

**OFFSHORE COLLATERAL TRANSFER
MANUAL**

**DAR - GMOG
2019**

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1. INTRODUCTION

According to CMN Resolution No. 4,569 of 2017, nonresident investors are authorized to post collateral abroad for transactions in the Brazilian financial and capital markets. There are two types of investments:

- Defined by Resolution CMN No. 2,687: Investors who settle their trades in U.S. Dollars in B3's agricultural markets and are allowed to post U.S. Treasury bonds and U.S. Dollars as collateral for their transactions;
- Defined by CMN Resolution No. 4,373: Investors who trade options, forward contracts, lending transactions (BTB), indices, listed and OTC derivatives are allowed to post as collateral U.S. Dollars, U.S. Treasury bonds, ADRs (American Depositary Receipts) of stocks eligible to be accepted as collateral and German Treasury bonds.

The Central Bank of Brazil, through Circular Letter No. 3,838, established that the total amount of assets that can be held abroad for the purpose of complying with the collateral requirement may not exceed 8% of the added margin value required by the clearing and settlement system. Therefore, it is necessary to request a limit for posting collateral abroad to B3's Collateral team through a representative broker.

2. OFFSHORE ASSETS ACCEPTED AS COLLATERAL

The following assets are accepted as collateral:

- U.S. Dollars (Citibank only)
- U.S Treasury bills, bonds or notes
- ADRs representing stocks eligible to be accepted as collateral
- German government bonds (Euroclear only)

3. COLLATERAL TRANSFER VIA DTCC

3.1 Deposit

- **B3's account at DTCC: 0822**

The deposit of securities at DTCC is done according to the following flowchart in Figure 1.

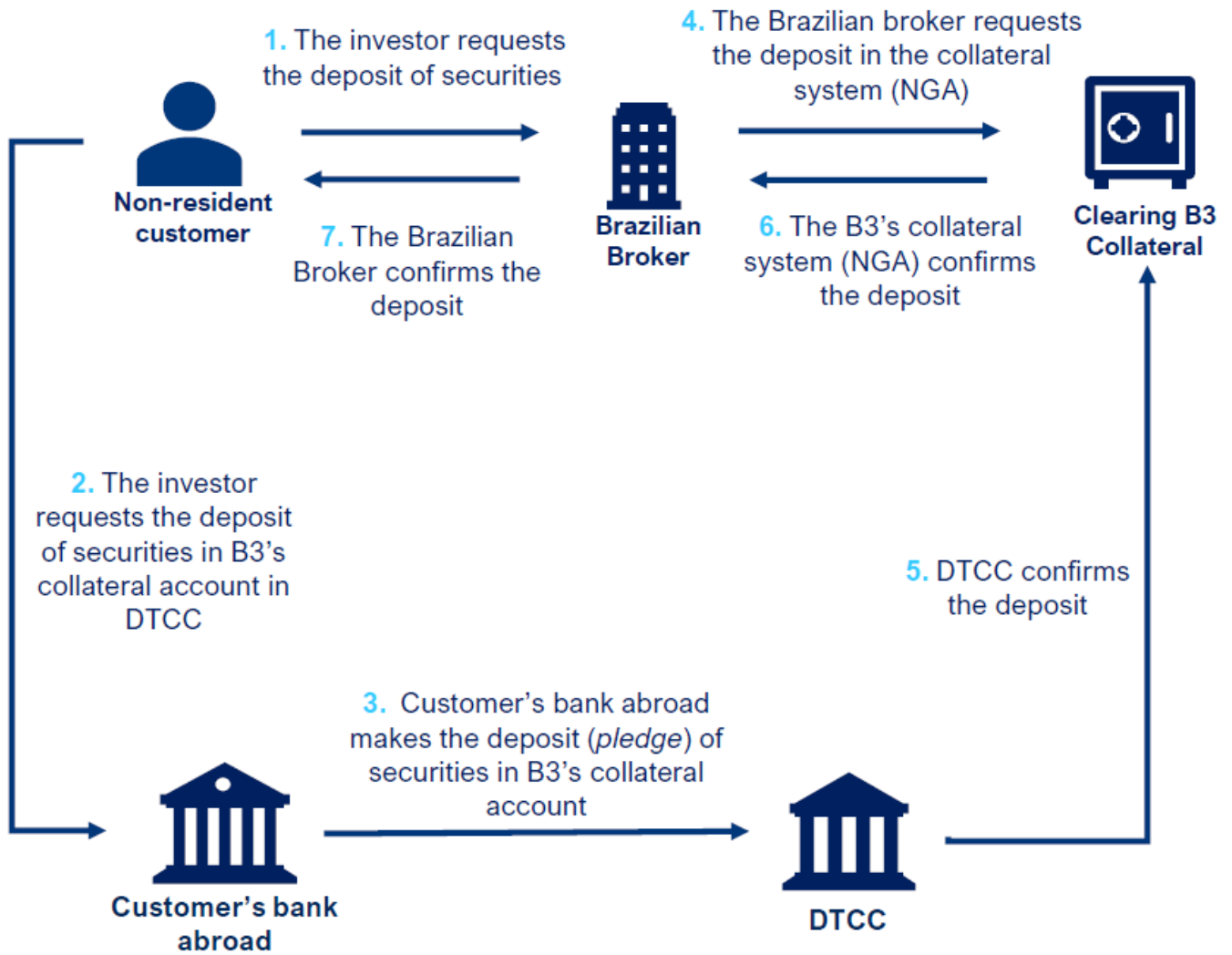


Figure 1. Flowchart of securities deposited via DTCC

Participants request deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 2):

| | |
|----------------------------------|---|
| Tipo da Garantia | Título Internacional |
| Finalidade de Cobertura | Garantias de Operações |
| Identificador da Garantia | <input type="text"/> → ISIN |
| Data da Negociação | <input type="text"/> → Trade date and settlement date must be informed by the custodian |
| Data de Liquidação | <input type="text"/> → Trade date and settlement date must be informed by the custodian |
| Quantidade | <input type="text"/> |
| Depositária Destino | DTCC - 0822 |
| Dados Origem | |
| Método | DTCC |
| Conta | <input type="text"/> → Custodian's account at DTC - Number up to 4 digits |

Figure 2. NGA screen for deposit via DTCC.

