

BM&F BOVESPA
A Nova Bolsa



OPERATIONAL QUALIFICATION PROGRAM (PQO)

Standard Rules

Summary

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This is a free translation offered only as a convenience for English language readers and is not legally binding.

Any questions arising from the text should be clarified by consulting the original in Portuguese.

CHAPTER 1

Investor Registration



Item 1. In their relationship with Investors, Participants must observe the provisions of their respective Operating Rules and Parameters, which must mandatorily contain the procedures adopted by each Participant regarding:

- 1.1. Investor Registration;
- 1.2. Types of eligible Orders;
- 1.3. Time of Order receipt;
- 1.4. Eligible means for receiving Orders;
- 1.5. Trading Policy for Associated Persons and for proprietary portfolio;
- 1.6. Order validity;
- 1.7. Procedures for rejecting and cancelling Orders;
- 1.8. Order registration;
- 1.9. Order execution (filled, not filled and confirmation), including those received through home broker systems;
- 1.10. Trading distribution;
- 1.11. Transaction settlement;
- 1.12. Risk control;
- 1.13. Asset custody;
- 1.14. Order recording system;
- 1.15. Means of communication of amendments to the Operating Rules and Parameters to Investors;
- 1.16. Relationship Channel.

Item 2. The Participants' Operating Rules and Parameters must be at the disposal of Investors before they start trading and mandatorily delivered when requested.

Item 3. The Operating Rules and Parameters must be an integral part of both intermediation contract and custodial services agreement.

Item 4. Participants must promptly notify Investors whenever their Operating Rules and Parameters are amended, as indicated therein. Prior to entering into force, the new Operating Rules and Parameters must be sent to both BM&FBOVESPA (Dealer Development and Relationship Department) and BSM, within the time frame stipulated in applicable regulations.

Item 5. Participants must register Investors and keep their registration records updated, pursuant to applicable regulations and legislation.

Item 6. Investor registration records must contain the following information:

- 6.1. All of the data and information required under applicable regulations, in particular those associated with contact information, granting of powers, and financial standing;
- 6.2. For nonresident Investors, the identification of a legal representative, custodian and, when applicable, foreign intermediary institution (for simplified registration forms);
- 6.3. Valid intermediation contract, or an equivalent instrument;
- 6.4. Valid custodial services agreement, or equivalent instrument;
- 6.5. Valid supporting documentation, in accordance with applicable legal and regulatory provisions;
- 6.6. Statement by each Investor confirming (i) that the information provided for registration purposes is true; (ii) the means eligible for Order transmission (that is, if Orders will be provided in writing, by automated electronic systems, or by telephone and other voice transmission systems); (iii) if the Investor is an associated person to the Participant, when applicable; (iv) if the Investor authorizes or not the Participant's proprietary portfolio or associated persons to act as counterparties to his/her/its transactions; (v) if the Investor authorizes or not Orders to be transmitted by proxies/representatives; and (vi) that the Investor authorizes the Participant to settle contracts, rights and Assets acquired for his/her/its account and order, as well to liquidate Assets and rights posted as collateral for his/her/its transactions, or held by the Participant on his/her/its behalf, by applying the proceeds thereof to the payment of the Investor's outstanding debt, when applicable, regardless of any judicial or extrajudicial notification.

Item 7. Participants must enter into an intermediation contract with each Investor, or an equivalent instrument, establishing the terms and conditions of their relationship, subject to the conditions and minimum content stipulated by BM&FBOVESPA.

Item 8. The intermediation contracts signed with Investors using the DMA model must contain the specific provisions defined by BM&FBOVESPA.

Item 9. For the Participants acting as Custody Agents, the contract, or equivalent instrument, to be entered into with Investors must contain the minimum provisions required by BM&FBOVESPA.

Item 10. The contract to be signed between Participants and Investors must include the billing criteria for brokerage and custody services and other additional costs, and Investors must be informed in advance of any amendments thereto.

Item 11. The registration records of Investors must include an updated list with the full names and identification document numbers of the persons authorized to issue Orders on their behalf, when applicable.

Item 12. Participants can only change the address included in registration records at the relevant Investor's request, which must be in writing and sent by physical or electronic means, with the corresponding proof of address.

ICVM 542, Art. 9
ICVM 505, Art. 10
CL.053/2012-DP, Item 1

Item 13. When using the simplified registration form for nonresident Investors, Participants must enter into a written contract with a foreign intermediary institution, containing the minimum content required under applicable regulations and legislation, and also with a global custodian, when applicable.

ICVM 505, Art. 5 & 6

Item 14. Participants that keep registration records in electronic format must ensure the compatibility thereof with the registration documentation of Investors, in order to keep the relevant records updated at BM&FBOVESPA and internal areas that use the corresponding information to perform their activities.

ICVM 505, Art. 6

Item 15. Participants must keep Investor registration records updated at BM&FBOVESPA, under the terms and standards defined in applicable legislation and regulations.

ICVM 505, Art. 5, Par. 4
CL.053/2012-DP, Item 11.2

Item 16. Participants must also keep the list containing information on the persons authorized to issue Orders on behalf of one or more Investors updated at BM&FBOVESPA, pursuant to applicable regulations.

ICVM 505, Art. 36
ICVM 301, Art. 5

Item 17. Participants must maintain Investor registration records for at least 5 (five) years, counted from the date the account is closed, or when the last transaction carried out on behalf of the relevant Investor is completed. In the event that an investigation is initiated by CVM and formally communicated to a Participant, the time frame referred to herein can be extended indefinitely.

ICVM 529, Art. 2

Item 18. Participants must provide ombudsman services, pursuant to applicable regulations.

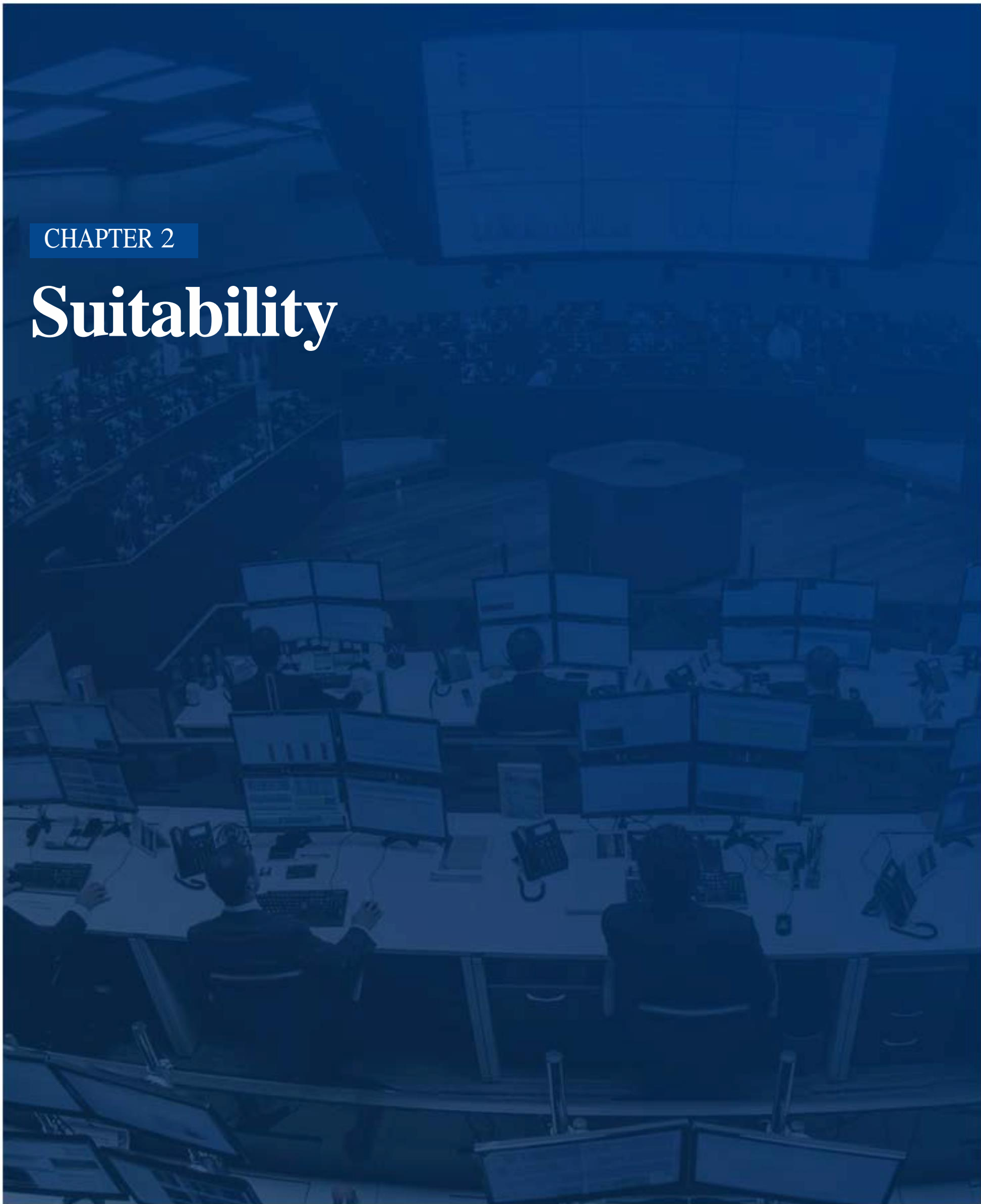
ICVM 505, Art. 32

Item 19. Participants must provide Investors with information on the products and related risks.



CHAPTER 2

Suitability



Item 20. Participants must define and keep the Investment Profiles of Investors updated, containing the following information:

- 20.1. Investment objectives, considering at least:
 - 20.1.1. The time frame during which Investors desire to keep their investments;
 - 20.1.2. Their stated preferences regarding risk-taking; and
 - 20.1.3. The purposes of their investments.
- 20.2. Compatibility of their economic and financial conditions with products, services or transactions, considering at least:
 - 20.2.1. The amount of regular income declared by Investors;
 - 20.2.2. The amount and the Assets that make up an Investor's estate; and
 - 20.2.3. The future need of funds declared by Investors.
- 20.3. Required knowledge to understand the risks related to products, services or transactions, considering at least:
 - 20.3.1. The types of products, services and transactions with which Investors are familiar;
 - 20.3.2. The nature, volume and frequency of transactions carried out by Investors in the securities market in the past, as well as the time period when those transactions were carried out; and
 - 20.3.3. The academic education and professional experience of Investors.

This duty of the Participant applies to all Investors, except in cases foreseen in applicable regulations.

Item 21. Participants must evaluate and rank each Investor in uniform categories of Investment Profile, as previously established by the Participant itself. This duty applies to all the Investors, except in cases foreseen in applicable regulations.

Item 22. Participants must associate the products, services and transactions they offer with each Investment Profile. This association should, respecting the product categories, at least consider:

- 22.1. The risks associated to products and to its underlying Assets;
- 22.2. The profile of issuers and service providers associated to each product;
- 22.3. The availability of collateral; and
- 22.4. Grace periods.

Item 23. Participants are prohibited from Recommending products or services to Investors whenever:

- 23.1. Their Investment Profiles are absent or outdated; or
- 23.2. The products or services are incompatible with their Investment Profiles; or
- 23.3. Recommendation implies, either singly or jointly, excessive and inadequate costs to Investment Profiles.

ICVM539, Art. 1 & 5

Item 24. Investment Profiles can only be assigned or amended by agreement with the relevant Investors and pursuant to the procedure defined by Participants.

