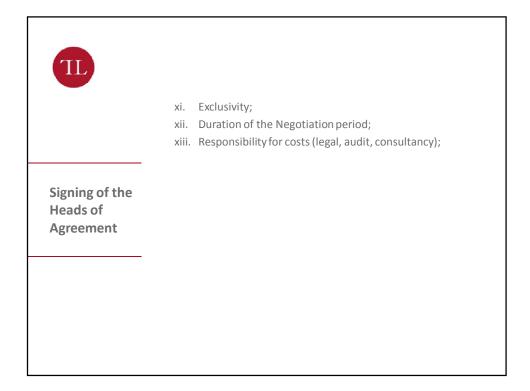


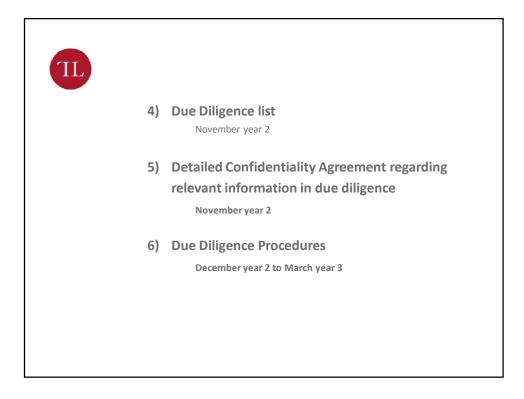
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1)	Signing of the Confidentiality Agreement November year 1
2)	Several meetings between the two parties' teams

IL	3) Signing of the Heads of Agreement (Main basis of the JV to be implemented) October year 2
Signing of the Heads of Agreement	 Where the following aspects were regulated: 1. Due diligence and pro-forma accounts to be elaborated; 2. Determination of the enterprise value of each of the companies to be brought to the JV (as of 31 December year 2) and of the share percentage of each party in the JV according to the pro-forma accounts; 3. Definition and determination of EBITDA, working capital and financial indebtedness; 4. Mechanisms of correction of the enterprise value of each of the companies to bring to the JV – the value according the pro-forma accounts versus the audited accounts – prevision of correction made in shares or in cash;

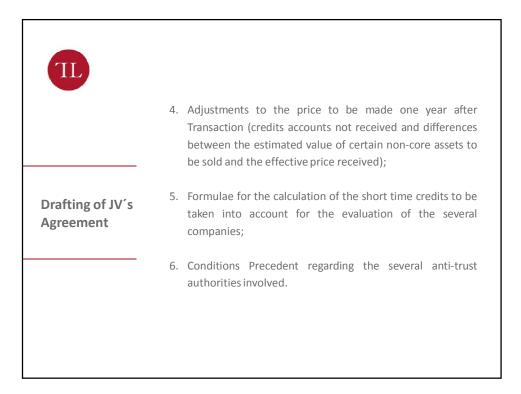
T	5.	Definition of the JV to be implemented and of the agreements to be prepared thereto:
Signing of the Heads of Agreement		 Normal representations and warranties in this kind of transactions, with the associated indemnifications rights related to assets, financial information, intellectual property rights, conduct of business, legal, tax, labor and environmental duties, true and compete information, time and cash limits for indemnification;
		Obligations to be assumed by both parties related to anti- trust authorities; management of the companies during the transition period;
		iii. Indemnification rights due to the violation of reps & warrs.

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	6. Negotiation of the Shareholders Agreement
	Previewing among others:
Signing of the Heads of Agreement	 i. JV objectives; ii. Strategy to be implemented; iii. Management; iv. Social bodies; v. Quorum for deliberations both at Board of Directors and at General Meetings of Shareholders; vi. Dividends policy; vii. Relevant issues to be approved by both parties; viii. Minimum Period for Standing Still regarding the shareholding (moratorium period); ix. Put and call rights after the moratorium period; x. Rights of first refusal in the sale of shares after the moratorium period.



