

**LISTINGS, TERMS OF DEPOSITARY RECEIPTS AND DEPOSITARY AGREEMENTS,
REGISTRATION, DEALINGS AND SETTLEMENT**

Two depositary agreements have been entered into in respect of the Introduction on substantively identical terms. This section includes a summary of the principal terms of each Depositary Agreement. Because it is a summary, it does not contain all the information that may be important. For more complete information, you should read the entire Depositary Agreements and the forms of Depositary Receipts which contain the terms of the relevant HDSs. Copies of the Depositary Agreements are available for inspection in accordance with the details provided in Appendix IX to this Listing Document.

LISTINGS

Application has been made to the Listing Committee for granting the admission to secondary listing on the Main Board of the Stock Exchange of, and permission to deal in, the Depositary Receipts.

That application has been made in respect of two classes of Depositary Receipts, being Common Depositary Receipts representing Common HDSs and Class A Preferred Depositary Receipts representing Class A Preferred HDSs. Application had been made in respect of up to 259,242,052 Common Depositary Receipts and up to 393,470,993 Class A Preferred Depositary Receipts.

The Depositary Receipts will be denominated in HK Dollars with no par value.

The Common Shares and Class A Preferred Shares which the HDSs, and ultimately the Depositary Receipts, will represent are presently listed on BM&FBOVESPA in São Paulo, Brazil. Common Shares and Class A Preferred Shares are also presently traded on LATIBEX of the Madrid Stock Exchange. ADRs representing both Common Shares and Class A Preferred Shares are also presently listed on NYSE and traded on NYSE Euronext Paris.

TERMS OF DEPOSITARY RECEIPTS

Each Common Depositary Receipt will be issued against a Common HDS and each Class A Preferred Depositary Receipt will be issued against a Class A Preferred HDS deposited for the account of the HDR Depositary.

JPMorgan Chase Bank, N.A., as HDR Depositary, will issue HDRs representing the HDSs to investors in the HDRs following the Introduction.

Each Class A Preferred HDS will represent an ownership interest in one Class A Preferred Share and each Common HDS will represent an ownership interest in one Common Share, which will each be deposited with the Custodian, as agent of the HDR Depositary, under the respective Depositary Agreement.

The Custodian will hold the Common Shares and/or the Class A Preferred Shares for the account of the HDR Depositary on behalf of the HDR Holders, segregated from all other property of the Custodian.

In the future, each HDS will also represent any securities, cash or other property deposited with the HDR Depositary or the Custodian for the account of the HDR Holders. Unless their holders specifically request otherwise, all HDSs will be registered on the books of the HDR Depositary in book-entry form and periodic statements will be mailed to holders which reflect their ownership interest in such HDSs. In this description, references to Depositary Receipts or HDRs shall include the statements that holders will receive which reflect their ownership of HDSs.

The HDR Depositary's representative office is presently located at 20/F Chater House, 8 Connaught Road, Central, Hong Kong.

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Holders may hold HDSs either directly or indirectly through their broker or other financial institution. If they hold HDSs directly, by having an HDS registered in their name on the books of the HDR Depositary, they are an HDR Holder. This description assumes direct holding of HDSs. If holders hold the HDSs through their broker or financial institution nominee, they must rely on the procedures of such broker or financial institution to assert the rights of an HDR Holder described in this section. They should consult with their broker or other professional adviser to find out what those procedures are.

We will not treat HDR Holders as Shareholders and HDR Holders will not have any Shareholder rights. Brazilian law governs the rights of Shareholders. Because the HDR Depositary or its nominee will be the holder of record for the Shares represented by all outstanding HDSs, Shareholder rights rest with such holder of record. The rights of an HDR Holder derive from the terms of the relevant Depositary Agreement. The obligations of the HDR Depositary and its agents are also set out in the Depositary Agreements. Because the HDR Depositary or its nominee will actually be the registered owner of the HDSs, HDR Holders must rely on the HDR Depositary to exercise the rights of a Shareholder on their behalf. The Depositary Agreements are governed by Hong Kong law and the Depositary Receipts will be created under and governed by Hong Kong law.

Share Dividends and Other Distributions

How will dividends and other distributions on the Shares underlying the HDSs be received?

We may make various types of distributions with respect to our securities. The HDR Depositary has agreed that, to the extent practicable, it will pay the cash dividends or other distributions it or the Custodian receives on Shares or other deposited securities, after converting any cash received into HK Dollars and, in all cases, making any necessary deductions provided for in the Depositary Agreements. Any conversion of dividends paid in a currency other than HK Dollars will occur at the available market rates prevailing at the time of conversion.

Except as stated below, the HDR Depositary will deliver such distributions to HDR Holders in proportion to their interests in the following manner:

- **Cash.** The HDR Depositary will distribute any HK Dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being impermissible or impracticable with respect to certain registered HDR Holders, and (iii) deduction of the HDR Depositary's expenses in (1) converting any foreign currency to HK Dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or HK Dollars to Hong Kong by such means as the HDR Depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or licence of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. Any conversion of dividends paid in a currency other than HK Dollars will occur at the available market rates prevailing at the time of conversion. *If exchange rates fluctuate during a time when the HDR Depositary cannot convert a foreign currency, HDR Holders may lose some or all of the value of the distribution.*
- **Shares.** In the case of a distribution in Shares, the HDR Depositary will issue additional Depositary Receipts to evidence the number of HDSs representing such Shares. Only whole HDSs will be issued. Any Shares comprised in a distribution which would result in fractions of HDSs will be sold and the net proceeds will be distributed in the same manner as a cash distribution to the HDR Holder entitled thereto.

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- *Rights to receive additional Shares.* In the case of a distribution of rights to subscribe for or acquire additional Shares or other similar rights, if we provide evidence satisfactory to the HDR Depositary that it may lawfully distribute such rights, the HDR Depositary will distribute warrants or other instruments in the discretion of the HDR Depositary representing such rights. However, if we do not furnish such evidence, the HDR Depositary may:
 - sell such rights if practicable and distribute the net proceeds in the same manner as cash to the HDR Holders entitled thereto; or
 - if it is not practicable to sell such rights, do nothing and allow such rights to lapse, in which case HDR Holders will receive nothing.
- *Other distributions.* In the case of a distribution of securities or property other than those described above, the HDR Depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the HDR Depositary deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.

If the HDR Depositary determines that any distribution described above is not practicable with respect to any specific registered HDR Holder, the HDR Depositary may choose any method of distribution that it deems practicable for such HDR Holder, including the distribution of foreign currency, securities or property, or it may retain such items, without paying interest on or investing them, on behalf of the HDR Holder as deposited securities, in which case the HDSs will also represent the retained items.

Any HK Dollars will be distributed by cheques for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the HDR Depositary in accordance with its then current practices.

The HDR Depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any HDR Holders.

There can be no assurance that the HDR Depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period.

Deposit, Withdrawal and Cancellation

How does the HDR Depositary register title to HDSs?

The HDR Depositary will register title to HDSs if Shareholders or their broker deposit Shares or evidence of rights to receive Shares with the Custodian and pay the fees and expenses owing to the HDR Depositary.

Shares deposited with the Custodian might require to be accompanied by certain delivery documentation, including instruments showing that such Shares have been properly transferred or endorsed to the person on whose behalf the deposit is being made.

The Custodian will hold all deposited Shares for the account of the HDR Depositary on behalf of the HDR Holders. HDR Holders thus have no direct ownership interest in the Shares and only have such rights as are contained in the Depositary Agreements. The Custodian will also hold any additional securities, property and cash received on or in substitution for the deposited Shares. The deposited Shares and any such additional items are referred to as "deposited securities".

Upon each deposit of Shares, receipt of related delivery documentation and compliance with the other provisions of the Depositary Agreements, including the payment of the fees and charges

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of the HDR Depositary and any taxes or other fees or charges owing, the HDR Depositary will issue a Depositary Receipt or Depositary Receipts in the name or upon the order of the person entitled thereto evidencing the number of HDSs to which such person is entitled. All of the HDSs issued will, unless specifically requested to the contrary, be part of the HDR Depositary's direct registration system, and a registered holder will receive periodic statements from the HDR Depositary which will show the number of HDSs registered in such holder's name. An HDR Holder can request that the HDSs not be held through the HDR Depositary's direct registration system and that a certificated Depositary Receipt be issued.