ICVM539, Art. 7 & 11

Item 25. Participants must continuously monitor and assess the suitability of Investor transactions to the corresponding Investment Profiles.

ICVM539, Art. 8

Item 26. At time intervals not exceeding twenty-four (24) months, Participants must:

- 26.1. Endeavor to update the information associated with Investment Profiles; and
- 26.2. Undertake a new review and classification of securities categories.

ICVM539, Art. 6 & 11

Item 27. Participants must notify Investors of the transactions executed in violation of their Investment Profiles by no later than the last business day of the month following the month in which such transactions were executed, provided there is no Investor indication to the contrary.

ICVM539, Art.11

Item 28. Participants must put at the disposal of Investors their respective Investment Profiles, as well as the products, services and transactions associated therewith.

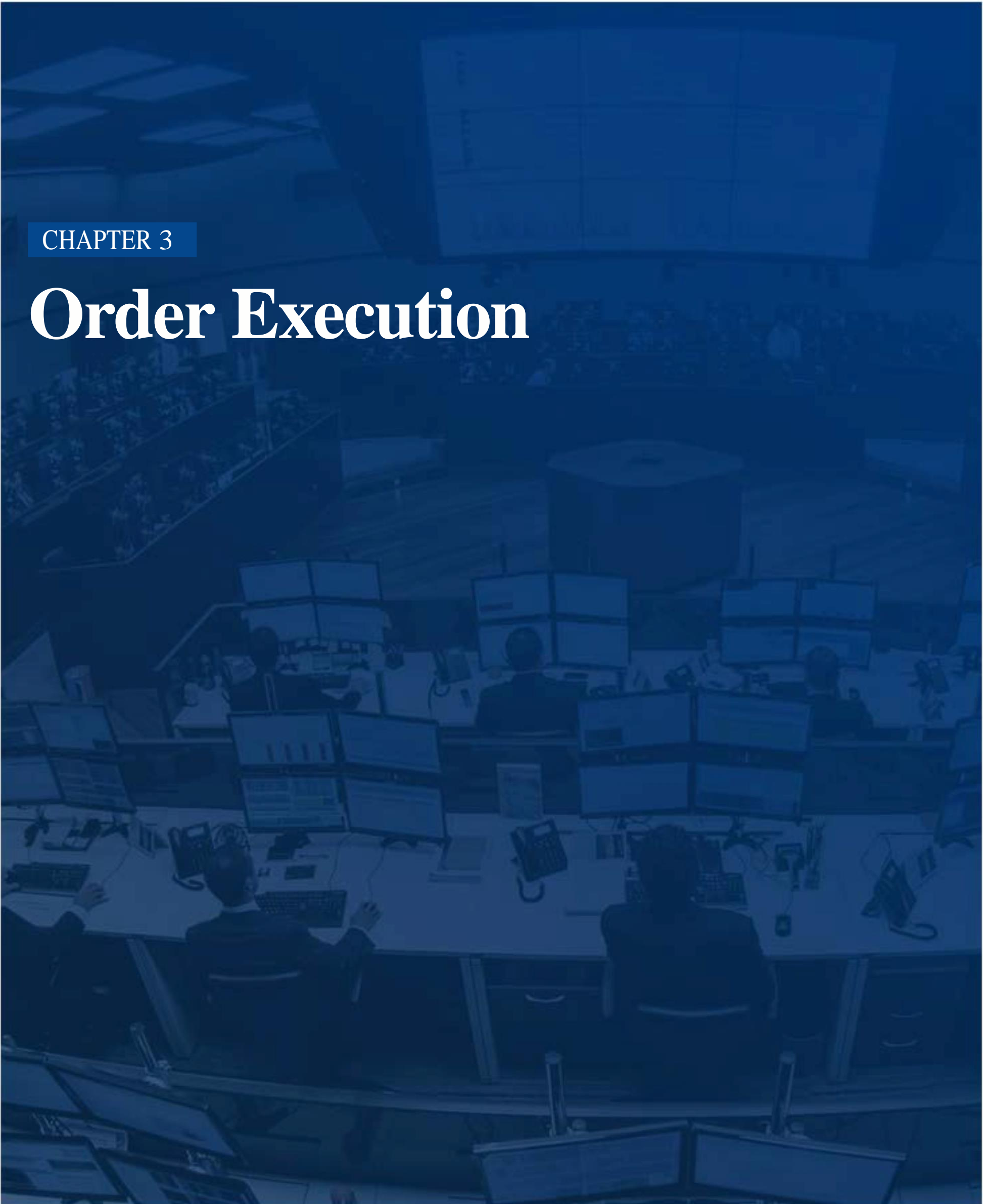
ICVM505, Art. 32

Item 29. Participant websites must at least provide access to the BM&FBOVESPA and BSM websites.



CHAPTER 3

Order Execution



Item 30. Participants must register all the Orders. The registration must contain at least the following information:

- 30.1. Investor identification code or name;
- 30.2. Date and time of the Order receipt;
- 30.3. Order validity;
- 30.4. Order sequence and chronological number;
- 30.5. Description of the Asset underlying the Order, with ticker symbol, quantity and price;
- 30.6. Indication of whether the transaction is for an associated person or for proprietary portfolio;
- 30.7. Nature of the Order (buy or sell; market type: cash/spot, forward, options, futures, swap, corporate debt and government bonds; give-up or transaction by direct Settlement Participants, or PLs);
- 30.8. Order type (managed, combined, discretionary, limit, market, monitored, financing, and stop);
- 30.9. Identification of the Order issuer;
- 30.10. Identification of the transaction number at BM&FBOVESPA;
- 30.11. Identification of the Electronic Trading System Broker;
- 30.12. Received Order status indication (filled, not filled, or cancelled).

Item 31. Participants must identify the final beneficial owners, according to the rules and time frames established in applicable regulations.

Item 32. Trade reallocation is prohibited, except in the cases expressly foreseen in applicable regulations.

Item 33. Participants can only execute trades against a prior Order issued by an Investor and under the conditions established by said Investor, except as provided for in the intermediation contract signed between the parties.

Item 34. Participants must use a computerized system for Order registration and control.

Item 35. All of the records and documents associated with Order reception and transmission, as well as all of the recordings of conversations held between Investors and Participants and their Representatives must be maintained by all the Participants for at least five (5) years, counted from the date of any transaction, or for a longer period, in the case of administrative proceedings, as determined by CVM, BM&FBOVESPA, or BSM.

Item 36. All the Orders must be received by trading professionals certified and accredited by BM&FBOVESPA and linked to Participants, subject to the provisions of their Operating Rules and Parameters and the criteria defined by Investors in their registration records.

Item 37. Trading professionals are prohibited from, in connection with the Investors of the Participant to which they are linked:

- 37.1. Receiving from any Investor or on behalf of any Investor, or delivering to any Investor money, bonds, securities, or other Assets for whatever reason, including as compensation for the provision of any services;
- 37.2. Being an Investor proxy or representative before member institutions of the securities distribution system for whatever purpose, including issuing Orders on behalf of any Investor, except when exercising parental rights associated with assistance or representation;
- 37.3. Providing portfolio management or securities analysis services, even free of cost;
- 37.4. Using passwords or electronic signatures of an Investor's exclusive use for Order transmission;
- 37.5. Producing and sending statements with information on transactions or open positions to individual Investors.

ICVM 505, Art. 14
CL053/2012-DP, Item 2

Item 38. Participants must record, in an intelligible form, all of the Orders received by telephone or other voice transmission systems, as well as all of those issued by Investors through instant messaging systems. Orders received in person must be recorded in writing. Written Orders must be filed with date and time of receipt, also identifying the person who received them. Orders received by Representatives are considered as Orders received by the relevant Participant.

ICVM 505, Art. 14
CL053/2012-DP, Item 2.5

Item 39. The registration of Orders transmitted by telephone, or other voice transmission systems as well as by instant messaging systems must be recorded by a recording system that allows the conversation held between Investors or their representatives and Participants or their Representatives (including Self-Employed Agents) to be played back clearly, containing:

- 39.1. Date, start time, end time, or duration of each recording of conversation held with Investors;
- 39.2. Identification of the Participant Representative (including Self-Employed Agents) and relevant telephone extension, or an equivalent identifier;
- 39.3. Order side (buy or sell) and type (as required under applicable regulations);
- 39.4. Order validity;
- 39.5. Description of the Asset, quantity and price, where applicable.

ICVM 505, Art. 35, II

Item 40. Participants are prohibited from accepting or executing Orders received from Investors that neither have been previously registered nor have updated their registration records within the time period prescribed by applicable regulations.

ICVM 505, Art. 35, II

Item 41. In the event of Orders transmitted by proxies, Participants must have mechanisms in place to ensure that they will only accept those Orders transmitted by a legally-appointed representative duly identified in the registration record of the relevant Investor, which must also include the relevant power of attorney granting specific powers.

Item 42. The persons associated to any Participant can only trade securities for their own account, either directly or indirectly, through the Participant to which they are linked, except when foreseen in applicable regulations.

42.1. The persons associated to more than one Participant can trade securities for their own account solely through the Participant with which they maintain an employment contract or a services agreement.

Item 43. When executing transactions for proprietary portfolio and associated persons, Participants must identify the final beneficial owners of the Orders entered into the trading system, being prohibited from reallocating such transactions. These transactions cannot be reallocated, except in situations where operational errors are proven.

Item 44. In the event of Order competition, Participants must have control instruments in place enabling Investor Orders to have priority over proprietary portfolio and associated person Orders.

Item 45. The document, or equivalent instrument that confirms the execution of any Investor Orders must highlight the performance of the relevant Participant, or of the persons associated to said Participant whenever they act as counterparties to the transactions.

Item 46. Participants must highlight the following information on their websites concerning the “equities” and “financial and commodity derivatives and gold” categories, with monthly updates:

- 46.1. Relation between the number of trades by associated persons and the total number of trades by the relevant Participant;
- 46.2. Relation between the number of trades by associated persons, except proprietary portfolio, and the total number of trades by the relevant Participant;
- 46.3. Relation between the number of trades for proprietary portfolio and the total number of trades by the relevant Participant;
- 46.4. Relation between the number of trades by associated persons whose counterparties are Investors at the relevant Participant and the total number of trades by associated persons.

Associated Persons are those defined in applicable regulations.

Item 47. Participants must record all occurrences of transactions that were entered into the Error Account and Operational Error Account, as well as the reasons therefor. Participants must maintain the documentation and recordings of the Orders that support such occurrences, when applicable.

Item 48. Participants must register all occurrences of Give-up rejection, maintaining the documentation and recordings of the Investor’s instructions that supported any such rejection.

Item 49. The offsetting of transactions entered into the Error Account and Operational Error Account must comply with the prioritization criteria for Order execution defined in the relevant Participant’s Operating Rules and Parameters.

ICVM 505, Art. 23

Item 50. Participants must use exclusively the Error Account or the Operational Error Account to enter transactions resulting from operational errors, regardless of the positive or negative results thereof, and Participants are prohibited from recording any other transactions in such accounts, examples of which are proprietary transactions and those aimed at increasing the liquidity of securities (market maker and/or client facilitation).

ICVM 505, Art. 35
ICVM 497, Art. 17
CL053/2012-DP, Item 11.6

Item 51. Participants can only allow the activities performed by members of the securities distribution system to be exercised by the individuals with whom they maintain an employment contract or a services agreement, and who must also be authorized by CVM to do so.