- DTCC Account Number

B3's Account at DTCC = 0822

Format:

DTC ABA #: 026002066

DTC Name: SDFS DTC

Receiving Account: CUST

Receiving bank information: FDO / DTCC participant number (Note: The participants must send the deposit, not B3)

Cash amount: 0.00

Total amount: Number of securities to be transferred

3.2 Withdrawal

The withdrawal of securities at DTCC is done according to the following flowchart in Figure 3.

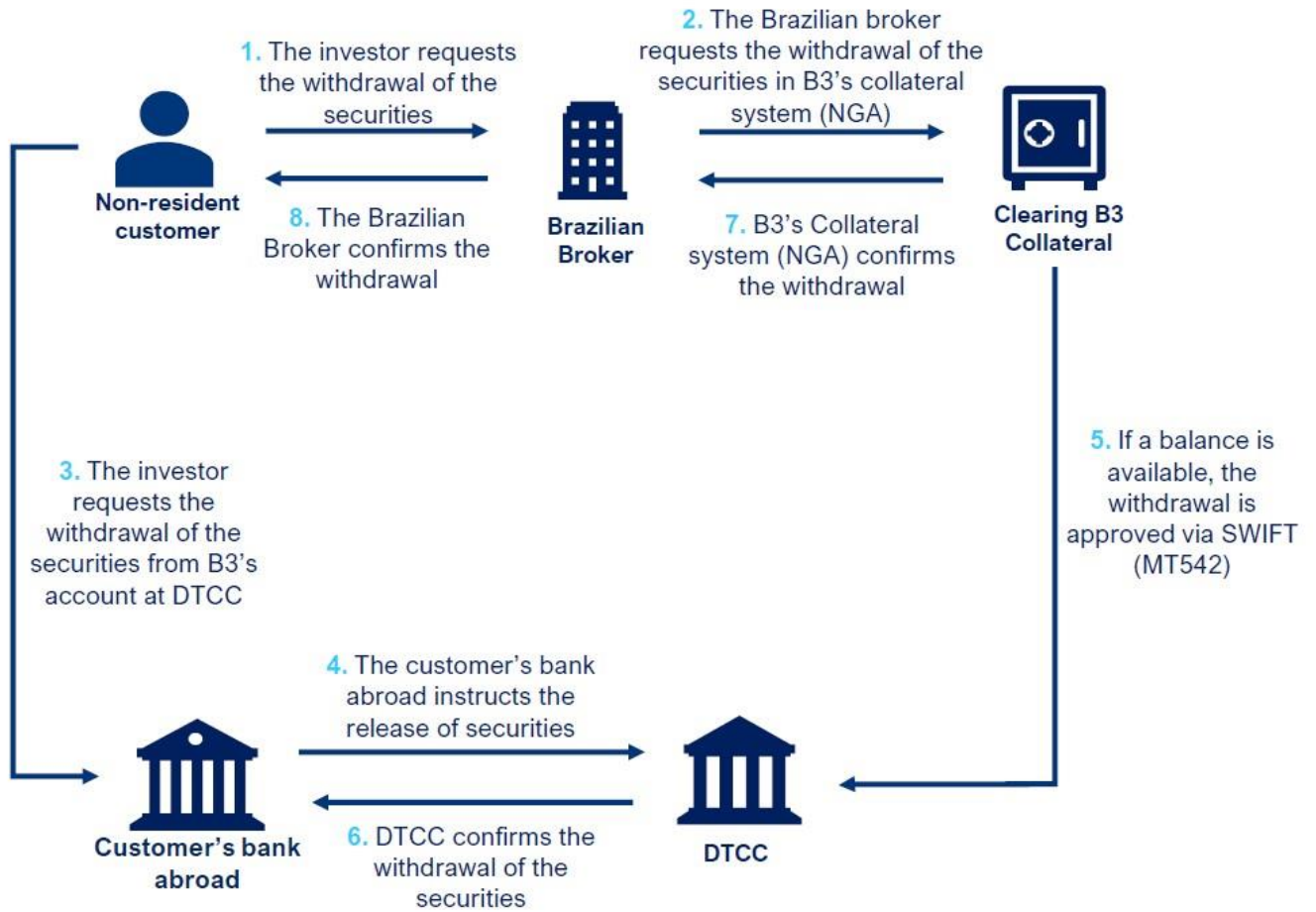


Figure 3. Flowchart of securities withdrawal via DTCC.

4. COLLATERAL TRANSFER VIA EUROCLEAR

4.1 Deposit

- B3's Account at EUROCLEAR for US resident investors: 25393
- B3's Account at EUROCLEAR for non US resident investors: 17957

The deposit of securities at Euroclear is done according to the following flowchart in Figure 4.