How do HDR Holders cancel an HDS and obtain deposited securities?

When HDR Holders turn in their Depositary Receipt certificate at the HDR Registrar's office, or when they provide proper instructions and documentation in the case of direct registration HDSs, the HDR Depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying deposited securities to the HDR Holder or to their written order. At the risk, expense and request of the HDR Holder, the HDR Depositary may deliver deposited securities at such other place as may be requested.

The HDR Depositary may restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the HDR Depositary or the deposit of Shares in connection with voting at a Shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges;
- compliance with any Hong Kong or foreign laws or governmental regulations relating to the Depositary Receipts or to the withdrawal of deposited securities; or
- any other situation where restriction of the right to withdraw at that time is deemed advisable by the HDR Depositary.

Record Dates

The HDR Depositary may, after consultation with us if practicable, fix record dates for the determination of the registered HDR Holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of Shares,
- to give instructions for the exercise of voting rights at a meeting of Shareholders, or
- to pay the fee assessed by the HDR Depositary for administration of the Depositary Receipt programme and for any expenses as provided for in the Depositary Agreements,
- to receive any notice or to act in respect of other matters,

all subject to the provisions of the Depositary Agreements.

Voting Rights

How to vote?

If the HDR Depositary asks to be provided with voting instructions, HDR Holders may instruct the HDR Depositary how to exercise the voting rights for the Shares which underlie the HDSs. As soon as practicable after receiving notice of any meeting or solicitation of consents or proxies from us, the HDR Depositary will distribute to the registered HDR Holders a notice stating such information as is contained in the voting materials received by the HDR Depositary and describing how HDR Holders may instruct the HDR Depositary or any other person to exercise the voting rights for the Shares

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which underlie HDSs. For instructions to be valid, the HDR Depositary must receive them in the manner and on or before the date specified. The HDR Depositary will try, as far as is practical, subject to the provisions of and governing the underlying Shares or other deposited securities, to vote or to have its agents vote the Shares or other deposited securities as instructed. The HDR Depositary will only vote or attempt to vote as instructed. The HDR Depositary will not itself exercise any voting discretion. Furthermore, neither the HDR Depositary nor its agents are responsible for any failure to carry out any voting instructions, for the manner in which any vote is cast or for the effect of any vote.

There is no guarantee that HDR Holders will receive voting materials in time to instruct the HDR Depositary to vote and it is possible that HDR Holders, or persons who hold their HDSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote, although in practice our Company and the HDR Depositary will endeavour to make arrangements to ensure as far as practicable that all HDR Holders will be able to vote.

Reports and Other Communications

Will HDR Holders be able to view our reports?

Subject to such waivers and exemptions from compliance with the requirements of the Listing Rules as may be granted by the Stock Exchange to us, if we are required to send printed copies of any notices, reports, voting forms or other communications to HDR Holders under the Listing Rules or any other laws or regulations, we will make available printed copies thereof to the HDR Depositary, who will distribute the same to the HDR Holders. Any such documents or communication will also be made available for inspection at the offices of both the HDR Depositary and the Custodian listed in the section in this Listing Document headed "Directors, executive officers and parties involved in the Introduction".

Fees and Expenses

What are the fees and expenses?

The HDR Depositary may charge each person holding HDSs, including, without limitation, issuances against deposits of Shares; issuances in respect of share distributions, rights and other distributions; or issuances pursuant to a stock dividend or stock split declared by us; or pursuant to a merger, exchange of securities or any other transaction or event affecting the HDSs or deposited securities, and each person surrendering HDSs for withdrawal of deposited securities or whose Depositary Receipts are cancelled or reduced for any other reason, HK\$0.40, in accordance with the specific provisions of the Depositary Agreements, each HDS issued, delivered, reduced, cancelled or surrendered, as the case may be. The HDR Depositary may sell (by public or private sale) sufficient securities and property received in respect of share distributions, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall be incurred by the HDR Holders, by any party depositing or withdrawing Shares or by any party surrendering or receiving HDSs (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the Depositary Receipts or the deposited securities or a distribution of HDSs), whichever is applicable:

- a fee of HK\$0.40 per HDS for any cash distribution made pursuant to the Depositary Agreements;
- a fee of HK\$2.50 per Depositary Receipt or Depositary Receipts for transfers of certificated or direct registration Depositary Receipts;

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- a fee of HK\$0.40 per HDS per calendar year (or portion thereof) for services performed by the HDR Depositary in administering the Depositary Receipts (which fee may be charged on a periodic basis during each calendar year and shall be assessed against HDR Holders as of the record date or record dates set by the HDR Depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- reimbursement of such fees, charges and expenses as are incurred by the HDR Depositary and/or any of the HDR Depositary's agents (including, without limitation, the Custodian, and expenses incurred on behalf of holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the Shares or other deposited securities, the delivery of deposited securities or otherwise in connection with the HDR Depositary's or the Custodian's compliance with applicable law, rule or regulation (which charge shall be assessed on a proportionate basis against holders as of the record date or dates set by the HDR Depositary and shall be payable at the sole discretion of the HDR Depositary by billing such holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the fee for the execution and delivery of HDSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were Shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the HDR Depositary to those holders entitled thereto;
- stock transfer or other taxes and other governmental charges;
- cable, telex and facsimile transmission and delivery charges incurred at the request of HDR Holders in connection with the deposit or delivery of Shares;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities; and
- expenses of the HDR Depositary in connection with the conversion of foreign currency into HK Dollars,

each in accordance with the specific provisions of the Depositary Agreements.

We will pay all other charges and expenses of the HDR Depositary and any agent of the HDR Depositary (except the Custodian) pursuant to agreements from time to time between us and the HDR Depositary. The charges described above may be amended from time to time by agreement between us and the HDR Depositary.

HKSCC Nominees, as the nominee of CCASS Participants, shall not be liable for the payment or collection of any fees or charges.

Payment of Taxes

The following summary contains a description of the principal Brazilian income tax consequences of the ownership and disposition of the Depositary Receipts. **This discussion is of a general nature only and is not exhaustive of all possible Brazilian tax considerations applicable to an investment in the Depositary Receipts. Moreover the income or other tax consequences of acquiring, holding or disposing the Depositary Receipts will vary depending on the holder's particular circumstances, including the jurisdiction or jurisdictions in which the holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective holder of Depositary Receipts. Investors should consult**

their own tax advisers for advice with respect to the tax consequences of an investment in Depository Receipts based on their particular circumstances.

Brazilian tax considerations

The following discussion summarises the principal Brazilian tax consequences of the acquisition, ownership and disposition of Class A Preferred Shares, Common Shares or Depository Receipts by a holder not deemed to be domiciled in Brazil for purposes of Brazilian taxation (**a Non-Brazilian Holder**). It is based on the tax laws of Brazil and regulations thereunder in effect on the date hereof, which are subject to change (possibly with retroactive effect).

Shareholder distributions

Brazilian corporations, such as our Company, classify for tax purposes distributions to shareholders as either dividends or interest on shareholders' equity.

Dividends.

Amounts distributed as dividends, including distributions in kind, will generally not be subject to withholding income tax if the distribution is paid by us from profits of periods beginning on or after 1 January 1996 (1) to the HDR Depository in respect of our Class A Preferred Shares or Common Shares underlying the Depository Receipts or (2) to a Non-Brazilian Holder in respect of our Class A Preferred Shares or Common Shares. Dividends paid from profits generated before 1 January 1996 may be subject to Brazilian withholding income tax at varying rates depending on the year the profits were generated.

Interest on shareholders' equity.