ICVM 558, Art. 24
ICVM 505, Art. 31

Item 52. Trading desks must be physically segregated from other trading desks belonging to other institutions of the same group and/or financial conglomerate, except in the cases where Participants only trade for those institutions, or there is no proven evidence of Conflicts of Interest from the Participant's perspective.

ICVM 505, Art. 31
Complementary Law 105, Art. 1

Item 53. The access to the trading desk environments must be controlled.

Complementary Law 105

Item 54. Investors are not allowed, under any circumstances, into the trading desk environments.

ICVM 558, Art. 24
ICVM 505, Art. 31

Item 55. Participants must segregate the management activities for third-party securities portfolios, including investment clubs, from other Order execution activities.

ICVM 380

Item 56. Participants must follow the procedures established by applicable regulations for trading securities on the internet.

ICVM 505, Art. 15, 16 & 17
CL053/2012-DP, Item 3

Item 57. Participants must manage Order routing via automated connections, pursuant to applicable regulations.

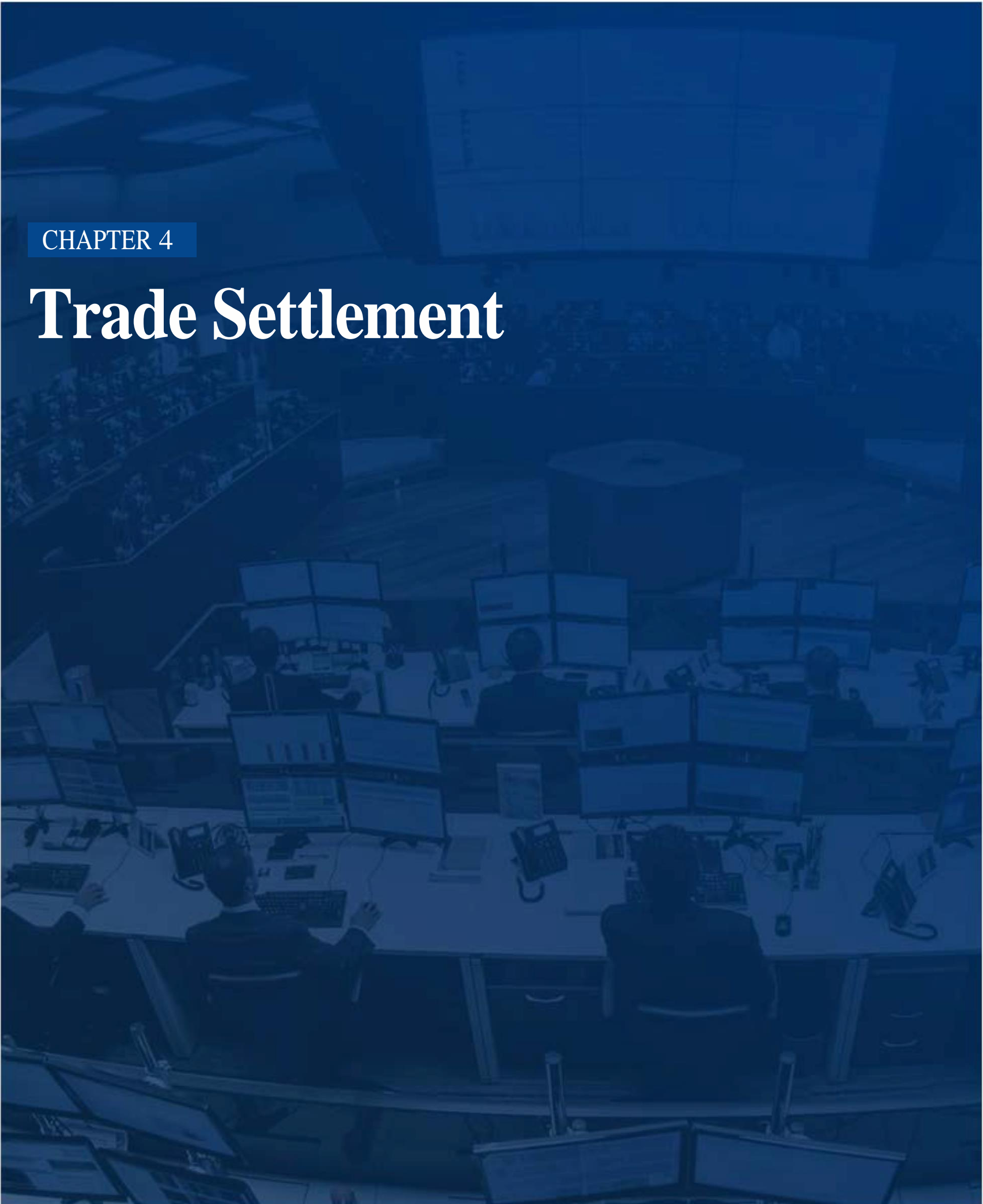
ICVM 505, Art. 26, Par. 1, I
CL053/2012-DP, Item 7

Item 58. When permitted, Give-ups must be supported by a valid contract (tripartite or brokerage), comprising the minimum content defined by BM&FBOVESPA.



CHAPTER 4

Trade Settlement



Item 59. Participants must update the information associated with executed transactions on a daily basis and maintain said updated information at the disposal of Investors, detailing at least:

- 59.1. Asset specification;
- 59.2. Order side (buy or sell);
- 59.3. Market (spot/cash, forward, options, futures, among others);
- 59.4. Quantity;
- 59.5. Price;
- 59.6. Trading date;
- 59.7. Commission, exchange fees and other charges;
- 59.8. Withholding income tax;
- 59.9. Position in all of the markets managed by BM&FBOVESPA;
- 59.10. Book account statement, including margin account, containing current and anticipated credit and debit entries.

Item 60. Participants must keep records of all the financial transactions carried out by Investors in book accounts, on which checks cannot be written. The track record of book account entries must identify the relevant generating events.

Item 61. Participants are prohibited from executing transactions that represent, in whatever form, the granting of funding, loans, or advances to Investors, except when foreseen in applicable regulations.

Item 62. Participants must manage funding transactions carried out for the purchase of shares through the margin account, pursuant to applicable regulations.

Item 63. Participants must update the information associated with the use of margin accounts on a daily basis and maintain said updated information at the disposal of Investors, containing at least:

- 63.1. Composition of margin account balances;
- 63.2. Composition of collateral for margin account transactions;
- 63.3. Fees and charges levied.

Item 64. Participants must keep Investor current accounts for funds and Assets segregated from proprietary accounts.

Item 65. The transfer of amounts between Investors' book accounts that is not associated with the relevant Participant's corporate objectives is prohibited.

Item 66. All the financial transactions carried out between Participants and Investors must result from the performance of activities under the intermediation contract entered into between the parties.

ICVM 505, Art. 27

Item 67. The payment of amounts by Investors to Participants must be made by wire transfer or check issued by the relevant Investor.

ICVM 505, Art. 28

Item 68. The payment of amounts by Participants to Investors must be made by wire transfer or check issued by the relevant Participant.

68.1. Wire transfers must be made to the Investors' current accounts previously identified in their registration records.

68.2. Transfers to nonresident Investors may be made to the current account of the custodian engaged by the relevant Investor, which must also be identified in the registration record maintained with the Participant involved.

ICVM 494
CL028/2012-DP

Item 69. The organization and operation of investment clubs managed by Participants must comply with applicable regulations and legislation.

ICVM 542, Art. 12, II
CL038/2014-DP

Item 70. Participants must keep a record of Position transfer requests made by Investors as well as of the supporting documentation thereof, when applicable.

CL053/2012-DP
BM&FBOVESPA
Clearinghouse Operating
Procedures Manual
BOVESPA Equities
Clearinghouse and CBLC
Operating Procedures
Manual

Item 71. Participants must comply with the BM&FBOVESPA settlement window, pursuant to applicable regulations.

BM&FBOVESPA
Clearinghouse Operating
Procedures Manual

Item 72. Participants must comply with Give-up procedures, rules and time frames, when applicable.

BM&FBOVESPA
Clearinghouse Operating
Procedures Manual

Item 73. Participants must comply with Position coverage and option exercise procedures, rules and time frames, pursuant to applicable regulations.

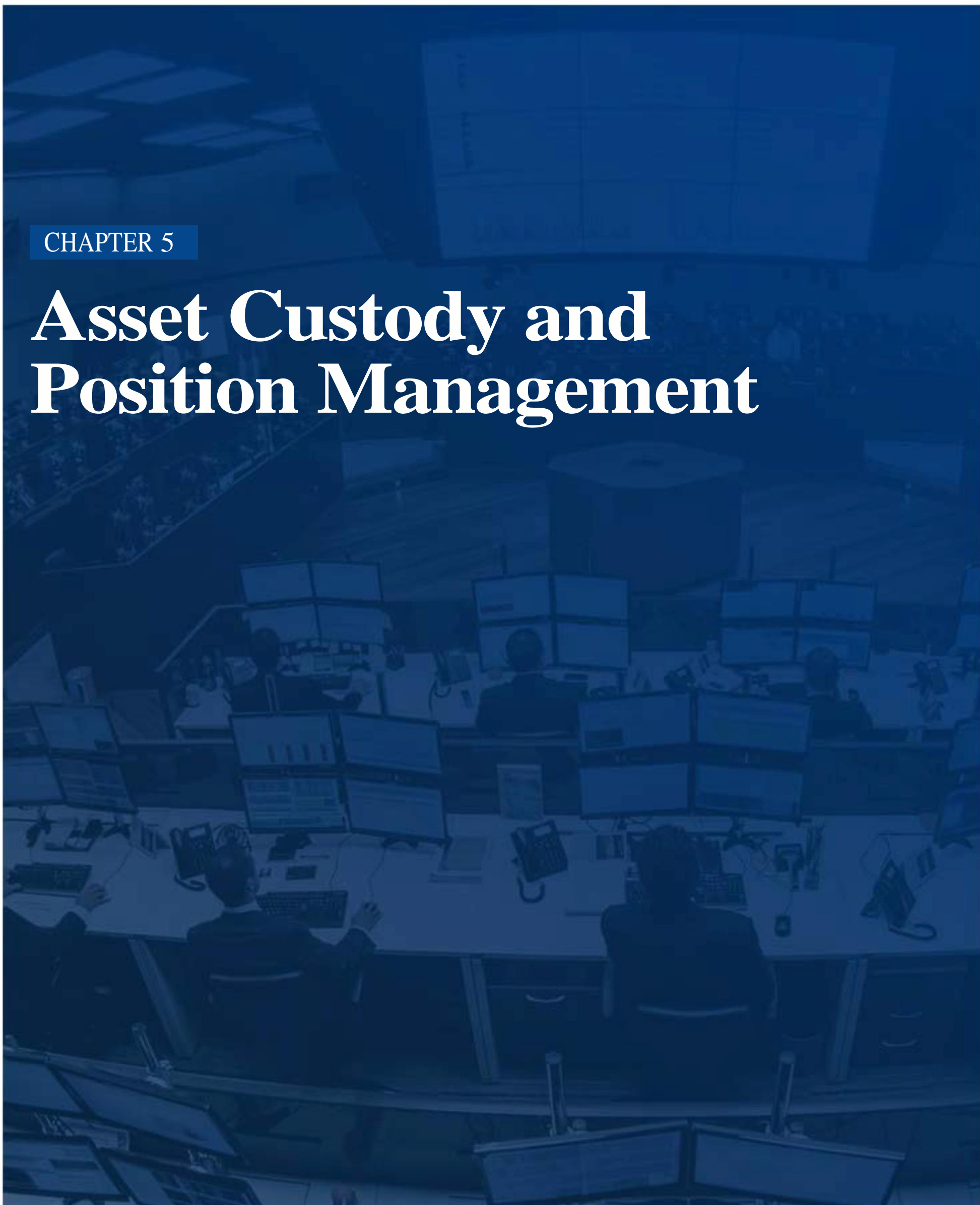
BOVESPA Equities
Clearinghouse and CBLC
Operating Procedures Manual

Item 74. Participants must meet the grids, windows and procedures established for Asset lending and Voluntary Corporate Actions applicable to Investor Positions.