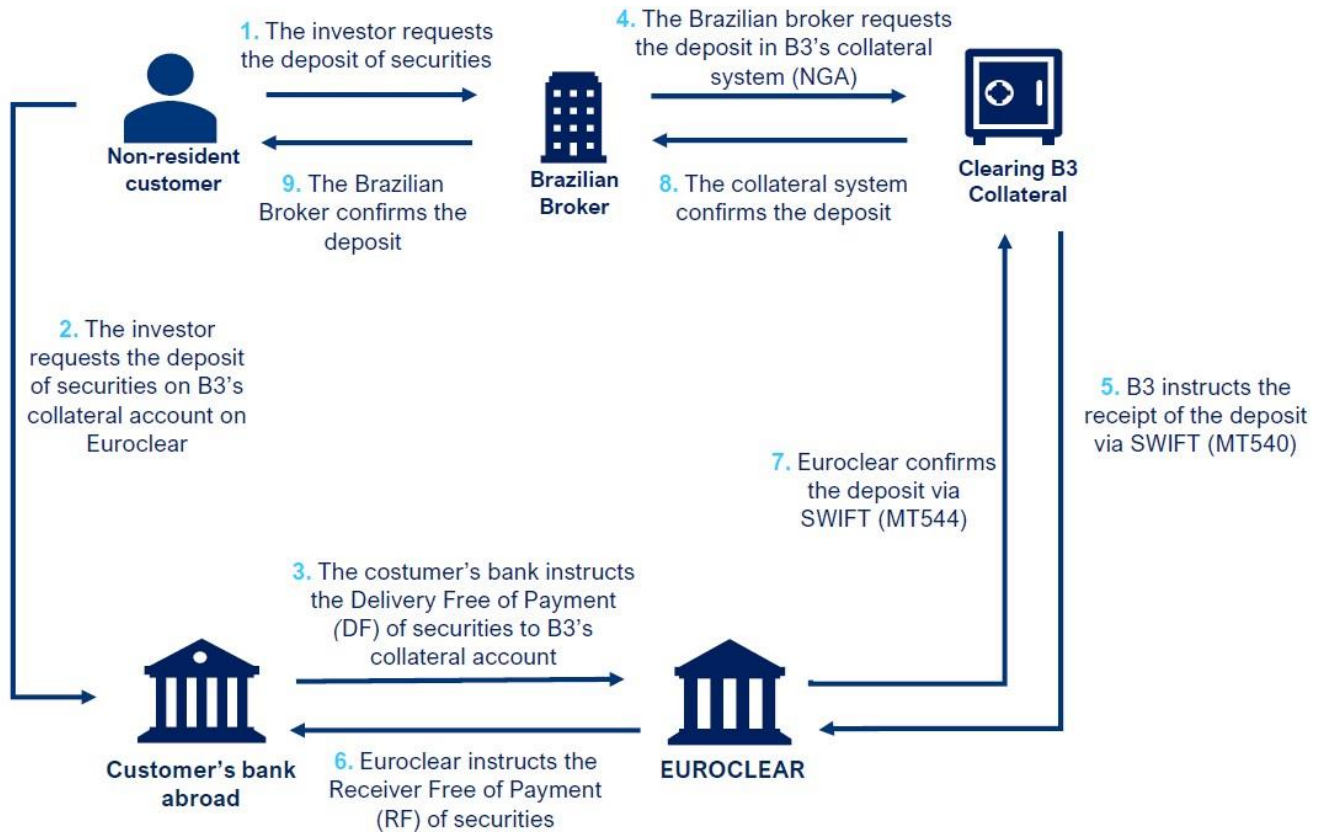


Figure 4. Flowchart of securities deposited via Euroclear.

4.1.1 Between Euroclear Accounts

Participants request deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 5):

| | |
|----------------------------------|------------------------|
| Tipo da Garantia | Título Internacional |
| Finalidade de Cobertura | Garantias de Operações |
| Identificador da Garantia | <input type="text"/> |
| Data da Negociação | <input type="text"/> |
| Data de Liquidação | <input type="text"/> |
| Quantidade | <input type="text"/> |
| Depositária Destino | EUROCLEAR - 238990 |
| Dados Origem | |
| Método | EUROCLEAR |
| Conta | <input type="text"/> |

ISIN

Trade date and settlement date must be informed by the custodian

Custodian account at Euroclear - number of 5 digits

Figure 5. NGA screen for deposit via Euroclear.

4.1.2 EUROCLEAR via FED

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 6):

| | |
|--------------------------------|------------------------|
| Tipo da Garantia | Título Internacional |
| Finalidade de Cobertura | Garantias de Operações |

| | | |
|----------------------------------|----------------------|--|
| Identificador da Garantia | <input type="text"/> | → ISIN |
| Data da Negociação | <input type="text"/> | → Trade date and settlement date must be informed by the custodian |
| Data de Liquidação | <input type="text"/> | |
| Quantidade | <input type="text"/> | |

| | |
|----------------------------|-------------------|
| Depositária Destino | EUROCLEAR 98606 |
|----------------------------|-------------------|

| | | |
|----------------------------|----------------------|---|
| Dados Origem | | |
| Método | via FED | |
| ABA Code | <input type="text"/> | → Custodian's ABA number – Number of 9 digits |
| Nome da Conta | <input type="text"/> | → Investor account under Custodian |
| SubConta (Opcional) | <input type="text"/> | → Investor Sub Account Name |
| Conta DTCC | <input type="text"/> | → Custodian's account number at DTCC |

Figure 6. NGA screen for Euroclear deposits via FED

- Fedwire Format (free of payment) for US Resident Investors:

