



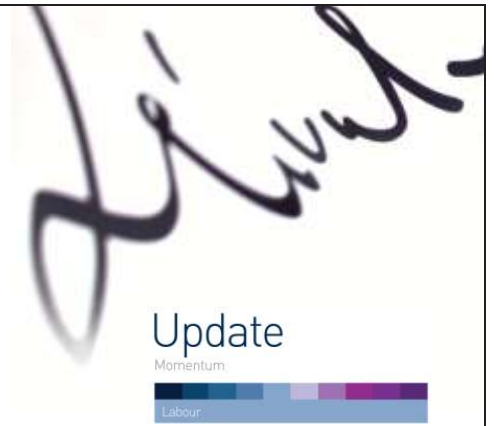
November 3, 2015

NOVEMBER 8: THE END OF THE EXTRAORDINARY RENEWAL REGIME

In the context of the economic crisis and in order to contribute to reducing the unemployment rate, an extraordinary renewal regime was created in 2012, provided in Law no. 3/2012, of January 10, which allowed fixed-term employment contracts to last beyond the 3-year maximum established in the Labour Code for the majority of these type of contracts. According to this regime, two extraordinary renewals were allowed, of up to 18 months, for all fixed-term employment contracts that met the respective time limit until June 2013.

In 2013, a new extraordinary renewal regime for fixed-term employment contracts was implemented by Law no. 76/2013, of November 7, intended to cover the contracts that reach the maximum limits of its duration during the two-year period after the entry into force of this law, *i.e.* until November 8, 2015.

Thus, a fixed-term employment contract that, until November 8, 2015, reaches the maximum duration foreseen in the Labour Code or in Law no. 3/2012, of January 10, can still be subject to two extraordinary renewals as long as the following limits are met: (i) the total duration of the extraordinary renewals cannot exceed 12 months; (ii) the duration of each extraordinary renewal may not be less than 1/6 of the maximum duration of the fixed-term employment contract or its effective length, depending on which is inferior; (iii) any extraordinary renewal is limited to up to December 31, 2016.



A final note should be made to alert that, in case the abovementioned limits are exceeded, the fixed-term employment contracts will be converted into permanent employment contracts.

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