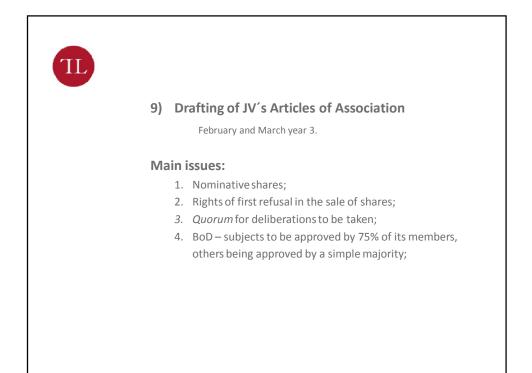


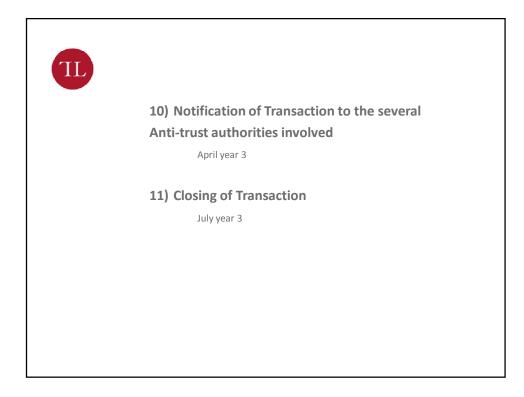
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	7)	Drafting of JV's Agreement
		February and March year 3
		1. Reps & War
Drafting of JV´s Agreement		2. Disclosure letter regarding facts and situations not giving right to indemnification
		 3. Final Structure of the Transaction: Acquisition by JV of both parties' companies; Sale and purchase of a part of the shareholding of one the Parties at JV; Capital Increase of the JV subscribed by one of the parties (in kind or money); Escrow Agreement regarding the deposit of the JV shares.



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	8) Drafting of JV's Shareholders Agreement
	February and March year 3.
	Main issues:
	1. GSM – subjects to be approved by 2/3 majority;
Drafting of JV's	2. Existence of a Strategic Board;
Agreement	3. 7 members BoD
	 BoD – subjects to be approved by 75% of its members, others being approved by a simple majority;
	5. In the case of lack of agreement between parties, the CEO
	to be nominated by one party and the CFO by the other;
	6. Budget and financial reporting to the Strategic Board;
	 50% of the net profit to be mandatory distributed as dividends;
	 Moratorium Period of 4 years regarding non selling of shareholding;

TL	9. After Moratorium Period, the minority shareholder has a
	put to be exercised at a price of
	[5,65 X (JV EBITDA – Financial Indebtedness) x 40%;
Drafting of JV´s Agreement	 After Moratorium Period, the majority shareholder has a call to be exercised at a price of [6,75 X (JV EBITDA – Financial Indebtedness) x 40%;
	11. Non competition;
	12. Arbitration;











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	6) D	rafting of the SPA
		October year 1 to March year 2
	Main	issues:
Duefting of the	1.	Definition of the object of the transaction;
Drafting of the SPA	2.	Conditions Precedent: concerning the Anti-trust Portuguese Authority and the Seller;
	3.	Fixed sale price, non-revisable due to change of circumstances between SPA signature and Closing;
	4.	Any risks concerning the activity and business of the target between SPA signing and closing are assumed by the Buyer;
	5.	Rules of behavior by the members of the BoD of the target between SPA signing and closing;

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	 Non verification of conditions precedent: right of the Seller to be indemnified in a certain amount;
	7. Payment of the price: down payment and escrow deposit;
Drafting of the SPA	8. Seller's Reps and Warrs;
	 Time and value limits to the Seller's responsibility to indemnify Buyer;
	10. Lack of exactitude of the Reps and Warrs;
	11. Seller's Non competition duty;
	12. Escrow deposit of the shares and of the price;
	13. Arbitration.