Fed Account: 021000021 / EURCLR

SPC INS: G23019 EURO25393

DTCYID: 1970

- Fedwire Format (free of payment) for Non US Resident Investors:

Fed Account: 021000021 / EURCLR

SPC INS: G23019 EURO17957

DTCYID: 1970

4.1.3 Euroclear via DTCC

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 7):

| | |
|----------------------------------|------------------------|
| Tipo da Garantia | Título Internacional |
| Finalidade de Cobertura | Garantias de Operações |
| Identificador da Garantia | <input type="text"/> |
| Data da Negociação | <input type="text"/> |
| Data de Liquidação | <input type="text"/> |
| Quantidade | <input type="text"/> |
| Depositária Destino | EUROCLEAR - 238990 |
| Dados Origem | |
| Método | via DTCC |
| Conta | <input type="text"/> |
| SubConta (Opcional) | <input type="text"/> |

Annotations:

- ISIN (points to Identificador da Garantia)
- Trade date and settlement date must be informed by the custodian (points to Data da Negociação and Data de Liquidação)
- Custodian's account at DTC - Number up to 4 digits (points to Conta)
- Investor account under Custodian (points to SubConta (Opcional))

Figure 7. NGA screen for Euroclear deposit via DTCC.

- DTC Format (free of payment) for US Resident Investor

DTC Account: 1970
SPC INS: G21691 EURO25393
Agent Bank: 00025787
Institution Number: 00026097

- DTC Format (free of payment) for Non US Resident Investors:

DTC Account: 1970
SPC INS: G21691 EURO17957
Agent Bank: 00025787
Institution Number: 00026097

4.2 Withdrawal

The withdrawal of securities at DTCC is done according to the following flowchart in Figure 8.

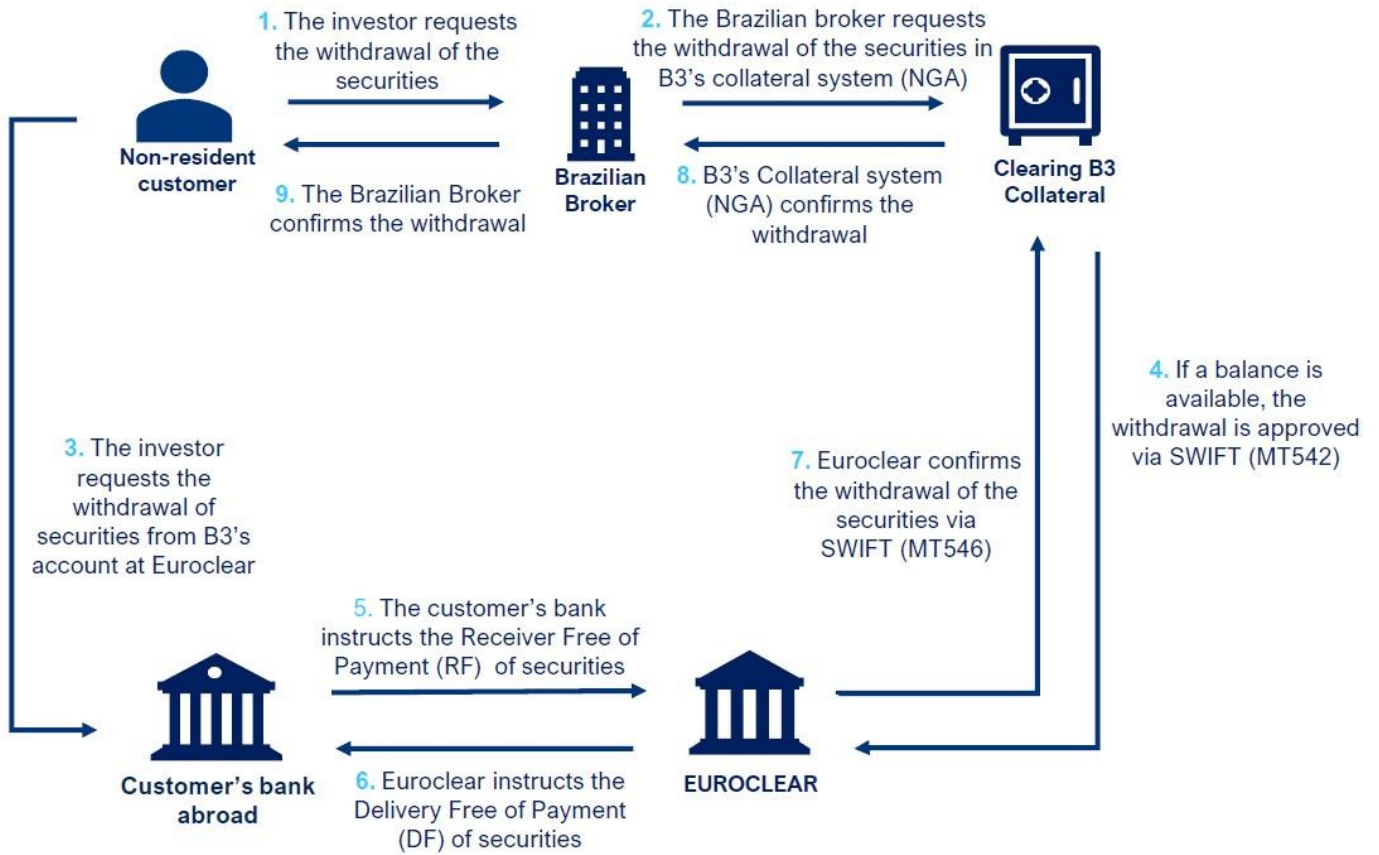


Figure 8. Flowchart of securities withdrawal via Euroclear

4.2.1 Between Euroclear Accounts

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 9):