CHAPTER 5

Asset Custody and Position Management



ICVM 542, Art. 11

Item 75. Participants must have a structure of their own to hold individualized custody accounts on behalf of Investors, in order to ensure the complete segregation and clear identification of ownership of the Assets under custody, also giving due regard to the confidentiality of the positions belonging to each Investor, pursuant to applicable regulations.

ICVM 542, Art. 1, Par. 2
ICVM 542, Art. 12, Par. 1

Item 76. Participants must establish and maintain secure processes and information systems, either proprietary or outsourced, suitable for the performance of their activities, in order to allow for the registration, processing and control of positions and custody accounts.

ICVM 542, Art. 4, Par. 3, & Art. 12, VI

Item 77. Participants which provide physical custody services for Assets must set up the required structure, with limited access and security mechanisms in place to ensure the integrity of securities.

ICVM 542, Art. 12, II

Item 78. All the Asset transfers and Voluntary Corporate Action exercises under any Participant's responsibility must be made solely based on the Formal Instructions issued by the relevant Investors, except in cases where the transfers are connected with trade Orders at the same Participant.

ICVM 542, Art. 10

Item 79. Participants must provide the transfer of securities, as well as of any rights and charges assigned thereto, to another custodian appointed by the relevant Investor within two (2) business days from receipt, by the Participant involved, of a valid request issued by the Investor, subject in any event to applicable operating procedures.

ICVM 505, Art. 35, II

Item 80. Participants are prohibited from accepting or executing custody and Position transfer Orders issued by Investors that have not been previously registered, or have not updated their registration records within the time frame established by applicable regulations, except when foreseen in the intermediation contract signed between the parties.

ICVM 505, Art. 35, II

Item 81. Participants must have mechanisms in place to ensure that they will only accept the custody and Position transfer Orders transmitted by Investors, or by legally-appointed representatives duly identified in their registration records.

ICVM 542, Art. 1, Par. 2
ICVM 542, Art. 12, Par. 1, I

Item 82. When providing custody activities, Participants must carry out a daily reconciliation of the positions held in the custody accounts and those reported by the central depository, thus ensuring that the Assets under custody and the rights arising therefrom are registered on behalf of the relevant Investors with the central depository, when applicable, taking the appropriate action whenever discrepancies are identified.

ICVM 542, Art. 1, Par. 2
ICVM 542, Art. 12, Par. 1, I

Item 83. The balances in the custody accounts under any Participant's responsibility must reflect the positions registered with the central depository.

Item 84. Participants must provide custody account statements to the Investors that hold the relevant accounts:

- 84.1. Whenever requested;
- 84.2. By the tenth (10th) day of the month following the end of the month where a transfer occurred;
- 84.3. By the end of February of the following year, in connection with base-year information, even if neither an activity occurred nor an Investor request was posted.

The Participants' postal or electronic addresses can only be used for sending custody statements in connection with their proprietary accounts and also with the accounts of officers and employees, funds, investment clubs, nonresident Investors, or other entities under their discretionary management.

Item 85. Custody account statements, or equivalent documents must contain information that allows for the identification and verification of the corporate actions associated with the Assets held in custody by Participants, containing at least:

- 85.1. Consolidated Asset position;
- 85.2. Asset transfers;
- 85.3. Corporate actions applicable to the Assets that may affect an Investor's position.

Item 86. Participants must record all the calls made to and from the telephone extensions installed in the departments that provide custody services.

Item 87. All of the records and documents associated with custody activities, as required by applicable regulations, must be maintained by the Participants for at least of five (5) years, counted from the date of any transaction, or for a longer period, in the case of administrative proceedings, as determined by CVM, BM&FBOVESPA, or BSM.

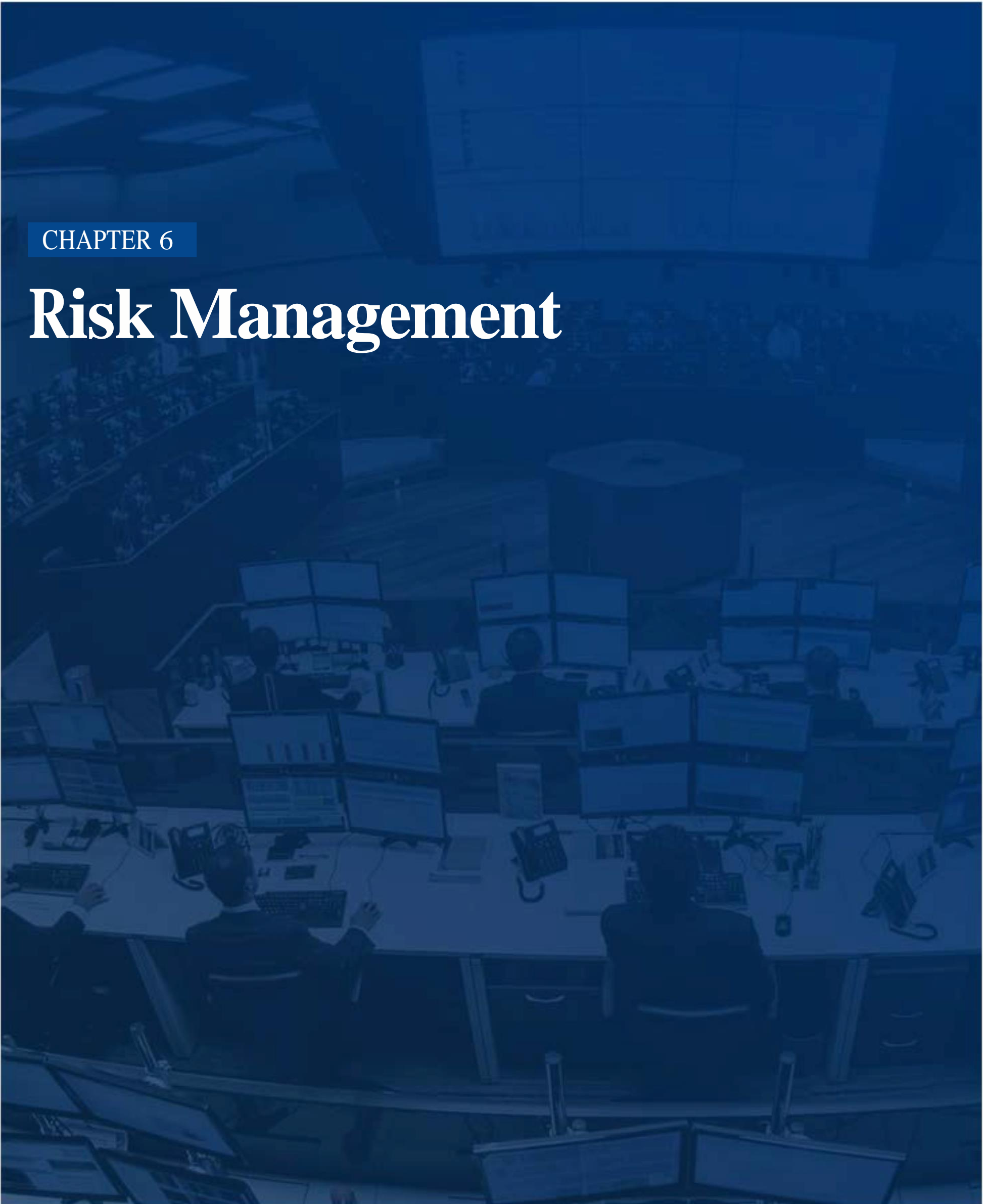
Item 88. Custody activities must be segregated from asset management and trading desk activities.

Item 89. Participants which receive transfer instructions associated with Assets, Positions, provisioned corporate actions, financial resources and/or Voluntary Corporate Action exercises must record, in an intelligible form, all of the verbal instructions received by telephone, or similar device and all of the written instructions issued by Investors to Participants or their representatives through instant messaging systems. Instructions received in person must be recorded in writing and filed with date and time of receipt, also identifying the person who received them.



CHAPTER 6

Risk Management



CMN Res. 3721, Art. 1 & 4
CMN Res. 4090, Art. 1 & 5

Item 90. Participants must maintain procedures for the establishment of operational and risk exposure limits, as well as for the management of risk faced by each Investor, according to objective criteria, including the features below, but not limited to the markets managed by BM&FBOVESPA:

- 90.1. Executed trades;
- 90.2. Open positions;
- 90.3. Deposited collateral;
- 90.4. Daily transfers; and
- 90.5. Creditworthiness of each Investor.

CMN Res. 3721, Art. 4
CMN Res. 4090, Art. 1

Item 91. Throughout the day, Participants must monitor the operational limits assigned to the Investors by the intraday risk management process.

CMN Res. 3721, Art. 1
CMN Res. 4090, Art. 1
BM&FBOVESPA
Clearinghouse Risk
Management Manual

Item 92. In the event of violation of the operational limit defined by the BM&FBOVESPA intraday risk system, Participants must readjust their positions to the original level within the time frame established by applicable regulations.

CMN Res. 3721, Art. 1
CMN Res. 4090, Art. 1
BM&FBOVESPA
Clearinghouse Risk
Management Manual

Item 93. Participants must notify Investors of the procedures they and BM&FBOVESPA adopt in the event that Investor positions exceed the operational limits defined by BM&FBOVESPA.

CMN Res. 3721, Art. 1
CMN Res. 4090, Art. 1
BM&FBOVESPA
Clearinghouse Risk
Management Manual

Item 94. Participants must report and monitor Investor obligations, in order to settle transactions and meet margin calls in a timely manner.

CMN Res. 3721, Art. 1
CMN Res. 4090, Art. 1

Item 95. Participants must advise Investors of the procedures, time frames and limits to be observed in Asset transfers for margin coverage purposes.

CMN Res. 3721, Art. 1
CMN Res. 4090, Art. 1

Item 96. Participants must monitor, track and manage the risks to which they are exposed until the transfer of obligations to another Participant has been completed (Give-ups, qualified investors and Settlement Participant's assignment).

ICVM 505, Art. 15
CL 030/2010-DP
CL 011/2010-DP
CL 028/2009-DP
CL 044/2008-DP
CL 021/2008-DP

Item 97. Participants must establish, maintain and monitor the minimum parameters set by BM&FBOVESPA for the pre-trade risk management tools used in risk control resulting from transactions carried out by the Investors that use the DMA model and by High Frequency Traders, regardless of the form of access adopted.