Amounts distributed as interest on shareholders' equity are generally subject to withholding income tax at the rate of 15%, except where:

- (1) the beneficiary is exempt from tax in Brazil, in which case the distribution will not be subject to withholding income tax;
- (2) the beneficiary is located in a jurisdiction that does not impose income tax or where the maximum income tax rate is lower than 20% (**a Low Tax Jurisdiction**) or where internal legislation imposes restrictions on the disclosure of the shareholding structure or ownership of the investment, in which case the applicable withholding income tax rate is 25%; or
- (3) the effective beneficiary is resident in Japan, in which case the applicable withholding income tax rate is 12.5%.

Interest on shareholders' equity is calculated as a percentage of shareholders' equity, as stated in the statutory accounting records. The interest rate applied may not exceed TJLP. In addition, the amount of distributions classified as interest on shareholders' equity may not be more than the greater of (1) 50% of net income (after the deduction of social contribution on net profits but before taking into account such payment of interest and the provision for corporate income tax) for the period in respect of which the payment is made and (2) 50% of the sum of retained earnings and profit reserves as at the first day of the fiscal year in respect of which the payment is made.

Payments of interest on shareholders' equity are deductible for corporate income tax and social contribution on net profit, to the extent of the limits described above. The tax benefit to our Company in the case of a distribution by way of interest on shareholders' equity is a reduction in our Company's corporate tax charge by an amount equivalent to 34% of such distribution.

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Taxation of capital gains.

Taxation of Non-Brazilian Holders on capital gains depends on the status of the holder as either:

- (1) not resident or domiciled in a Low Tax Jurisdiction or where internal legislation imposes restrictions on the disclosure of shareholding structure or the ownership of the investment and registered its investment in Brazil in accordance with Resolution No. 2,689 (a **2,689 Holder**), or a HDR Holder; or
- (2) any other Non-Brazilian Holder.

Investors identified in item 1 are subject to favourable tax treatment, as described below.

According to Law No. 10,833, dated 29 December 2003, capital gains realised by a Non-Brazilian Holder from the disposition of "assets located in Brazil" are subject to taxation in Brazil.

Class A Preferred Shares and Common Shares qualify as assets located in Brazil, and the disposition of such assets by a Non-Brazilian Holder may be subject to income tax on the gains assessed, in accordance with the rules described below, regardless of whether the transaction is carried out with another Non-Brazilian resident or with a Brazilian resident.

There is some uncertainty as to whether Depositary Receipts qualify as "assets located in Brazil" for purposes of Law No. 10,833/03. Arguably, Depositary Receipts do not constitute assets located in Brazil and therefore the gains realised by a Non-Brazilian Holder on the disposition of Depositary Receipts to another Non-Brazilian resident should not be subject to income tax in Brazil. However, it cannot be guaranteed that the Brazilian courts will uphold this interpretation of the definition of "assets located in Brazil" in connection with the taxation of gains realised by a Non-Brazilian Holder on the disposition of Depositary Receipts. Consequently, gains on a disposition of Depositary Receipts by a Non-Brazilian Holder (whether in a transaction carried out with another Non-Brazilian Holder or a person domiciled in Brazil) may be subject to income tax in Brazil in accordance with the rules applicable to a disposition of shares.

Although there are grounds to sustain otherwise, the deposit of Class A Preferred Shares or Common Shares in exchange for Depositary Receipts may be subject to Brazilian income tax if the acquisition cost of the Class A Preferred Shares or Common Shares being deposited is lower than the average price of the Class A Preferred Shares or Common Shares (as the case may be), which is determined as either:

- (1) the average price per Class A Preferred Share or Common Share on BM&FBOVESPA in which the greatest number of such shares were sold on the day of deposit; or
- (2) if no Class A Preferred Shares or Common Shares were sold on that day, the average price on BM&FBOVESPA in which the greatest number of Class A Preferred Shares or Common Shares were sold in the 15 trading sessions immediately preceding such deposit.

The positive difference between the average price of the Class A Preferred Shares or Common Shares calculated as described above and their acquisition cost will be considered to be a capital gain subject to income tax in Brazil. In some circumstances, there are grounds to sustain that such taxation is not applicable with respect to any 2,689 Holder, provided he is not located in a Low Tax Jurisdiction.

The withdrawal of Depositary Receipts in exchange for Class A Preferred Shares or Common Shares is not subject to Brazilian income tax, subject to compliance with applicable regulations regarding the registration of the investment with the Brazilian Central Bank.

For the purpose of Brazilian taxation, the income tax rules on gains related to disposition of Class A Preferred Shares or Common Shares vary depending on:

- the domicile of the Non-Brazilian Holder;

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- the method by which such Non-Brazilian Holder has registered his investment with the Central Bank; and/or
- how the disposition is carried out, as described below.

The gain realised as a result of a transaction on a Brazilian stock, future and commodities exchange is the difference between: (i) the amount in Brazilian currency realised on the sale or disposition and (ii) the acquisition cost, without any adjustment for inflation, of the securities that are the subject of the transaction.

Any gain realised by a Non-Brazilian Holder on a sale or disposition of Class A Preferred Shares or Common Shares carried out on BM&FBOVESPA is:

- exempt from income tax where the Non-Brazilian Holder (i) is a 2,689 Holder; and (ii) is not located in a Low Tax Jurisdiction;
- subject to income tax at a rate of 15% where the Non-Brazilian Holder either (A) (i) is not a 2,689 Holder and (ii) is not resident or domiciled in a Low Tax Jurisdiction or (B) (i) is a 2,689 Holder and (ii) is resident or domiciled in a Low Tax Jurisdiction; or
- subject to income tax at a rate of 25% where the Non-Brazilian Holder (i) is not a 2,689 Holder and (ii) is resident or domiciled in a Low Tax Jurisdiction.

The sale or disposition of common shares carried out on BM&FBOVESPA is subject to withholding tax at the rate of 0.005% on the sale value. This withholding tax can be offset against the eventual income tax due on the capital gain. A 2,689 Holder that is not resident or domiciled in a Low Tax Jurisdiction is not required to withhold income tax.

Any gain realised by a Non-Brazilian Holder on a sale or disposition of Class A Preferred Shares or Common Shares that is not carried out on BM&FBOVESPA is subject to income tax at a 15% rate, except for gain realised by a resident in a Low Tax Jurisdiction, which is subject to income tax at the rate of 25%.

With respect to transactions arranged by a broker that are conducted on the Brazilian non-organised over-the-counter market a withholding income tax at a rate of 0.005% on the sale value is also levied on the transaction and can be offset against the eventual income tax due on the capital gain. There can be no assurance that the current favourable treatment of 2,689 Holders will continue in the future.

In the case of a redemption of Class A Preferred Shares, Common Shares or Depositary Receipts or a capital reduction by a Brazilian corporation, the positive difference between the amount received by any Non-Brazilian Holder and the acquisition cost of the Class A Preferred Shares, Common Shares or Depositary Receipts being redeemed is treated as capital gain and is therefore generally subject to income tax at the rate of 15%, while the 25% rate applies to residents in a Low Tax Jurisdiction.

Any exercise of pre-emptive rights relating to our Class A Preferred Shares or Common Shares will not be subject to Brazilian taxation. Any gain realised by a Non-Brazilian Holder on the disposition of pre-emptive rights relating to Class A Preferred Shares or Common Shares in Brazil will be subject to Brazilian income taxation in accordance with the same rules applicable to the sale or disposition of Class A Preferred Shares or Common Shares.

Tax on foreign exchange and financial transactions

Foreign exchange transactions

Brazilian law imposes a tax on foreign exchange transactions, or an IOF/Exchange Tax, due on the conversion of Reais into foreign currency and on the conversion of foreign currency into Reais. Currently, for most foreign currency exchange transactions, the rate of IOF/Exchange is 0.38%.

Effective as of 20 October 2010 in respect of foreign exchange agreements entered into since 5 October, 2010, the inflow of resources into Brazil for the acquisition or subscription of common shares through public offerings in the Brazilian financial and capital markets by a Non-Brazilian Holder are subject to IOF/Exchange at a rate of 2% provided that the issuer company has registered its shares for trading on the stock exchange.