Requisição de Aceite de Retirada

| | | |
|-----------------------|---|------------------------|
| MC | 88711 | TESTE CERTIFICAÇÃO RTC |
| PNP | 88711 | TESTE CERTIFICAÇÃO RTC |
| CL | 989309 | CONTA NORMAL 2687 SLF |
| Documento | 880.000.002/0156-68 | |
| Tipo de Pessoa | Pessoa Jurídica Não Residente Outros | |
| Atividade | 60.00 - DEMAIS FUNDOS OU ENTIDADES DE INVESTIMENTO COLETIVO | |
| Categoria | CLIENTE | |

| | | |
|--------------------------------|----------------------------|--|
| Tipo da Garantia | 9 - Título Internacional | |
| Finalidade de Cobertura | 1 - Garantias de Operações | |

| | | |
|----------------------------------|---|--|
| Número do Ativo | 2019000041685 | |
| Identificador da Garantia | US912810EW46 | |
| Cusip | 912810EW4 | |
| Sub Tipo | US TREASURY BONDS | |
| Data da Negociação | <input type="text" value="18/06/2019"/> | → Trade date and settlement date must be informed by the custodian |
| Data de Liquidação | <input type="text" value="18/06/2019"/> | |

| | | |
|---------------------------|-------------------|--|
| Depositária Origem | EUROCLEAR 98606 | |
|---------------------------|-------------------|--|

| | | |
|----------------------|--|---|
| Dados Destino | | |
| Método | <input type="text" value="EUROCLEAR"/> | → Custodian account at Euroclear – number of 5 digits |
| Conta | <input type="text"/> | |

| | |
|-------------------------------|-------|
| Quantidade Depositada | 1.000 |
| Quantidade Distribuída | 0 |
| Quantidade Disponível | 1.000 |

| | |
|-----------------------------|----------------------------------|
| Quantidade a Retirar | <input type="text" value="100"/> |
|-----------------------------|----------------------------------|

Figure 9. NGA screen for withdrawal via Euroclear.

4.2.2 Euroclear via FED

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 10):

Requisição de Aceite de Retirada

| | | |
|-----------------------|---|------------------------|
| MC | 88711 | TESTE CERTIFICAÇÃO RTC |
| PNP | 88711 | TESTE CERTIFICAÇÃO RTC |
| CL | 989309 | CONTA NORMAL 2687 SLF |
| Documento | 880.000.002/0156-68 | |
| Tipo de Pessoa | Pessoa Jurídica Não Residente Outros | |
| Atividade | 60.00 - DEMAIS FUNDOS OU ENTIDADES DE INVESTIMENTO COLETIVO | |
| Categoria | CLIENTE | |

| | | |
|--------------------------------|----------------------------|--|
| Tipo da Garantia | 9 - Título Internacional | |
| Finalidade de Cobertura | 1 - Garantias de Operações | |

| | | |
|----------------------------------|---|--|
| Número do Ativo | 2019000041685 | |
| Identificador da Garantia | US912810EW46 | |
| Cusip | 912810EW4 | |
| Sub Tipo | US TREASURY BONDS | |
| Data da Negociação | <input type="text" value="18/06/2019"/> | Trade date and settlement date must be informed by the custodian |
| Data de Liquidação | <input type="text" value="18/06/2019"/> | |

| | | |
|---------------------------|-------------------|--|
| Depositária Origem | EUROCLEAR 98606 | |
|---------------------------|-------------------|--|

| | | |
|----------------------------|--|---|
| Dados Destino | | |
| Método | <input type="text" value="via FED"/> | |
| ABA Code | <input type="text" value="021000018"/> | Custodian's ABA number – Number of 9 digits |
| Nome da Conta | <input type="text" value="HSBCLDN"/> | Investor account under Custodian |
| SubConta (Opcional) | <input type="text"/> | Investor Sub Account Name |
| Conta DTCC | <input type="text" value="24943"/> | Custodian's account number at DTCC |

| | |
|-------------------------------|-------|
| Quantidade Depositada | 1.000 |
| Quantidade Distribuída | 0 |
| Quantidade Disponível | 1.000 |

| | |
|-----------------------------|----------------------------------|
| Quantidade a Retirar | <input type="text" value="100"/> |
|-----------------------------|----------------------------------|

Figure 10. NGA screen for Euroclear withdrawal via FED.

4.2.3 Euroclear via DTCC

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 11):

Requisição de Aceite de Retirada

| | | |
|----------------|---|------------------------|
| MC | 88711 | TESTE CERTIFICAÇÃO RTC |
| PNP | 88711 | TESTE CERTIFICAÇÃO RTC |
| CL | 989309 | CONTA NORMAL 2687 SLF |
| Documento | 880.000.002/0156-68 | |
| Tipo de Pessoa | Pessoa Jurídica Não Residente Outros | |
| Atividade | 60.00 - DEMAIS FUNDOS OU ENTIDADES DE INVESTIMENTO COLETIVO | |
| Categoria | CLIENTE | |

| | | |
|-------------------------|----------------------------|--|
| Tipo da Garantia | 9 - Título Internacional | |
| Finalidade de Cobertura | 1 - Garantias de Operações | |