CMN Res. 4401
Central Bank of Brazil Circular
3749

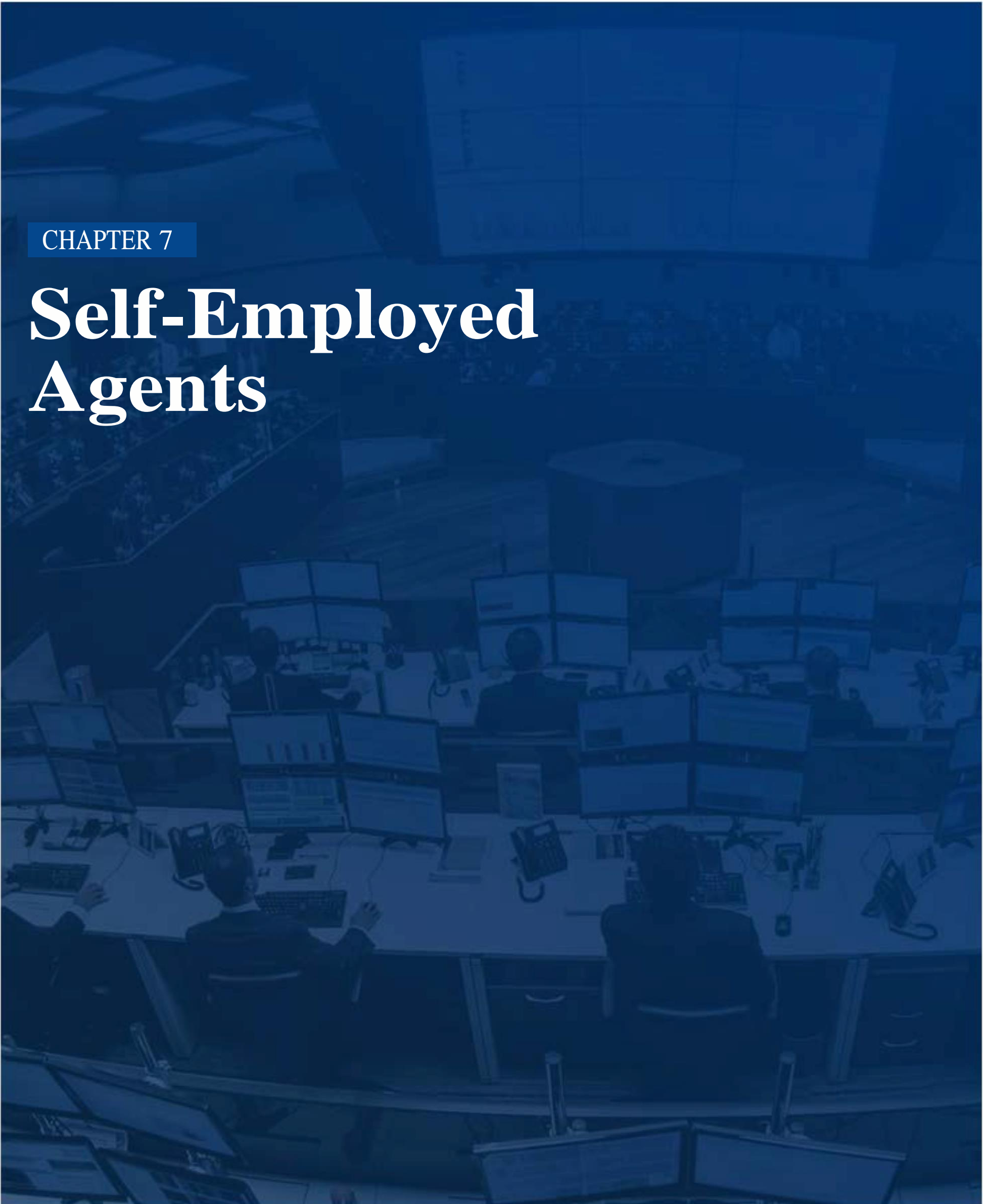
Item 98. Participants must develop and document liquidity stress tests, which must be updated on a daily basis. Stress testing should measure a Participant's net financial assets and ability (i) to cope with the withdrawal of Investor funds under different scenarios and (ii) to meet the same Participant's financial obligations to the relevant Clearing Member or Agent, or before the clearinghouse itself, in the event of default by the Investor with the highest debit balance and by the two Investors with two highest debit balances.²

² Not Effective



CHAPTER 7

Self-Employed Agents



ICVM 497, Art. 13

Item 99. For the exercise of their activities, Self-Employed Agents must abide by the prohibitions set forth in applicable regulations.

ICVM 497, Art. 14

Item 100. Participants must formalize their relationship with Self-Employed Agents through a written contract and verify the regularity of the Self-Employed Agents' records.

ICVM 497, Art. 13

Item 101. Self-Employed Agents must have an exclusive link with the Participants and cannot provide services to more than one Participant simultaneously, except when foreseen in applicable regulations.

ICVM 497, Art. 8

Item 102. A partnership of Self-Employed Agents can only be made up of individuals who are also Self-Employed Agents.

ICVM 497, Art. 12

Item 103. Participants must extend the application of the rules, procedures and internal controls they adopt to the Self-Employed Agents under their responsibility who act as their Representatives.

CL053/2010-DP

Item 104. In the case of a Self-Employed Agent transfer request from one Participant to another, the activities of the Self-Employed Agent at the new Participant can only begin after sixty (60) days from the date of his/her last activities at the former Participant, which may dismiss him/her from complying with said time period by issuing a reference letter. The accreditation of Self-Employed Agents with any Participant is subject to approval by BM&FBOVESPA.

ICVM 497, Art. 13, II

Item 105. Participants must have controls in place to ensure that each payment under the provision of services by Self-Employed Agents is made directly to the relevant individual or legal entity with whom or which the Participant maintains a contractual relationship, pursuant to the services agreement entered into with the corresponding Self-Employed Agent and in consistency with the events that generated the relevant amounts.

ICVM 497, Art. 17, II

Item 106. Participants must supervise the activities of Self-Employed Agents who act on their behalf, in order to ensure compliance with regulations and the Participants' rules, procedures and internal controls.

ICVM 497, Art. 15

Item 107. Participants are responsible, before Investors and any third parties, for the actions taken by the Self-Employed Agents they engage.

ICVM 497, Art. 16

Item 108. Participants must keep the list of Self-Employed Agents they engage updated on their own websites, within five (5) business days of any such update.

108.1. Participants must also report the updated list of Self-Employed Agents they engage to the accrediting entity, within five (5) business days of any such update.

108.2. In the event that a legal entity is engaged, all of the members thereof must be included in the list of Self-Employed Agents.

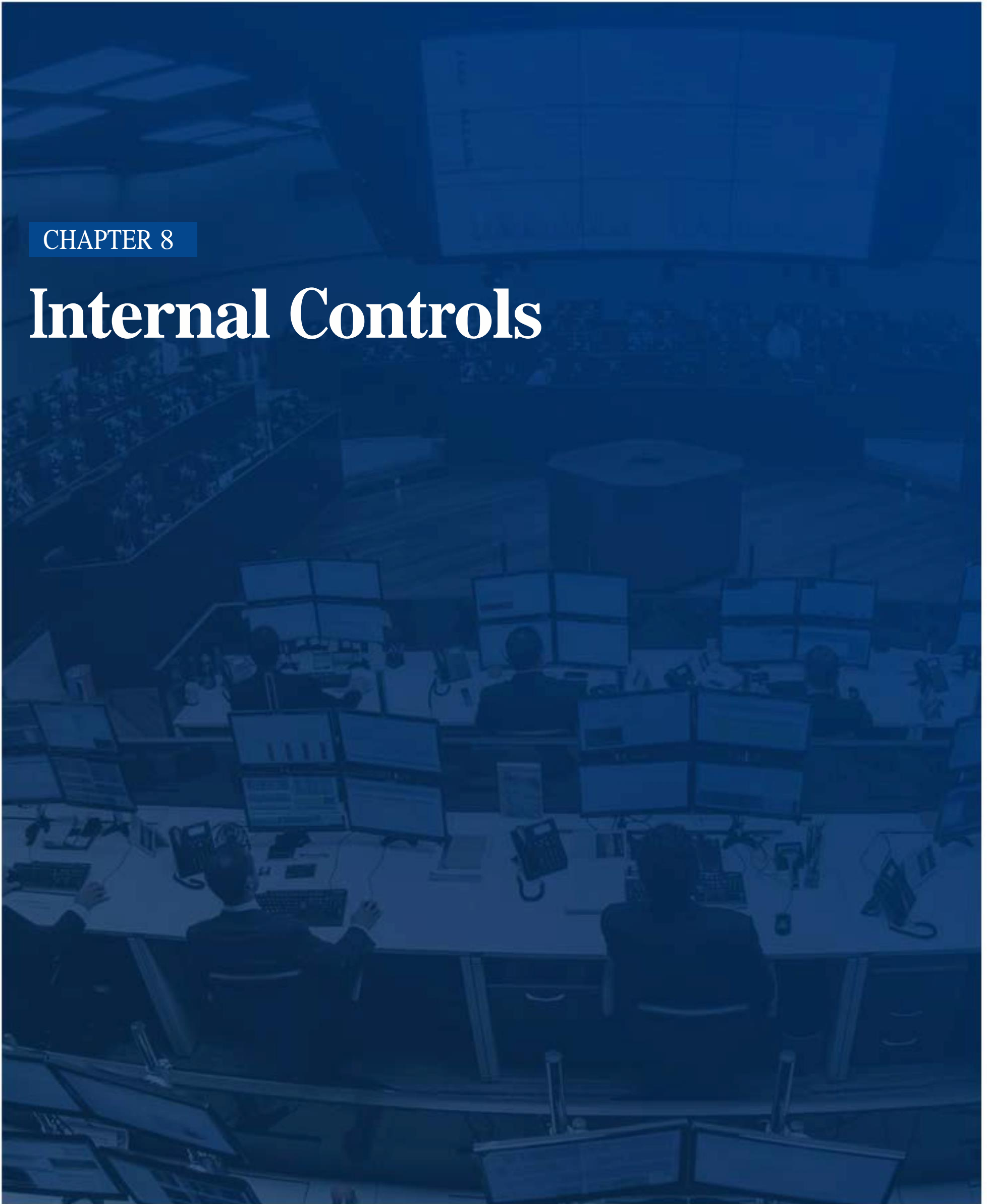
ICVM 497, Art. 17, VI
ICVM 497, Cap. III & IV

Item 109. Participants must highlight the information associated with the activities of Self-Employed Agents on their public websites, reporting to Investors the obligations and prohibitions set forth in applicable regulations.



CHAPTER 8

Internal Controls



ICVM 461, Art. 51, Par. 3
BM&FBOVESPA
Access Manual

Item 110. Participants must continually adhere to the Economic and Financial Requirements established by BM&FBOVESPA.

CMN Res. 2554
ICVM 505

Item 111. Participants must have an internal control system in place so as to meet the requirements of Resolution No. 2,554 of the Brazilian National Monetary Council (CMN), of September 24, 1998, as amended, and also of ICVM 505.

ICVM 505, Art. 19 & 20

Item 112. Participants must monitor the transactions they intermediate, in order to ensure that:

112.1. They were pre-ordered by the relevant Investor;

112.2. They are executed under the conditions specified by the Investor, or under the best available conditions; and

112.3. They do not entail excessive and inadequate costs in connection with the Investor's Investment Profile.

ICVM 505, Art. 4
BM&FBOVESPA Access Rules
& Manual

Item 113. Within the time frame specified in applicable legislation and regulations, Participants must keep their registration records with BM&FBOVESPA updated, which should include, among others, the designation of executive officers, the officers in charge of the activities performed, board members and corporate documentation.

ICVM 505, Art. 4°
BM&FBOVESPA Access Rules
& Manual

Item 114. Participants must report and keep updated the information associated with the designation, before BM&FBOVESPA, of the officers and employees responsible for trading, custody, registration and settlement, in accordance with the activities performed by the relevant Participant.