The outflow of resources from Brazil related to investments carried out by a Non-Brazilian Holder in the Brazilian financial and capital markets is currently subject to IOF/Exchange at a zero percent rate. In any case, the Brazilian Government may increase such rates at any time, up to 25%, with no retroactive effect.

Transactions involving bonds and securities

Brazilian law imposes a tax on transactions involving bonds and securities, or an IOF/Bonds Tax, including those carried out on BM&FBOVESPA. The rate of IOF/Bonds Tax applicable to transactions involving public traded shares in Brazil is currently zero. However, the Brazilian Government may increase such rate at any time up to 1.5% of the transaction amount per day, but the tax cannot be applied retroactively. Transfer of shares traded on BM&FBOVESPA in order to back depositary receipts traded abroad are subject to IOF/Bonds Tax at a rate of 1.5% starting 19 November 2009.

Other Brazilian taxes

There are no Brazilian inheritance, gift or succession taxes applicable to the ownership, transfer or disposition of Class A Preferred Shares, Common Shares or the Depositary Receipts by a Non-Brazilian Holder, except for gift and inheritance taxes which are levied by some states of Brazil on gifts made or inheritances bestowed by a Non-Brazilian Holder to individuals or entities resident or domiciled within such states in Brazil. There are no Brazilian stamp, issue, registration, or similar taxes or duties payable by holders of Class A Preferred Shares or Common Shares or Depositary Receipts.

HDR Holders must pay any tax or other governmental charge payable by the Custodian or the HDR Depositary on any HDS or Depositary Receipt, deposited security or distribution. If an HDR Holder owes any tax or other governmental charge, the HDR Depositary may (i) deduct the amount thereof from any cash distributions, or (ii) sell deposited securities (by public or private sale) and deduct the amount owing from the net proceeds of such sale. In either case the HDR Holder remains liable for any shortfall. Additionally, if any tax or governmental charge is unpaid, the HDR Depositary may also refuse to effect any registration, registration of transfer, split-up or combination of deposited securities or withdrawal of deposited securities until such payment is made. If any tax or governmental charge is required to be withheld on any cash distribution, the HDR Depositary may deduct the amount required to be withheld from any cash distribution or, in the case of a non-cash distribution, sell the distributed property or securities (by public or private sale) to pay such taxes and distribute any remaining net proceeds to the HDR Holders entitled thereto.

By holding a Depositary Receipt or an interest therein, HDR Holders will be agreeing to indemnify us, the HDR Depositary, the Custodian and any of our or their respective directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained.

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Currently, the dividends paid by Brazilian companies to their shareholders are exempt from taxes in Brazil. Such tax exemption, however, does not apply to the payment of interests on net equity, which are subject in Brazil to withholding income tax up to a 25% rate.

There is no guarantee that the tax exemption of the dividends will be maintained in the future and therefore no guarantee that the HDR Holders will receive dividends and distributions free from withholding taxes in Brazil.

Reclassifications, Recapitalisations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities or (ii) any distributions not made to of HDR Holders or (iii) any recapitalisation, reorganisation, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the HDR Depositary may choose to:

- (1) amend the form of Depositary Receipt;
- (2) distribute additional or amended Depositary Receipts;
- (3) distribute cash, securities or other property it has received in connection with such actions;
- (4) sell any securities or property received and distribute the proceeds as cash; or
- (5) none of the above.

If the HDR Depositary does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the deposited securities and each HDS will then represent a proportionate interest in such property.

Lost, Destroyed, Stolen or Mutilated Depositary Receipt Certificates

In the event that the certificate to any certificated Depositary Receipt is lost, destroyed, or stolen, unless the HDR Depositary has notice that such Depositary Receipt has been acquired by a bona fide purchaser, the HDR Depositary shall execute and deliver a new certificated Depositary Receipt or book-entry Depositary Receipt in lieu of and in substitution for such destroyed, lost or stolen certificated Depositary Receipt upon the HDR Holder thereof filing with the HDR Depositary a request for such execution and delivery and a sufficient indemnity bond and satisfying any other reasonable requirements imposed by the HDR Depositary. In the event that the certificate to any certificated Depositary Receipt is mutilated the HDR Depositary shall execute and deliver a new certificated or book-entry Depositary Receipt in exchange and substitution for any mutilated certificated Depositary Receipt upon cancellation thereof.

TERMS OF THE DEPOSITARY AGREEMENTS

Each Depositary Agreement is required to be in a form acceptable to the Stock Exchange.

Appointment and Role

Under the Depositary Agreements, the HDR Depositary is appointed to act on our behalf in accordance with its terms. The HDR Depositary's role is to issue the Depositary Receipts as our agent and to arrange for deposit of the HDSs which the Depositary Receipts represent.

Amendment and Termination

How may the Depositary Agreements be amended?

Our Company and the HDR Depositary may only amend the terms of the Depositary Receipts and Depositary Agreements in accordance with their provisions, namely in respect of:

- any amendment that imposes or increases any fees or charges payable under a single head of fee/charge mentioned in “Terms of Depositary Receipts — Fees and Expenses” above in respect of one Depositary Receipt (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses) by 25% or HK\$1.00 (whichever is the lesser increase) or less from the rate in effect at the time of proposed amendment shall become effective upon the expiry of 30 days’ notice and HDR Holders continuing to hold HDRs shall be deemed to consent and agree to such amendment and to be bound by the relevant Depositary Agreement as amended;
- any amendment that:
 - imposes or increases such fees in respect of one Depositary Receipt by more than 25% or HK\$1.00 (whichever is the lesser increase) from the rate in effect at the time of proposed amendment; or
 - in the sole opinion and absolute discretion (which shall be exercised with reasonable care) of our Company, will prejudice any substantial rights of the HDR Holders (including any amendment that relates to any matter set out in Rule 19B.16(a) to (t) of the Listing Rules),

the HDR Depositary shall provide HDR Holders with not less than 21 days’ nor more than 60 days’ notice of the proposed amendment and of HDR Holders’ right to vote for or against such amendment, the record date for determining entitlement to vote, all necessary details regarding the procedures for voting and the method and date by which HDR Holders will be notified of the results, and any HDR Holder who does not vote (for whatever reason) in accordance with the terms and procedures set out in such amendment notice shall be taken to have abstained from voting. A proposal for any such amendment shall be approved by a majority of votes cast in favour, and votes must be cast in respect of HDRs held by at least three HDR Holders or, if there are fewer than three HDR Holders, by all HDR Holders who cast their vote.

We may agree with the HDR Depositary to amend either of the Depositary Agreements and the HDSs without the consent of the HDR Holders in circumstances other than those described above and such amendments shall become effective in accordance with the terms of any agreement between us and the HDR Depositary.

Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of either Depositary Agreement or the form of Depositary Receipt to ensure compliance therewith, we and the HDR Depositary may amend or supplement the relevant Depositary Agreement and the Depositary Receipts at any time in accordance with such changed laws, rules or regulations, which amendment or supplement may take effect before a notice is given or within any other period of time as required for compliance. No amendment, however, will impair the right of HDR Holders to surrender their HDSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

How may the Depositary Agreements be terminated?

The HDR Depositary may, and shall at our written direction, terminate the Depositary Agreements and the Depositary Receipts by mailing notice of such termination to the HDR Holders at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the HDR Depositary shall have (i) resigned as HDR Depositary under the Depositary Agreements, notice of such termination by the HDR Depositary shall not be provided to registered holders unless a successor HDR Depositary shall not be operating under the Depositary Agreements within 90 days of the date of such resignation, and (ii) been removed as HDR Depositary under the Depositary Agreements, notice of such termination by the HDR Depositary shall not be provided to HDR Holders unless a successor HDR Depositary shall not be operating under the Depositary Agreements on the 90th day after our notice of removal was first provided to the HDR Depositary. After termination, the HDR Depositary's only responsibility will be (i) to deliver deposited securities to HDR Holders who surrender their Depositary Receipts, and (ii) to hold or sell distributions received on deposited securities. As soon as practicable after the expiration of six months from the termination date, the HDR Depositary will sell the deposited securities which remain and hold the net proceeds of such sales (as long as it may lawfully do so), without liability for interest, in trust for the HDR Holders who have not yet surrendered their Depositary Receipts. After making such sale, the HDR Depositary shall have no obligations except to account for such proceeds and other cash. After the termination date, we shall be discharged from all obligations under the Depositary Agreements, except for obligations to the HDR Depositary and its agents.