| | | |
|---------------------------|---|--|
| Número do Ativo | 2019000041685 | |
| Identificador da Garantia | US912810EW46 | |
| Cusip | 912810EW4 | |
| Sub Tipo | US TREASURY BONDS | |
| Data da Negociação | <input type="text" value="18/06/2019"/> | Trade date and settlement date must be informed by the custodian |
| Data de Liquidação | <input type="text" value="18/06/2019"/> | |

| | | |
|--------------------|-------------------|--|
| Depositária Origem | EUROCLEAR 98606 | |
|--------------------|-------------------|--|

| | | |
|----------------------|---------------------------------------|---|
| Dados Destino | | |
| Método | <input type="text" value="via DTCC"/> | |
| Conta | <input type="text"/> | Custodian's account at DTC- Number up to 4 digits |
| SubConta (Opcional) | <input type="text"/> | Investor account under Custodian |

| | |
|------------------------|-------|
| Quantidade Depositada | 1.000 |
| Quantidade Distribuída | 0 |
| Quantidade Disponível | 1.000 |

| | |
|----------------------|----------------------------------|
| Quantidade a Retirar | <input type="text" value="100"/> |
|----------------------|----------------------------------|

Figure 11. NGA screen for Euroclear withdrawal via DTCC.

5. US DOLLARS POSTED AS COLLATERAL

5.1 Deposit

- B3's account at Citibank: 40804863

US Dollars can be transferred to the collateral account through the settlement account or through the Customer's proprietary account. For this, processes are different as show the flowcharts in figures 12 and 13.

5.1.1 Through B3's Settlement Account

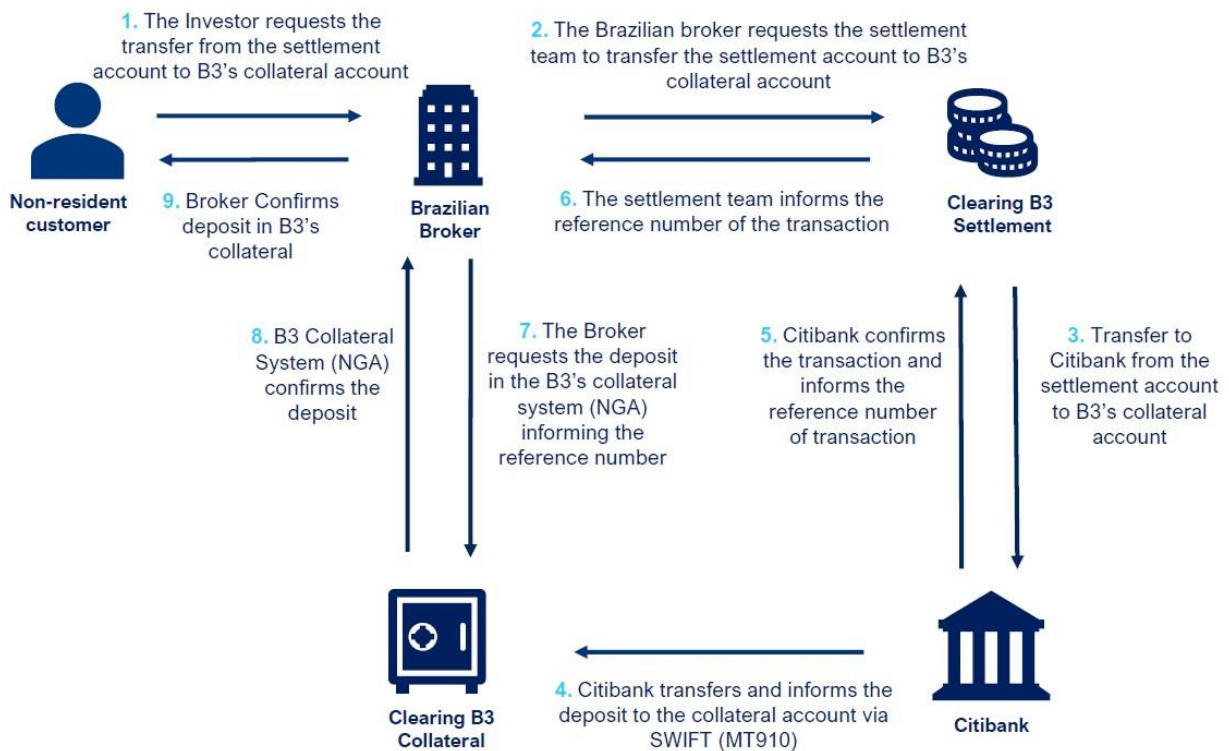


Figure 12. US Dollars deposit flowchart through B3's settlement account.