BM&FBOVESPA Access Rules
& Manual

Item 115. The Market Relations Officers designated by the Participants to BM&FBOVESPA must be in charge of compliance with the rules of access and permanence in the organized market managed by BM&FBOVESPA.

ICVM 505, Art. 4, Par. 2
BM&FBOVESPA
Access Manual

Item 116. The functions of the Officers in Charge of Operations and Internal Controls cannot be performed by the same professional.

ICVM 505, Art. 4, Par. 2

Item 117. The functions of the Officers in Charge of Compliance with ICVM 505 and Internal Controls cannot be performed by the same executive officer.

Item 118. The Internal Control Officers must issue a semi-annual report assessing the relevant Participant's internal controls and send it formally to said Participant's management bodies and to BSM by the last business day of January and July, with a description of (i) the examinations performed (ii), the findings and conclusions of the examinations performed, and (iii) the recommendations regarding any shortcomings by establishing corrective schedules, when applicable, which should cover at least the following aspects and compliance thereof with applicable legislation and regulations:

- 118.1. Monitoring the suitability of the Recommendation of products, services and transactions to the Investment Profiles of Investors, and also of the transactions executed on their behalf in connection with their respective Investment Profiles;
- 118.2. Evaluating controls associated with the processes of Order reception and execution, Investor registration, risk management, custody, settlement, and current account and book account transfers;
- 118.3. Monitoring the compliance of the procedures performed by the Participant with its Operating Rules and Parameters, especially regarding the activities of associated persons and proprietary portfolio;
- 118.4. Evaluating the segregation of functions performed by the Participant members, in order to avoid Conflicts of Interest;
- 118.5. Tracking the implementation of proposed action plans as well as the effectiveness of corrective measures and implemented action plans, mostly to prevent a noncompliance from occurring again;
- 118.6. Monitoring the transactions and Order prices;
- 118.7. Monitoring the activities of the Self-Employed Agents and outsourced professionals linked to the Participant, including those who are allocated in other physical environments;
- 118.8. Monitoring the existence and validity of certification for the professionals who act in the BM&FBOVESPA markets and their accreditation with BM&FBOVESPA;
- 118.9. Preventing and detecting money laundering activities;
- 118.10. Regarding information security: managing access and passwords (networks, systems and databases, including Electronic Relationship Channels) and identifying systems with no Audit Trails;
- 118.11. Regarding business continuity: monitoring and evaluating updates and test results against predefined objectives;
- 118.12. Registering the occurrences of system unavailability that caused an impact on Investor transactions (trading systems) and Order recordings.

Item 119 Participants must immediately take required corrective actions whenever nonconformities and/or attention points are found in the audit activities.

Item 120. Participants must have effective mechanisms in place to ensure compliance with the confidentiality of Investor information held in their custody.

Item 121. Participants must give full disclosure of the ombudsman services and Investor service channels available, as well as provide complete information on the purpose and use methods thereof.



CHAPTER 9

Trading Surveillance and Money Laundering Prevention



Item 122. Participants must monitor:

- 122.1. All the payments made to Investors and received from Investors, in order to ensure that they are effected by wire transfer or check in the name of the relevant Investor and Participant, arising from the exercise of the activities associated with the Participant's corporate objectives;
- 122.2. All the transfers made to and from the book accounts of Investors, on which checks cannot be written, held with Participants, in order to ensure that such transfers are associated with the corporate objectives of the relevant Participant and are entered into as a result of the transactions executed in the financial or securities market;
- 122.3. All the custody transfers, in order to ensure that they are carried out in accordance with Investor requests and applicable regulations.

Item 123. Participants must continuously monitor the following transactions or situations involving securities:

- 123.1. Transactions whose amounts appear to be objectively incompatible with the professional occupation, income and/or net worth or financial condition of any of the parties involved, based on their respective registration information;
- 123.2. Transactions carried out between the same parties, or for the benefit of the same parties where some of those involved appear repeatedly as either gaining or losing;
- 123.3. Transactions that show significant swings in connection with the volume and/or frequency of the trades carried out by any of the parties involved;
- 123.4. Transactions whose developments contemplate characteristics which may represent fraud in the identification of the actual parties involved and/or their beneficiaries;
- 123.5. Transactions whose characteristics and/or developments evidence practices persistently conducted on behalf of third parties;
- 123.6. Transactions evidencing a sudden and objectively unjustified change of the operational modalities typically used by the party(ies) involved;
- 123.7. Transactions objectively lacking an economic basis and which are carried out with the purpose of generating loss or gain;
- 123.8. Transactions carried out with the participation of resident individuals, or of entities incorporated in countries that do not apply or insufficiently apply the recommendations of the Financial Action Task Force on Money Laundering (FATF);
- 123.9. Transactions settled in cash, if and when permitted;
- 123.10. Private funds and securities transfers with no apparent motivation;
- 123.11. Transactions whose complexity and risk is deemed incompatible with the technical expertise of a certain Investor or his/her/its representative;
- 123.12. Deposits or transfers made by third parties for the settlement of an Investor's transactions, or for the deposit of collateral required by the futures markets;
- 123.13. Payments registered in the name of Investors and made to third parties in any form, for settlement of transactions, or redemption of amounts posted as collateral;
- 123.14. Situations where it is not possible to keep the Investor registration information updated;
- 123.15. Situations and transactions where it is not possible to identify the final beneficial owners; and
- 123.16. Situations where the verifications foreseen in applicable regulations cannot be completed.

Item 124. Participants must adopt and implement rules, procedures and internal controls allowing for the faithful compliance of the applicable regulations on money laundering prevention.

Item 125. Participants must keep records of the analysis, and conclusions thereof, involving the situations or transactions which grounded their decision to make or not make the communications on money laundering prevention foreseen in applicable regulations for a period of 5 (five) years or more, by ruling of the regulatory bodies.

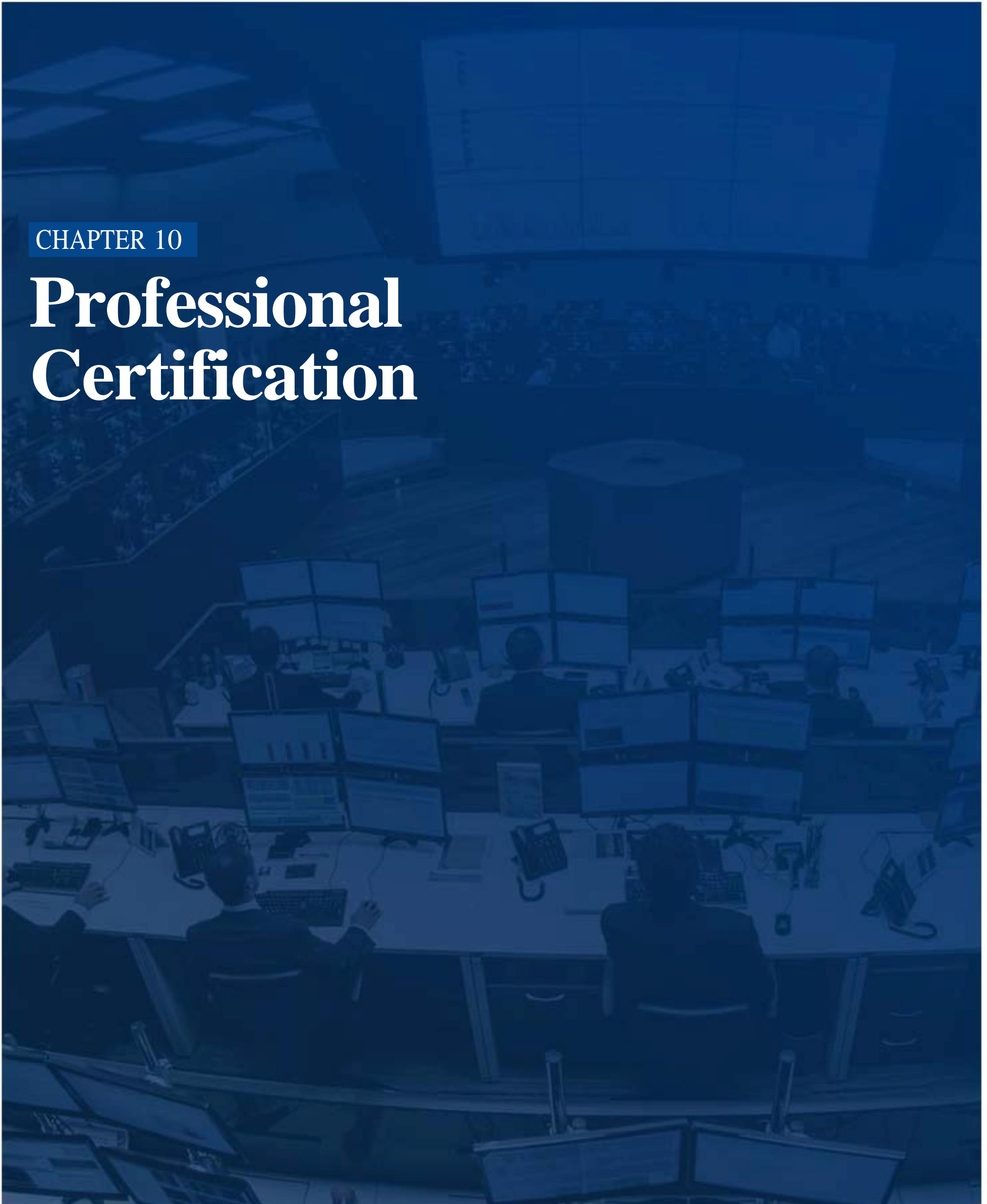
Item 126. Participants must monitor all of the transactions and Orders they intermediated with the purpose of identifying, assessing, recording, preventing and reporting, at least to the officer in charge, the situations defined in applicable regulations as Abusive Practices, examples of which are: creation of artificial conditions of demand, supply, or price; price manipulation; fraudulent transactions; inequitable practices; Layering; Squeezing; Quote Stuffing; Spoofing.

Item 127. Participants must provide an ongoing training program for associates and representatives who act under their responsibility, aimed at disseminating the rules, procedures and internal controls devoted to compliance with the regulations associated with the prevention of money laundering activities and Abusive Practices.



CHAPTER 10

Professional Certification



CL025/2015-DP

Item 128. Participants must meet the requirements established by BM&FBOVESPA for the certification of all the professionals who are linked to them and perform activities in the areas subject to certification.