How may the Custodian be replaced or removed?

The HDR Depositary reserves the right to add to, replace, discharge or remove the Custodian, after consultation with our Company to the extent practicable provided always that the HDR Depositary will give sufficient notice of any such action to enable our Company to discharge its prior announcement obligation in accordance with the Listing Rules.

The Custodian may resign from its duties hereunder by serving at least 30 days written notice to the HDR Depositary. The Custodian ceasing to act hereunder as custodian shall deliver, upon the instruction of the HDR Depositary, all Deposited Securities held by it to a custodian continuing to act.

Notwithstanding the foregoing, if the removal of the Custodian is made by the HDR Depositary for the protection of HDR Holders (including, but not limited to, where (i) the Custodian has committed a material breach under the custodian agreement and the breach cannot reasonably be remedied or (ii) the Custodian has become insolvent, or there are legal restrictions for the appointment of the Custodian and the HDR Depositary or our Company could reasonably be expected to incur a loss or liability if the Custodian is not removed), the HDR Depositary is entitled to remove the Custodian immediately subject to our Company having had an opportunity to discharge its prior announcement obligation in accordance with the Listing Rules.

How may the HDR Depositary be replaced or removed?

The HDR Depositary may resign by written notice to our Company, such resignation to take effect upon the appointment of a successor HDR Depositary and its acceptance of such appointment as provided in the Depositary Agreements. The HDR Depositary may at any time be removed by our Company by prior written notice and such termination shall take effect upon the time when a successor depositary has been appointed and has accepted such appointment as provided in the Depositary Agreements.

Limitations on Obligations and Liability to HDR Holders

Limits on our obligations and the obligations of the HDR Depositary; limits on liability to HDR Holders and holders of HDSs

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any Depositary Receipts, or the delivery of any distribution in respect thereof, and from time to time, we or the HDR Depositary or the Custodian may require:

- payment with respect thereto of (i) any stamp duty, stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of Shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the Depositary Agreements;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial ownership of any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the Depositary Agreements and the Depositary Receipts, as it may deem necessary or proper; and
- compliance with such regulations as the HDR Depositary may establish consistent with the Depositary Agreements.

The issuance of Depositary Receipts, the acceptance of deposits of Shares, the registration, registration of transfer, split-up or combination of Depositary Receipts or the withdrawal of Shares, may be suspended, generally or in particular instances, when the Depositary Receipt register or any register for deposited securities is closed or when any such action is deemed advisable by the HDR Depositary; provided that the ability to withdraw Shares may only be limited under the following circumstances (i) temporary delays caused by closing transfer books of the HDR Depositary or our transfer books or the deposit of Shares in connection with voting at a Shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to Depositary Receipts or to the withdrawal of deposited securities.

The Depositary Agreements expressly limit the obligations and liability of the HDR Depositary, ourselves and our respective agents. Neither we nor the HDR Depositary nor any such agent will be liable if:

- any present or future law, rule, regulation, fiat, order or decree of the United States, Brazil, Hong Kong or any other country, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any deposited securities, any present or future provision of our charter, any act of God, war, terrorism or other circumstance beyond our, the HDR Depositary's or our respective agents' control shall prevent, delay or subject to any civil or criminal penalty any act which the Depositary Agreements or the Depositary Receipts provide shall be done or performed by us, the HDR Depositary or our respective agents (including, without limitation, voting);
- it exercises or fails to exercise discretion under the Depositary Agreements or the Depositary Receipts;
- it performs its obligations under the Depositary Agreements and Depositary Receipts without negligence or bad faith;
- it takes any action or refrains from taking any action in reliance upon the advice of or information from legal counsel, accountants, any person presenting shares for deposit, any

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registered holder of Depositary Receipts, or any other person believed by it to be competent to give such advice or information; or

- it relies upon any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Neither the HDR Depositary nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the Depositary Receipts. We and our agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the Depositary Receipts, which in our opinion may involve us in expense or liability, unless indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The HDR Depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the Depositary Agreements, any HDR Holder or Holders, any Depositary Receipts or otherwise related to the Depositary Agreements or Depositary Receipts to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The HDR Depositary shall not be liable for the acts or omissions made by any securities depositary, clearing agency or settlement system in connection with or arising out of book-entry settlement of deposited securities or otherwise. Furthermore, the HDR Depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of the Custodian, if not a branch or affiliate of JPMorgan Chase Bank, N.A.

Additionally, none of us, the HDR Depositary or the Custodian shall be liable for the failure by any registered holder of Depositary Receipts or beneficial owner therein to obtain the benefits of credits on the basis of non-US tax paid against such holder's or beneficial owner's income tax liability. Neither we nor the HDR Depositary shall incur any liability for any tax consequences that may be incurred by holders or beneficial owners on account of their ownership of Depositary Receipts or HDSs.

Neither the HDR Depositary nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any such vote is cast or for the effect of any such vote. Neither the HDR Depositary nor any of its agents shall be liable to HDR Holders or beneficial owners of interests in HDSs for any indirect, special, punitive or consequential damages (including, without limitation, lost profits) of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

The HDR Depositary may own and deal in any class of our securities and in HDSs.

Disclosure of Interest in HDSs

To the extent that the provisions of or governing any deposited securities may require disclosure of or impose limits on beneficial or other ownership of deposited securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, HDR Holders must comply with all such disclosure requirements and ownership limitations and with any reasonable instructions we or the HDR Depositary may provide in respect thereof. We reserve the right to instruct HDR Holders to deliver their HDSs for cancellation and withdrawal of the deposited securities so as to permit us to deal with them directly as a holder of Shares and, by holding an HDS or an interest therein, they agree to comply with such instructions.

Books of HDR Depositary

The HDR Depositary or its agent will maintain in Hong Kong a register for the registration of issue, transfer, combination, split-up and cancellation of Depositary Receipts. HDR Holders may

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inspect such records at the HDR Registrar's office at all reasonable times, which office shall be open for such inspection by HDR Holders and our Company for the purpose of communicating with other holders in the interest of the business of our Company or a matter relating to the Depositary Agreements. Such register may be closed from time to time, when deemed expedient by the HDR Depositary.

The HDR Depositary will maintain facilities for the delivery and receipt of Depositary Receipts.

Pre-release of HDSs

In its capacity as HDR Depositary, the HDR Depositary shall not lend Shares or HDSs; provided, however, that the HDR Depositary may (i) issue HDSs prior to the receipt of Shares and (ii) deliver Shares prior to the receipt of HDSs for withdrawal of deposited securities, including HDSs which were issued under (i) above but for which Shares may not have been received (each such transaction a "pre-release"). The HDR Depositary may receive HDSs in lieu of Shares under (i) above (which HDSs will promptly be canceled by the HDR Depositary upon receipt by the HDR Depositary) and receive Shares in lieu of HDSs under (ii) above. Each such pre-release will be subject to a written agreement whereby the person or entity (the **applicant**) to whom HDSs or Shares are to be delivered (a) represents that at the time of the pre-release the applicant or its customer owns the Shares or HDSs that are to be delivered by the applicant under such pre-release, (b) agrees to indicate the HDR Depositary as owner of such Shares or HDSs in its records and to hold such Shares or HDSs in trust for the HDR Depositary until such Shares or HDSs are delivered to the HDR Depositary or the Custodian, (c) unconditionally guarantees to deliver to the HDR Depositary or the Custodian, as applicable, such Shares or HDSs, and (d) agrees to any additional restrictions or requirements that the HDR Depositary deems appropriate. Each such pre-release will be at all times fully collateralised with cash, US government securities or such other collateral as the HDR Depositary deems appropriate, terminable by the HDR Depositary on not more than five business days' notice and subject to such further indemnities and credit regulations as the HDR Depositary deems appropriate. The HDR Depositary will normally limit the number of HDSs and Shares involved in such pre-release at any one time to 20% of the HDSs outstanding (without giving effect to HDSs outstanding under (i) above), provided, however, that the HDR Depositary reserves the right to change or disregard such limit from time to time as it deems appropriate. The HDR Depositary may also set limits with respect to the number of HDSs and Shares involved in pre-release with any one person on a case-by-case basis as it deems appropriate. The HDR Depositary may retain for its own account any compensation received by it in conjunction with the foregoing. Collateral provided pursuant to (b) above, but not the earnings thereon, shall be held for the benefit of HDR Holders (other than the applicant).