5.1.2 Directly from the Customer's Account

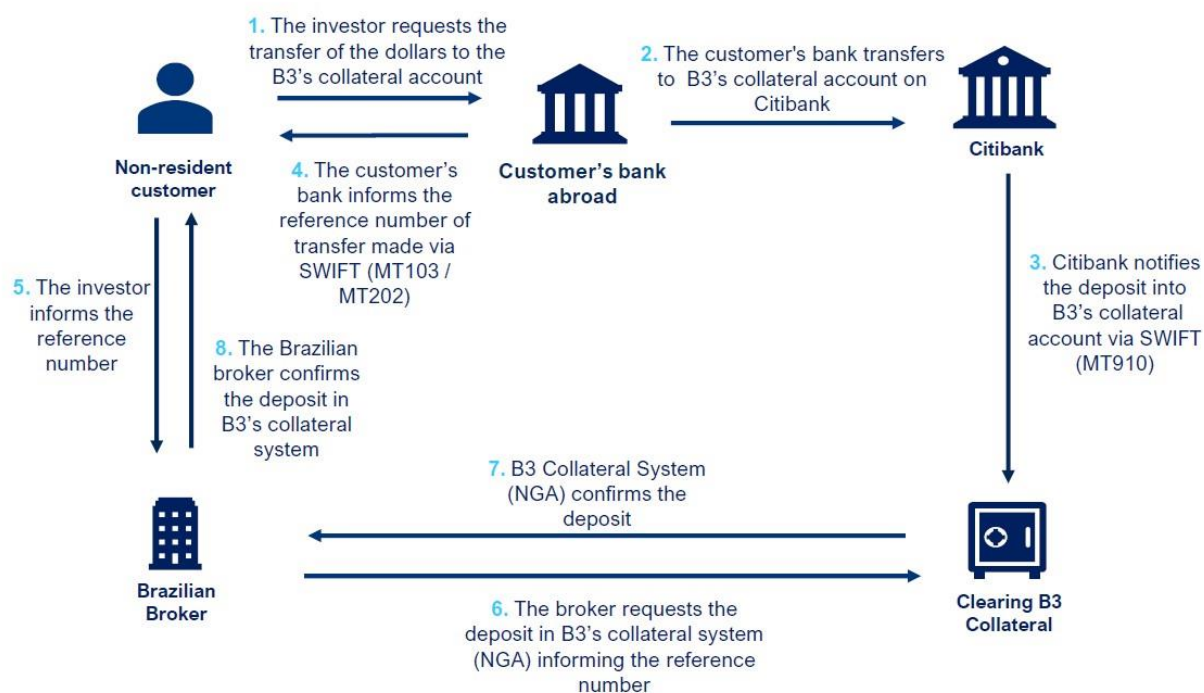


Figure 13. US Dollars deposit flowchart directly through the Customer's account.

Participants request the deposit in the collateral management system (NGA) and complete all the fields as shown below (Figure 14):

Requisição de Aceite de Depósito

| | | |
|-----------------------|---------------------------------------|-------------------------|
| MC | 53104 | CLIENTE TESTE LOTE |
| PNP | 53104 | CLIENTE TESTE LOTE |
| CL | 1502 | VALIDATION TABAJARA CO. |
| Documento | 25462.588000.126887.1.1 | |
| Tipo de Pessoa | Pessoa Jurídica Não Residente Com CVM | |
| Atividade | 57.00 - ENTIDADES DE PREVIDÊNCIA | |
| Categoria | CLIENTE | |

| | |
|--------------------------------|------------------------|
| Tipo da Garantia | Moeda Estrangeira |
| Finalidade de Cobertura | Garantias de Operações |

| | |
|----------------------------------|---|
| Identificador da Garantia | Dólar |
| Número de Referência | <input style="width: 150px;" type="text"/> → <div style="border: 2px dashed red; padding: 2px; display: inline-block;">SWIFT Ref. Number</div> |
| Valor | <input style="width: 150px;" type="text"/> |

Figure 14. NGA screen for deposit of U.S. Dollars

** The SWIFT number must be informed by the Customer in field 20 - Sender Reference MT103 or in field 21 - Related Reference MT202. When the U.S. Dollars originate from B3's settlement account, the SWIFT number is informed by B3's Settlement team through the LNR.

- Citibank Account Number

B3's account at Citibank: 40804863

Chips: 0008

ABA: 021000089

Swift: CITIUS33

5.2 Collateral Withdrawal

Similar to the deposit, the withdrawal of U.S. Dollars can occur in two ways: withdrawal to B3's settlement account and withdrawal directly to the Customer's account as show the flowcharts in figures 15 and 16.