CL025/2015-DP

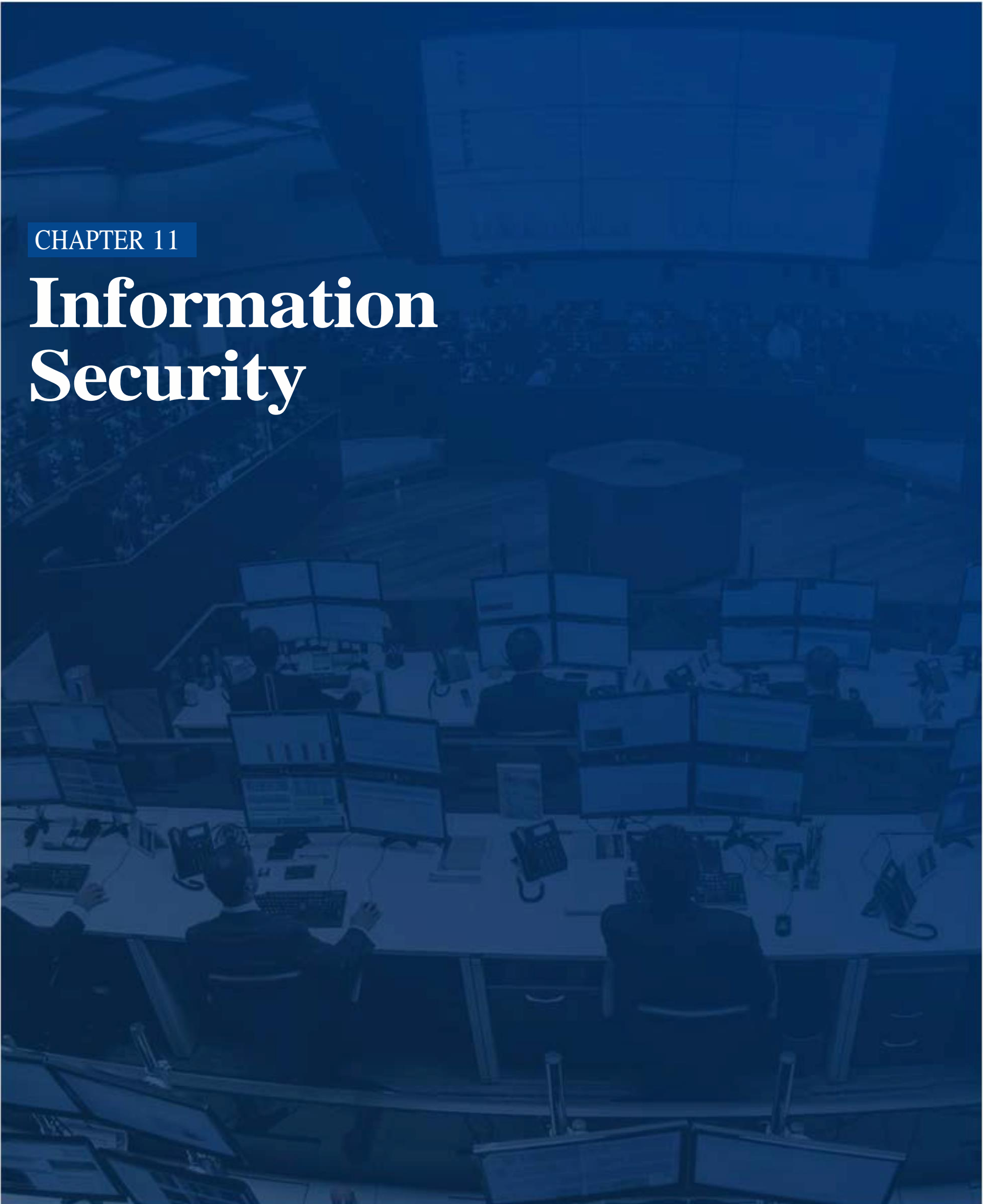
Item 129. Participants must register and keep updated in the GHP system the list of all their employees that act in the areas subject to certification, pursuant to applicable regulations.

ICVM 497, Art. 19
CL025/2015-DP
CL053/2010-DP

Item 130. All the trading professionals (including Self-Employed Agents) must be accredited by BM&FBOVESPA before initiating their activities at any Participant.

CHAPTER 11

Information Security



Item 131. Participants must establish an information security policy, approved by senior management, and disseminate it to all of their employees, associates and representatives, defining at least the following guidelines:

- 131.1. Information confidentiality and integrity;
- 131.2. Liability for the use of passwords;
- 131.3. Use of the internet and electronic mail;
- 131.4. Use of software;
- 131.5. Granting and management of access to systems, databases and networks;
- 131.6. Physical security of trading and processing environments.

Item 132. Participants must maintain the security of networks, files, databases, systems and information flows, in order to ensure the confidentiality and integrity of Investor information held in their custody.

Item 133. The access passwords to networks and internal systems must be individualized and not shared, containing at least the following parameters:

- 133.1. Minimum size: six (6) characters;
- 133.2. Maximum expiration date: 90 (ninety) days;
- 133.3. Maximum number of attempts before lockout: 5 (five);
- 133.4. Lockout duration: passwords to be unlocked after administrator review;
- 133.5. Minimum track record of used passwords: six (6);
- 133.6. Complexity activated;
- 133.7. Storage in encrypted form;
- 133.8. Change of the default password must be provided by the operating system, third-party software, or system manufacturer.

In the event that the configurations adopted differ from those specified above, the set of password parameters might be reviewed for supervision purposes, on condition that the security they provide is similar to the one that would be obtained from the above parameters.

Item 134. The access passwords for the Investors that perform transactions based on DMA models I and II through trading tools provided by Participants, must be individualized and not shared, containing at least the following parameters:

- 134.1. Minimum size: six (6) characters;
- 134.2. Maximum number of attempts before lockout: 5 (five);
- 134.3. Locked passwords can only be unlocked upon confirmation of the user's identity by the relevant Participant (confirmation of personal, registration and/or trading data);
- 134.4. Maintenance and storage in encrypted form;
- 134.5. In the cases where the same trading tool is used, the same user cannot have more than one session authenticated simultaneously.

In the event that the configurations adopted differ from those specified above, the set of password parameters might be reviewed for supervision purposes, on condition that the security they provide is similar to the one that would be obtained from the above parameters.

Item 135. The systems developed for electronic trading, Order registration, Investor registration, risk management, custody, settlement, margin account and Investment Profile management (suitability rule) must contain sufficient Audit Trails to ensure the tracking of events, including:

- 135.1. User identification;
- 135.2. Date and time of event;
- 135.3. Event identification (insertion, modification, deletion).

For the Electronic Trading Systems, Audit Trail events must be sufficient to ensure the tracking of the relevant Investor, Order origin (the user's and/or someone else's IP enabling the origin to be identified), trading professional (when applicable), Asset, trading conditions and trading session. Audit Trail retention periods should be of at least five (5) years.

Item 136. Both the in-house computer network and Electronic Trading Systems must include Audit Trails to record entry and exit accesses (user, date and time). Audit Trail retention periods should be of at least five (5) years.

Item 137. The Electronic Relationship Channel used by Participants for queries or transactions must meet at least the following criteria:

- 137.1. The website's digital certificate must have been issued by a certifying authority approved by ICP Brazil, or an equivalent body;
- 137.2. The flow of the following information must be encrypted, with an Encryption algorithm of at least 128 bits:
 - 137.2.1. User authentication data (login and password);
 - 137.2.2. Registration data;
 - 137.2.3. Transaction data between Participant and Investor (Orders and funds transfer);
 - 137.2.4. Investor Position data;
- 137.3. A second authentication mechanism must be implemented for the electronic access, examples of which are:
 - 137.3.1. User authentication and password + OTP token;
 - 137.3.2. User authentication and password + Text messaging (SMS);
 - 137.3.3. User authentication and password + Digital certificate ("e-CPF" or "e-CNPJ");
 - 137.3.4. User authentication and password + Password card.
- 137.4. User accounts must be locked out after five (5) unsuccessful login attempts;
- 137.5. Locked passwords can only be unlocked upon confirmation of the user's identity by the relevant Participant (confirmation of personal, registration and/or trading data);
- 137.6. User passwords must be composed of at least six (6) characters;
- 137.7. The same user cannot have more than one session authenticated simultaneously in the same Electronic Relationship Channel;
- 137.8. Passwords must be kept encrypted;
- 137.9. Passwords must be changed at first access.

Item 138. Participants that maintain an Electronic Relationship Channel for queries or transactions, via their websites and DMA, must provide information and guide Investors on information security practices in the use of computational resources.

Item 139. The access to systems, databases and networks—proprietary, acquired from third parties, or BM&FBOVESPA’s—must bear the following features:

139.1. Be held by a single user and not be shared;

139.2. Be password protected;

139.3. Be granted in order to avoid Conflicts of Interest. For this purpose and prior to granting an access, Participants must define and document the activities which, taken together and performed by the same person on the systems, may generate Conflicts of Interest;

139.4. Be approved by the information owner;

139.5. Be only granted to the professionals linked to the Participants.

Participants must manage access (granting, modification and deletion) to maintain the above-described criteria.

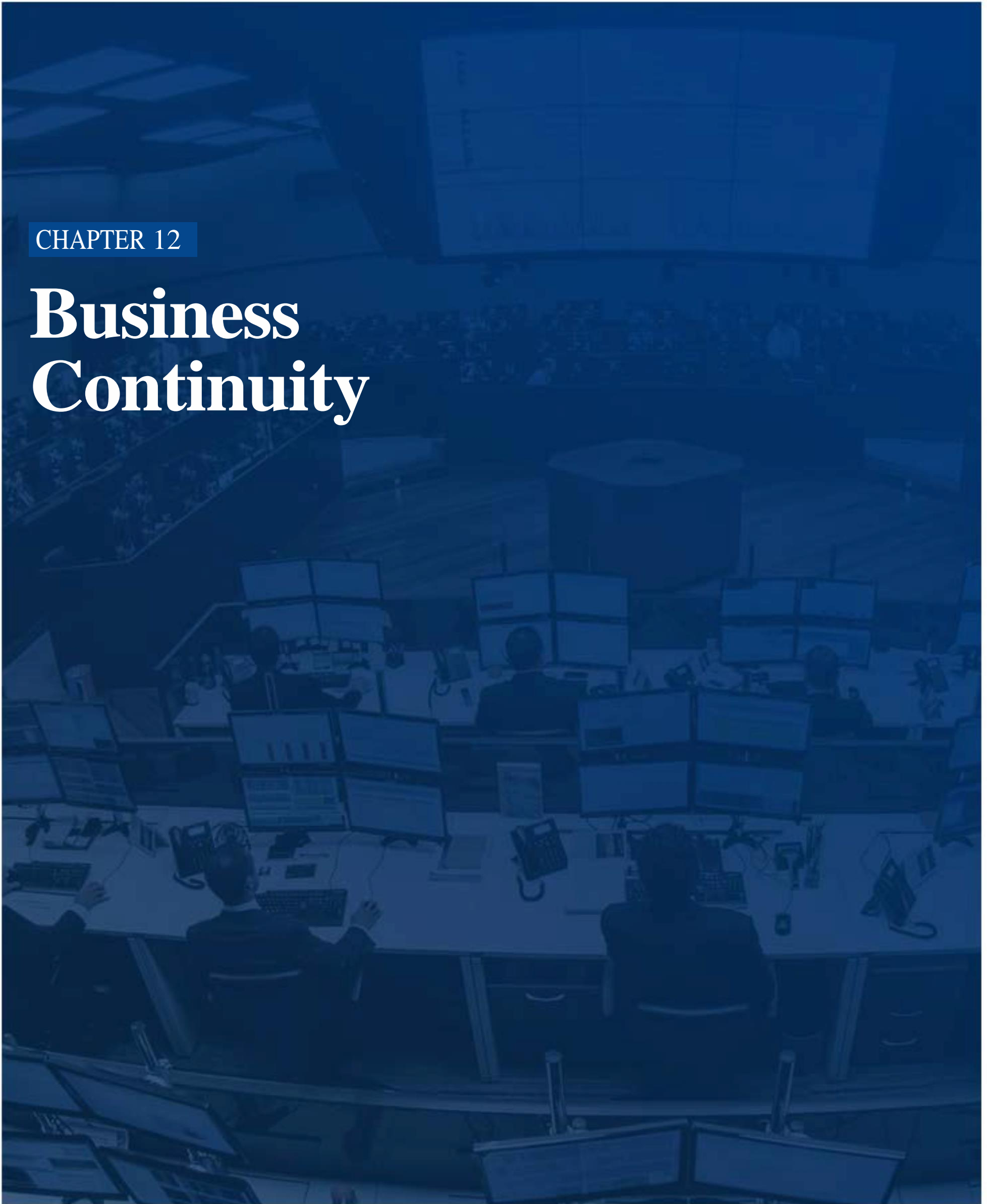
Item 140. Participants must have adequate and effective security tools for installed and monitored networks, in order to prevent unauthorized access to computers and internal network resources.