Deeming provision

In the Depositary Agreements, each registered holder of Depositary Receipts and each person holding an interest in HDSs, upon acceptance of any HDSs (or any interest therein) issued in accordance with the terms and conditions of the Depositary Agreements will be deemed for all purposes to:

- be a party to and bound by the terms of the Depositary Agreements and the applicable Depositary Receipt or Depositary Receipts, and
- appoint the HDR Depositary as its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the Depositary Agreements and the applicable Depositary Receipt or Depositary Receipts, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the HDR Depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the Depositary Agreements and the applicable Depositary Receipt and Depositary Receipts, the

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taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof.

Governing Law and Jurisdiction

The Depositary Agreements and the Depositary Receipts shall be governed by and construed in accordance with the laws of Hong Kong. In the Depositary Agreements, we have submitted to the jurisdiction of the courts of Hong Kong. The Depositary Agreements do not contain any provisions which preclude any party from electing to submit to the jurisdiction of the courts of Hong Kong for the resolution of any disputes or claims arising from the Depositary Agreements.

THE RIGHTS ACCRUED TO THE HDR HOLDERS PURSUANT TO DEEDS POLL

Our Company and the HDR Depositary have executed Deeds Poll in favour of the HDR Holders. Pursuant to these Deeds Poll, if our Company is in breach of any obligation towards HDR Holders imposed on it in either Depositary Agreement, any HDR Holder may enforce the relevant provisions of the relevant Depositary Agreement (as if it is a party to that Depositary Agreement and in the capacity of the HDR Depositary in respect of the number of Class A Preferred HDSs or (as the case may be) Common HDSs to which the HDRs held by the relevant HDR Holder relate) against our Company.

Our Company is further required to indemnify the HDR Holder for any direct loss arising from or incurred as a result of the breach (set out in the preceding paragraph) by our Company of any provisions of the Depositary Agreements imposing upon our Company any obligation towards HDR Holders.

Each HDR Holder shall be able to enforce against our Company and the HDR Depositary the rights to which it is entitled under the relevant Depositary Agreement pursuant to the provisions of the relevant Depositary Agreement.

DEALINGS AND SETTLEMENT

Issuance and cancellation of certificated Depositary Receipts

The HDR Registrar shall issue a certificated Depositary Receipt upon receipt of the issuance instruction from the HDR Depositary on the first Business Day after receipt of that instruction. The certificated Depositary Receipt will be ready for collection at the office of the HDR Registrar on the second Business Day thereafter.

For certificated Depositary Receipt cancellation, investors are required to present the physical certificate together with the cancellation instruction and duly executed transfer form stamped by the Hong Kong stamp office to the HDR Registrars' counter during its business hours.

Depositary Receipts will be eligible for admission into CCASS

Subject to the granting of secondary listing of, and permission to deal in, the Depositary Receipts on the Stock Exchange and our Company's compliance with the admission requirements of HKSCC, the Depositary Receipts will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Depositary Receipts on the Stock Exchange or any other date as HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the CCASS Rules. All necessary arrangements have been made for the Depositary Receipts to be admitted into CCASS.

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Commencement of dealings in the Depositary Receipts

The Depositary Receipts are expected to be issued and dealings in the Depositary Receipts on the Stock Exchange are expected to commence at 9:30 a.m. on 8 December 2010.

INSPECTION OF THE DEPOSITARY AGREEMENTS AND THE RELATED DOCUMENTS

Copies of the latest Depositary Agreements and the provisions of or governing the HDSs and any written communications from our Company will be available for inspection by the HDR Holders after the Introduction at the offices of our Company and at the office of the HDR Registrar and will be available on our Company's website and the website of the Stock Exchange.

Each of the HDR Holders will be provided with the proxy card with web link(s) to proxy materials or other relevant documents from time to time.

CONVERSION OF COMMON SHARES, CLASS A PREFERRED SHARES AND ADRS TO HDRS

The Shareholders may convert their Common Shares and their Class A Preferred Shares to HDRs and the ADR Holders may convert their ADRs to HDRs in accordance with the procedures summarized below after the date of the publication of this Listing Document. You should consult with your broker or other professional adviser or contact the HDR Depositary at DR_Settlements@jpmorgan.com for detailed advice on any such conversion. Relevant information of the conversion of Common Shares, Class A Preferred Shares and ADRs to HDRs will be available at the HDR Depositary website at www.adr.com. For the avoidance of doubt, the Common Depositary Receipts are not interchangeable with Class A Preferred Depositary Receipts.

Conversion of Common Shares and Class A Preferred Shares to HDRs

Shareholders who are interested in converting their Common Shares and/or Class A Preferred Shares listed on BM&FBOVESPA or traded on LATIBEX of the Madrid Stock Exchange into HDRs may from time to time after the publication of this Listing Document so convert by giving conversion instructions via the local broker(s) to the Custodian. Upon receiving the confirmation from the Custodian that the Common Shares and/or the Class A Preferred Shares have been transferred from BM&FBOVESPA or LABITEX (as the case may be) to it, the HDR Depositary will also instruct the HDR Registrar to issue the relevant HDR certificate(s) to such Shareholders. Subject to the granting of listing of, and permission to deal in, the HDRs on the Main Board of the Stock Exchange by the Listing Committee, it is expected that the relevant HDRs will be registered on the HDR Register within three Business Days upon receiving the conversion instruction and the return of such share certificate. The corresponding HDR certificates will be despatched to the address of the HDR Holder specified on the HDR Register or be available for collection from the offices of the HDR Registrar or will be deposited into CCASS in accordance with the CCASS Rules (as the case may be) as instructed by such Shareholders.

The HDR Depositary and the HDR Registrar expect to complete the conversion of Common Shares and Class A Preferred Shares to HDRs within three Business Days. Upon completion of the conversion of the Common Shares and/or Class A Preferred Shares into HDRs, the names and address(es) of such HDR Holders will appear on the HDR Register.

Once any HDR has been registered to the HDR Register, the HDR certificates may be deposited in CCASS in accordance with CCASS Rules. Whether such HDR will be immediately credited to the account of the CCASS participant for electronic book-entry settlement in CCASS will also be subject to the CCASS Rules.

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Conversion of ADRs to HDRs

ADR Holders who are interested in converting their ADRs listed on NYSE or traded on NYSE Euronext Paris may from time to time after the publication of this Listing Document by giving conversion instructions cancel their ADRs and convert the cancelled ADRs into HDRs. Upon receiving such instructions from an ADR Holder through the DTC system, the ADR Depositary will arrange for the cancellation of the ADRs and the HDR Registrar will, upon the instructions of the HDR Depositary after completion of the cancellation of such ADRs, arrange for the issuance of the HDR certificate(s) to such ADR Holders. ADR Holders who wish to convert their ADRs to HDRs using this process will need to complete a request for conversion form. The form, which contains details of how it should be returned, is available from the ADR Depositary's website at www.adr.com.

Subject to the granting of listing of, and permission to deal in, the HDRs on the Main Board of the Stock Exchange by the Listing Committee, it is expected that the relevant HDRs will be registered on the HDR Register within three Business Days upon receiving a duly completed request for conversion form and the return of such ADR certificates (if applicable). The corresponding HDR certificate(s) will be despatched to the address of the HDR Holder specified on the HDR Register or be available for collection from the offices of the HDR Registrar or deposited into CCASS in accordance with the CCASS Rules (as the case may be) as instructed by such ADR Holders.