5.2.1 To B3'S Settlement Account

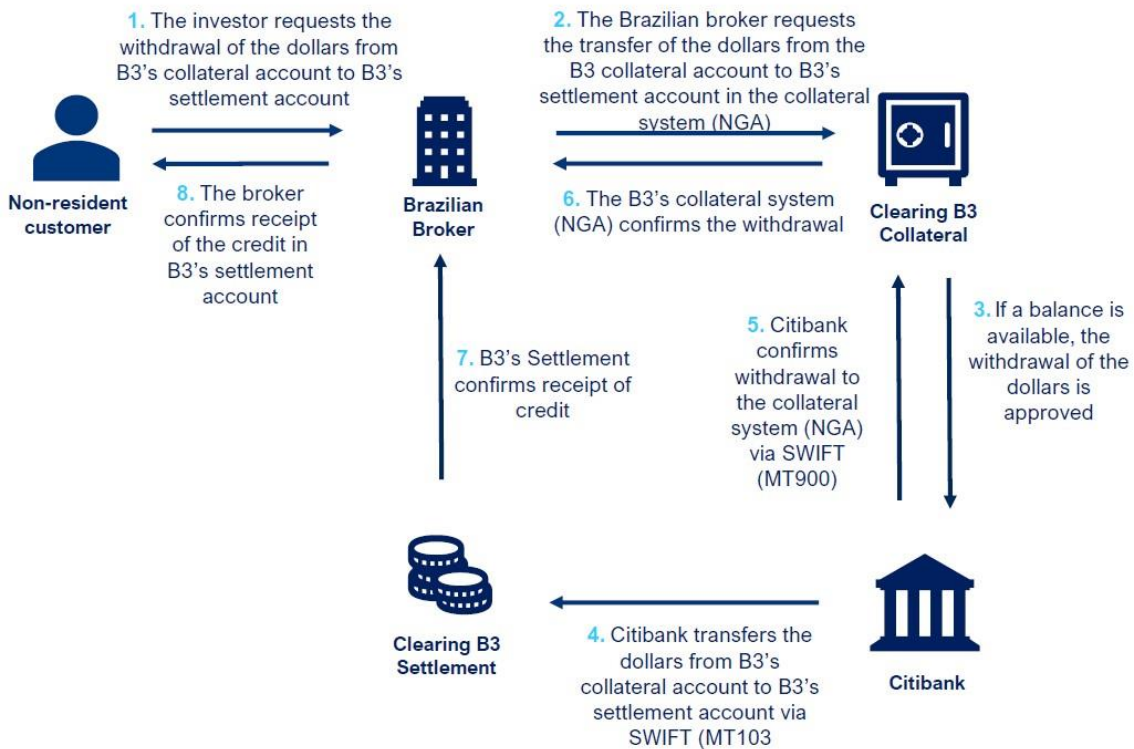


Figure 15. Flowchart of U.S. Dollars withdrawal to B3's settlement account.

5.2.2 To Customer's Proprietary Account

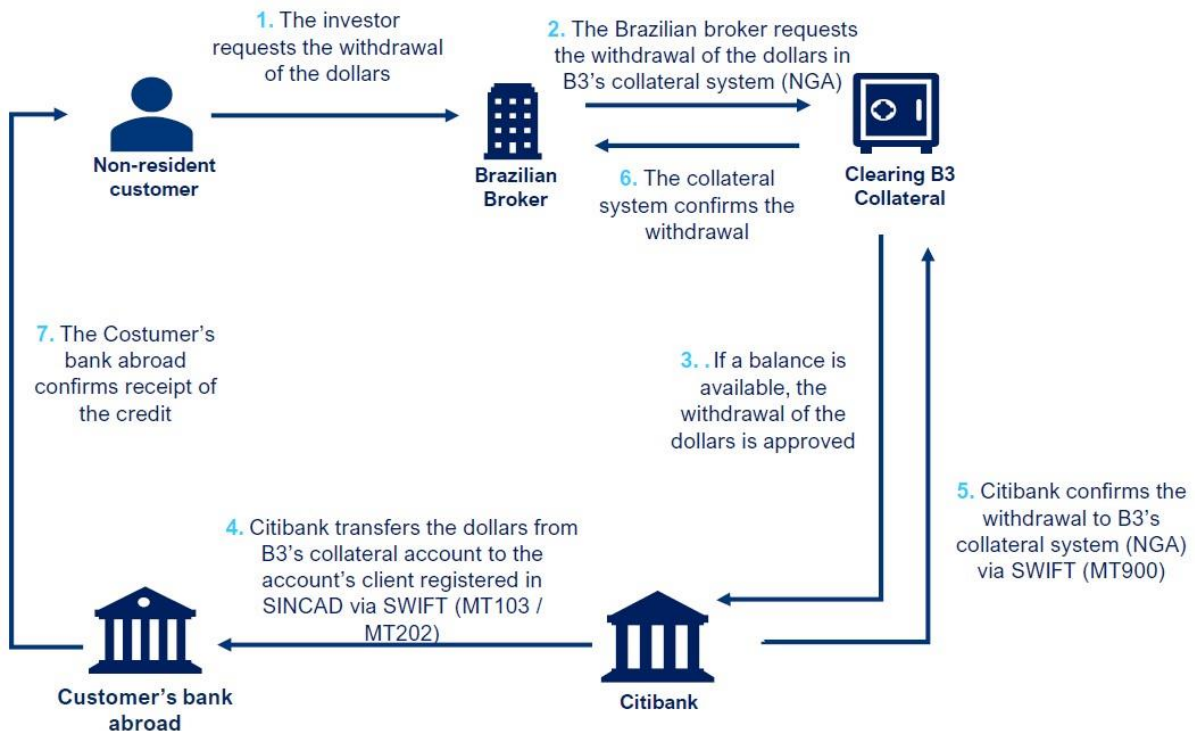


Figure 16. Flowchart of U.S. Dollars withdrawal to the Customer's account.

6. EVENTS

6.1 Coupon Payment

B3 will request that securities deposited as collateral be either withdrawn or replaced ten business days before the coupon payment or their maturity date counting from the record date.

6.2 Maturity

B3 does not authorize collateral deposit for coupon payment or with maturity in the following ten business days from the record date.

7. PRICING

A list of securities accepted as collateral is available on the B3 portal (http://www.b3.com.br/en_us/products-and-services/clearing-and-settlement/clearing/risk-management/collateral/accepted-collateral/). If the ISIN number of an international security chosen for collateral posting is not on the list, please contact B3's Collateral team so that they can proceed with its registration. The registration request must be made in advance as the valuation date is T + 1.

8. COSTS

The costs of B3 charged by DTCC and Euroclear for the custody of assets are shared proportionally by the B3 participants which requested such service and who may transfer those costs to the investor.

9. DOS AND DON'TS

9.1 DOS

- Withdraw the security before its maturity date and before paying the coupon.
- Before making a deposit at the depository (DTCC/Euroclear) check with B3 through your representative broker if that security is accepted as collateral.
- Always inform the SWIFT number to the representative broker in Brazil when making a deposit in U.S. Dollars.

9.2 DON'TS

- Deposit securities in T-10 before their maturity date / coupon payment.
- Instruct Delivery Free of Payment (DF) before making sure that the security's ISIN code is eligible as collateral at B3.

CONTACT:

E-mail: garantias@b3.com.br

Telephone: +55 11 2565-5032