The HDR Depositary and the HDR Registrar expect to complete the conversion of ADRs to HDRs within three Business Days. Upon completion of the conversion of the ADRs into HDRs, the name(s) and address(es) of such HDR Holders will appear on the HDR Register.

Once any HDR has been registered to the HDR Register, the HDR certificates may be deposited in CCASS in accordance with CCASS Rules. Whether such HDR will be immediately credited to the account of the CCASS participant for electronic book-entry settlement in CCASS will also be subject to the CCASS Rules.

The request for conversion form will set out the terms and conditions relating to the conversion. In particular, by giving the conversion instruction to the Custodian by the Shareholders and/or signing and lodging a request for conversion form the ADR Holder agrees that, in the event the Introduction does not proceed, our Company is authorised to arrange for (1) the Custodian to transfer the respective Common Shares and/or Class A Preferred Shares to the existing Shareholders who have applied for conversion to HDRs and (2) the ADR Depositary to re-issue the respective ADRs to the existing ADR Holders who have applied for conversion to HDRs.

Fees and expenses for conversion from the Listing Date

The following table sets forth the conversion fees payable to the HDR Registrar for the conversion of the Common Shares, Class A Preferred Shares and/or the ADRs to HDRs collected on behalf of the ADR Depositary and the HDR Depositary from the Listing Date:

| | Conversion of Common Shares and Class A Preferred Shares to HDRs | Conversion of ADRs to HDRs |
|--|---|-------------------------------|
| Depositary fees | | |
| Maximum issuance and cancellation fee | HK\$0.4 / HDR | HK\$0.4 / HDR |

The issuance fee in respect of a conversion into HDRs of Common Shares, Class A Preferred Shares and ADRs during the two-month period from the date of publication of this Listing Document to 1 February 2011 (both dates inclusive) will be waived by the ADR Depositary and the HDR Depositary.

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CANCELLATION OF HDRS AND CONVERSION OF HDRS TO COMMON SHARES, CLASS A PREFERRED SHARES AND ADRS

Any HDR Holder whose HDRs are registered on the HDR Register will be able to obtain a request for conversion form from the HDR Registrar for a conversion of the HDRs to Common Shares, Class A Preferred Shares and/or ADRs (as the case may be) from 8 December 2010. On the return of such form to the HDR Registrar, duly completed, together with the corresponding HDR certificates and payment for the relevant charges, the HDR Registrar will arrange for the conversion of such HDRs to Common Shares, Class A Preferred Shares and/or ADRs (as the case may be). HDRs held in CCASS must be withdrawn from CCASS in accordance with CCASS Rules and registered onto the HDR Register before the conversion.

Where a duly completed request for conversion form is received by the HDR Registrar together with the corresponding HDR certificate prior to 12:00 noon (Hong Kong time) on a Business Day, the HDR Registrar expect to complete (1) the conversion to Common Shares and/or Class A Preferred Shares within three Business Days or (2) the conversion to ADRs within three Business Days. This service will be available to the HDR Holder concerned. Once an HDR has been converted to Common Shares and/or Class A Preferred Shares, it may be deposited into such broker account(s) as may be instructed by such HDR Holders to CBLC, and the ADRs may be deposited into the DTC system.

The cancellation of the HDRs and the conversion of the HDRs into Common Shares, Class A Preferred Shares and/or the ADRs will be subject to the following conversion fees payable to the HDR Registrar collected on behalf of the ADR Depositary and the HDR Depositary:

| | Conversion of HDRs to Common Shares and Class A Preferred Shares | Conversion of HDRs to ADRs |
|--|---|----------------------------|
| Depositary fees | | |
| Maximum issuance and cancellation fee | HK\$0.4 / HDR | HK\$0.4 / HDR |
| Cable fees | HK\$155 / transaction | HK\$155 / transaction |

LIQUIDITY ARRANGEMENTS

Intended liquidity arrangements during the Designated Period

Prior to and upon the Introduction, the Designated Dealer will seek to undertake certain trading activities in the HDRs in the circumstances described below. Certain trades envisaged to be carried out by the Designated Dealer during the Designated Period may constitute covered short-selling (or be deemed to constitute short-selling) under applicable Hong Kong laws and regulations. In this regard, the Sponsor has applied for on behalf of the Designated Dealer and the Stock Exchange has granted an exemption in order to permit the Designated Dealer to conduct the proposed trading activities described below which may constitute (or may be deemed to constitute) short-selling of securities during the Continuous Trading Period in circumstances where the HDRs are not "Designated Securities" as defined in the Stock Exchange Rules and in order to ensure compliance with the Stock Exchange Rules which restrict short sales to only Designated Securities. In addition, the Stock Exchange has waived the restriction on short selling during the Pre-opening Session (as defined in the Stock Exchange Rules from 9:30 a.m. to the commencement of the morning trading session at 10:00 a.m.) to allow the Designated Dealer to effect such trading activities in the HDRs during the daily Pre-opening Session for the duration of the Designated Period. The Sponsor has also applied for on behalf of the Designated Dealer and has obtained from the Stock Exchange an exemption from the regulation that a short sale shall not be made on the Stock Exchange below the best current ask price except where the Designated Security is a Market Making Security (as defined in the Stock Exchange Rules) traded under the Pilot Program (as defined

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in the Stock Exchange Rules) approved by the SFC to be excluded from the application of this regulation (the above exemptions collectively the **Exemptions**.)

No person other than the Designated Dealer is permitted to enter into short sales of HDRs on the Stock Exchange during the Designated Period or thereafter unless the HDRs are designated for short selling by the Stock Exchange. Upon the expiry of the Designated Period, the Designated Dealer will not be able to engage in further trading activities described below in respect of the HDRs on the Stock Exchange unless the HDRs are designated for short selling by the Stock Exchange.

Such activities and Exemptions will facilitate the Designated Dealers in conducting trading activities in respect of the HDRs on the Stock Exchange during the Designated Period with a view to seeking to provide liquidity to meet demand for HDRs upon and in the period immediately following the Introduction:

1. The Designated Dealer will enter into borrowing arrangements with the existing ADR Holders to borrow the ADRs listed on NYSE representing Common Shares and Class A Preferred Shares which are deposited with the ADR Depository.

Prior to the Introduction and during the Designated Period, the Designated Dealer will seek to issue HDRs converted from such borrowed ADRs which the Designated Dealer will make available for sale to the Hong Kong market at the prevailing market price to meet demand if supply from other market sources proves to be insufficient to maintain an orderly market. These arrangements will terminate and cease upon the expiry of the Designated Period.

2. To close out their borrowed positions, the Designated Dealer may purchase ADRs from the NYSE or remove back any unutilised HDRs by cancelling such unutilized HDRs and the re-issuance of the corresponding ADRs to the lending ADR Holders. If necessary, the Designated Dealer may repeat the process or alternatively may purchase ADRs from the NYSE, in order to provide additional liquidity to meet demand for HDRs in the Hong Kong market during the Designated Period.
3. The Designated Dealer will set up a designated broker identity number solely for the purposes of carrying out covered short-sale (or deemed short-sales) and other trades (including purchases and sales of HDRs) in Hong Kong pursuant to those arrangements, in order to assist in identification and thereby seek to enhance the transparency of such trades on the Hong Kong market. Once the designated broker identity number is available and in any event not later than the Business Day before the first day of the Introduction, the Designated Dealer will notify our Company of the same. Such information will then be posted on the website of our Company, and disclosed by way of an announcement on the Stock Exchange. It is expected that this announcement will be made on or around Friday, 3 December 2010. Any change in such designated broker identity number will be disclosed as soon as practicable using the same channels as described above.
4. The Designated Dealer has entered and will enter into such arrangements (including the trading activities described above and any other purchases and sales of HDRs) on a voluntary basis in good faith and on arm's length terms with a view to contributing towards liquidity to meet demand for HDRs in Hong Kong.

It is emphasised that (1) other existing Shareholders who may have converted part or all of their Common Shares and/or Class A Preferred Shares to HDRs or (2) other existing ADR Holders who may have converted ADRs to HDRs in accordance with the procedure as set out in the section headed "Conversion of Common Shares, Class A Preferred Shares and ADRs to HDRs" above on or after the date of publication of this Listing Document can also carry out arbitrage trades in the HDRs. Such activities will depend on, amongst other things, the extent of price differentials between the stock

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exchanges, and the number of market participants who elect to enter into such arbitrage arrangements.

The trading activities described above of the Designated Dealer and any persons acting for it will be entered into in accordance with all applicable laws, rules and regulations. The liquidity arrangements being implemented in connection with the Introduction are not equivalent to the price stabilisation activities which may be undertaken in connection with an initial public offering. In addition, the Designated Dealer is not acting as Market Maker or Security Market Maker (as those terms are defined in the Stock Exchange Rules). In particular, the Designated Dealer does not intend to seek to use buying of HDRs in Hong Kong to meet excess supply in the market.

It should be noted that the Designated Dealer and any persons acting for them may, in connection with the proposed liquidity activities, maintain a long position in the HDRs. There is no certainty regarding the extent or time or the period for which the Designated Dealer and any persons acting for it may maintain such a long position in the HDRs. The liquidation of any such long position by the Designated Dealer or any person acting for them may have an adverse impact on the market price of the HDRs.

Spread of holdings of HDRs

It is expected that the following measures and factors will assist in creating and/or improving the spread of holdings of HDRs available for trading on the Stock Exchange following the Introduction:

- Existing holders of Common Shares and/or Class A Preferred Shares and existing ADR Holders may at their discretion convert their Common Shares and/or Class A Preferred Shares to HDRs and from ADRs to HDRs upon or after the Introduction, as described above in the section headed "Conversion of Common Shares, Class A Preferred Shares and ADRs to HDRs" above. The issuance fee in respect of conversion of Common Shares, Class A Preferred Shares and ADRs during the period from the date of publication of this Listing Document to 1 February 2011 (both dates inclusive) will be waived by the ADR Depository and the HDR Depository to incentivise existing Shareholders to convert their Common Shares and/or Class A Preferred Shares to HDRs and ADR Holders to convert their ADRs to HDRs. Details of such arrangements are set out above in the section headed "Conversion of Common Shares, Class A Preferred Shares and ADRs to HDRs". To the extent that existing Shareholders elect to convert their Common Shares and/or Class A Preferred Shares to HDRs and existing ADR Holders elect to convert their ADRs to HDRs before or shortly after the Introduction, such HDRs may help contribute to the general liquidity of the HDRs on the Hong Kong market.
- As indicated in the section "Liquidity Arrangements — Intended liquidity arrangements during the Designated Period" above, it is expected that existing ADR Holders will lend and make available to the Designated Dealer ADRs and the Designated Dealer and/or persons acting on its behalf may also purchase ADRs on NYSE which, in each case, will be used principally to settle trades carried out by the Designated Dealers in Hong Kong.
- In conducting stock borrowing and trading activities in circumstances as described above in the section headed "Liquidity Arrangements — Intended liquidity arrangements during the Designated Period", the Designated Dealer are effectively acting as a conduit to transfer some of the trading liquidity of the ADRs traded on NYSE to the Hong Kong market.

Benefits of the liquidity arrangements

It is believed that the liquidity arrangements will benefit the Introduction in the following ways:

- by having a mechanism in place to promote and facilitate liquidity to meet demand for HDRs on the Hong Kong market upon and during the initial period after the Introduction. During the Designated Period, the Designated Dealers will, at their discretion and to the extent they consider appropriate, seek to make HDRs available for sale to the Hong Kong market, to try to meet demand if supply from other market sources proves to be insufficient to maintain an orderly market; and
- by seeking to minimise the risk of a disorderly market developing from significant demand for HDRs not fulfilled in Hong Kong upon and during the initial period after the Introduction.

Disclosure of the liquidity arrangements

In order to enhance transparency of the activities carried out under the liquidity arrangements described above, various measures to provide information to the market and potential investors will be undertaken as described in the section “Investor Awareness” below.

Further, our Company will, as soon as practicable and in any event before the opening of trading hours on the Business Day immediately before the first day of the Introduction, release an announcement on the Stock Exchange to inform the investing public of the following information as at the latest practicable date prior to such announcement: the number of HDRs in respect of which the Custodian has received instructions from the existing ADR Holders for the conversion of ADRs to HDRs and the total number of HDRs which have been registered on the HDR Register.

In respect of the trades (including covered short-sales and purchases or sales of HDRs) to be carried out by the Designated Dealer on the Stock Exchange, the Designated Dealer will set up a designated broker identity number solely for the purposes of carrying out such trades in Hong Kong, in order to assist in identification and thereby enhance transparency of the trades on the Hong Kong market. Information relating to such designated broker identity number will be disclosed as set out in the section headed “Liquidity Arrangements — Intended liquidity arrangements during the Designated Period” above.

INVESTOR AWARENESS

Arrangements involving our Company and the Designated Dealer

Prior to the Introduction, our Company and the Designated Dealer have been cooperating to inform the investor community in Brazil, Hong Kong, the United States, France and Spain of the processes for conversion of the Common Shares, Class A Preferred Shares and ADRs to HDRs and to inform the investor community in Hong Kong of the liquidity arrangements as disclosed in this Listing Document, and any developments or changes thereto. After the Introduction has taken place, our Company and the Designated Dealer may continue to take measures to educate the public. One or more of the following measures may be taken to enhance the transparency of our Company, the conversion process and the liquidity arrangements:

- non-deal roadshow meetings will be conducted to brief potential investors of the liquidity arrangements and the Introduction;
- there will be media briefings and press interviews to inform potential investors of the liquidity arrangements and the Introduction;

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- a daily announcement will be released on the Stock Exchange's website disclosing the previous day closing prices of the Common Shares and Class A Preferred Shares traded on BM&FBOVESPA and (in the form of ADRs) traded on NYSE on three consecutive business days in Brazil and the United States, respectively, prior to the Listing Date;
- a public announcement on the conversion procedures as summarised in the sections "Conversion of the Common Shares, Class A Preferred Shares and the ADRs into HDRs" and "Liquidity Arrangements" respectively above has been posted on our Company's website;
- briefings in relation to the liquidity arrangements will be conducted for, amongst others, private bank divisions, a syndicate of brokerage houses and other institutional investors; and
- copies of this Listing Document will be available for information purposes only during normal business hours from 2 December 2010 to 15 December 2010 (both days inclusive) at the reception counter of the Sponsor at Ground Floor Reception, Chater House, 8 Connaught Road, Central, Hong Kong and the office of our Hong Kong legal advisers, Norton Rose Hong Kong, at 38/F Jardine House, 1 Connaught Place, Central, Hong Kong. In addition, electronic copies of this Listing Document will be disseminated through the websites of our Company, the Stock Exchange, BM&FBOVESPA, CVM, SEC and LATIBEX from 2 December 2010.

Other sources of information

Relevant information, including the previous day closing prices of the Common Shares and Class A Preferred Shares in the form traded on BM&FBOVESPA and NYSE, will be disclosed through our Company's website at www.vale.com.

Real-time or near real-time trading information in respect of:

- the Common Shares and the Class A Preferred Shares can presently be obtained through the website of BM&FBOVESPA at www.bmfbovespa.com.br;
- the ADRs can presently be obtained through the website of NYSE and NYSE Euronext Paris at www.nyse.com; and
- the Common Shares, the Class A Preferred Shares and the ADRs can be obtained through the Company's website at www.vale.com, or through service providers that provide such facilities at investors' own expense.

Real-time or near real-time trading information in respect of the HDRs can be obtained through the Company's website at www.vale.com, or through service providers that provide such facilities at investors' own expense.