Item 141. The data processing center (CPD) must be housed in an exclusive environment with limited and controlled access, including fire fighting, temperature and humidity controls, as well as an Alternative Power Source for halts, in order to at least resume processing of the operating activities in progress and complete all of the backup routines.



CHAPTER 12

Business Continuity



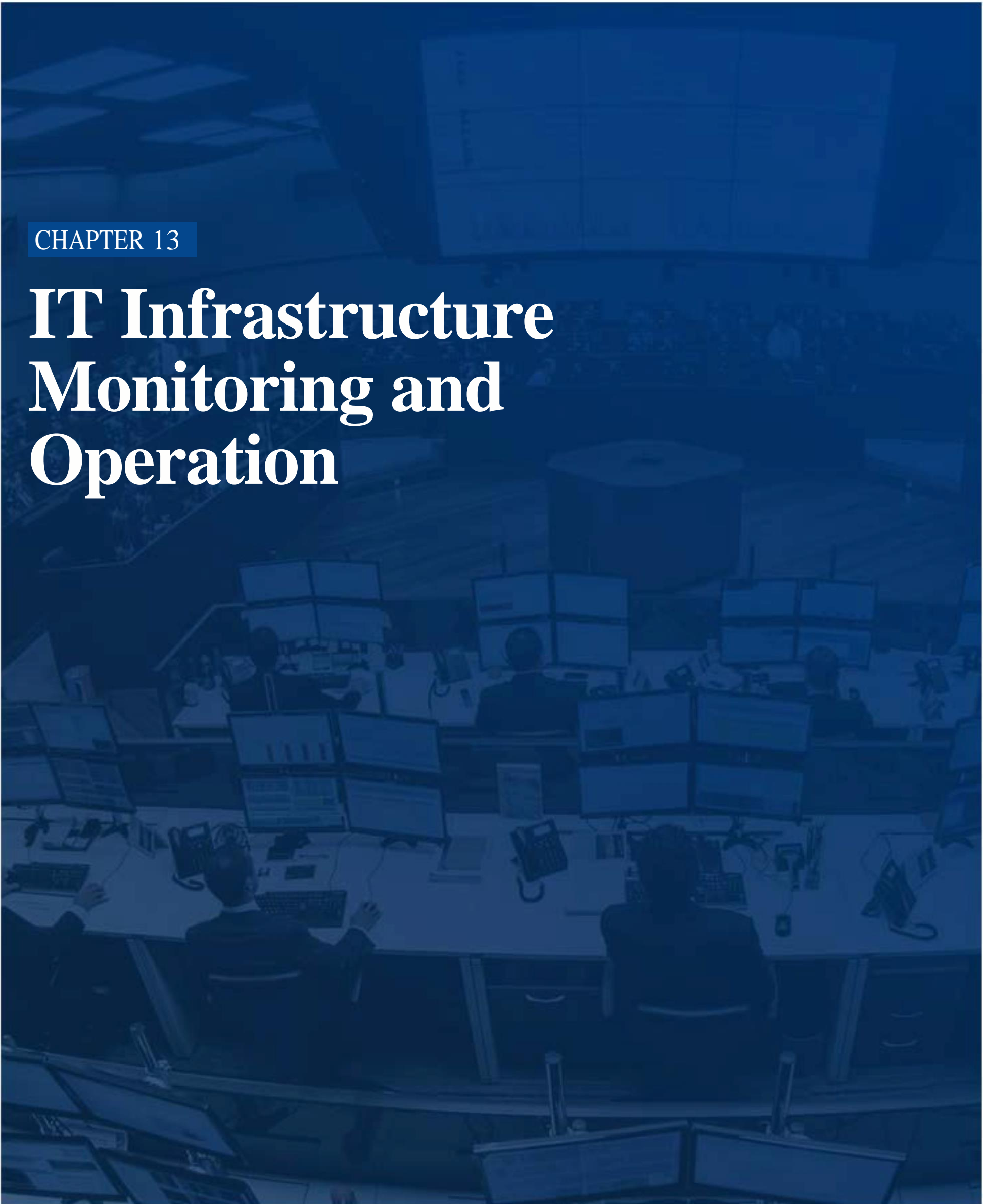
Item 142. The electronic brokerage houses, which manage systems for receiving buy and sell Orders for securities via internet, must develop contingency plans for their systems, in order to ensure a prompt assistance to Investors in the event of online service disruptions.

Item 143. Participants must develop, implement and test, at least annually, a Business Continuity Plan for the scenarios of total unavailability of core infrastructure (facilities, systems and connections), whose minimum goals of continuity should be:

- 143.1. Concerning the settlement with BM&FBOVESPA, mechanisms to ensure that:
 - 143.1.1. Settlement amounts are received and paid;
 - 143.1.2. Assets are delivered and received;
 - 143.1.3. Asset transfers are authorized;
 - 143.1.4. Margin calls are met;
- 143.2. Concerning the settlement with Investors, mechanisms to ensure that:
 - 143.2.1. Communications are made to and from Investors, BM&FBOVESPA, Full Trading Participants, Custody Agents, Clearing Agents/Members and settlement banks;
 - 143.2.2. Funds deposits and withdrawals are monitored;
- 143.3. Concerning position updates, mechanisms to ensure:
 - 143.3.1. The ability to close out positions on BM&FBOVESPA;
 - 143.3.2. For T+zero transactions:
 - 143.3.2.1. Order confirmations;
 - 143.3.2.2. Trade allocations;
 - 143.3.2.3. Give-ups.

CHAPTER 13

IT Infrastructure Monitoring and Operation



Item 144. The Electronic Trading Systems provided by Participants to Investors must be monitored to ensure:

- 144.1. Availability, according to the indicators defined in applicable regulations;
- 144.2. Authentication security;
- 144.3. Confidentiality; and
- 144.4. Information integrity.

Item 145. Participants must have data and voice backup procedures and routines in place for business continuity purposes and compliance with applicable legislation and regulations. Said procedures and routines must also ensure the availability of information, be documented and known by the staff responsible for the process, and define at least the following guidelines:

- 145.1. Staff involved;
- 145.2. Scope;
- 145.3. Frequency;
- 145.4. Method (tool);
- 145.5. Monitoring;
- 145.6. Testing (timing, scope, results);
- 145.7. Storage facilities (access, environmental controls);
- 145.8. Media transportation controls;
- 145.9. Media retention period;
- 145.10. Media inventory.

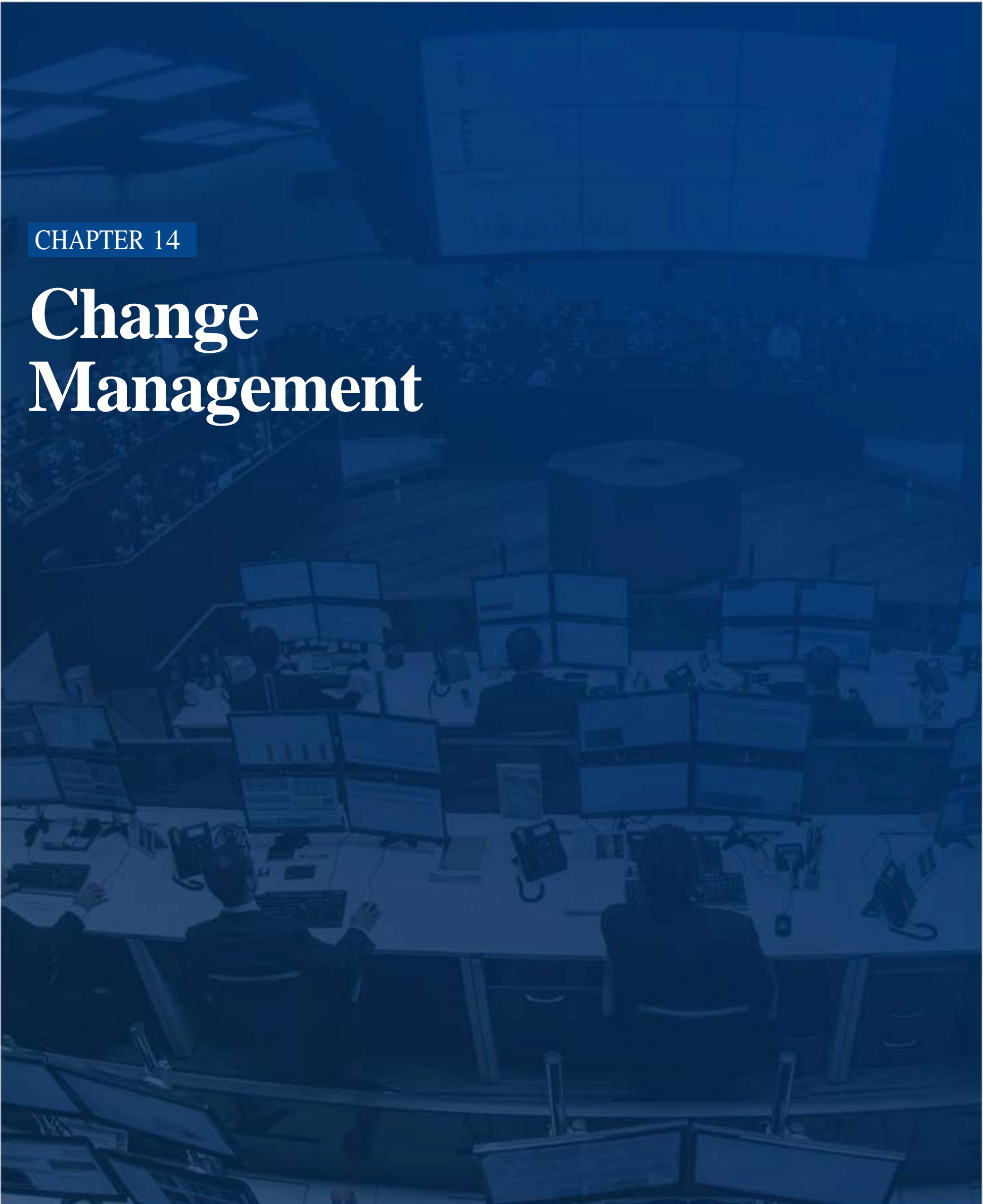
Item 146. Participants must monitor the execution of backup routines, including procedures for error registration and troubleshooting, and test the integrity of information and the retrieval thereof from backup.

Item 147. Backup copies for the recovery of Participant transactions and Investor Order recordings must be produced and sent to storage at least daily, and maintained for the retention period prescribed in applicable regulations. Storage facilities must be located at a site external to the main facilities, with controlled access and fire fighting controls.

Item 148. Participants must preemptively monitor the capacity, performance and availability of communication networks and channels, systems, servers and databases, in order to preserve business continuity and smooth running.

CHAPTER 14

Change Management



CMN Res.2554

Item 149. Participants must have controls in place for software, hardware and infrastructure change management, including impact analysis, implementation planning, test scripting, execution and approval by the departments involved prior to implementation in production environment, development of return plans and documentation of changes.

CMN Res.2554

Item 150. Participants must have controls in place for the development, maintenance and acquisition of software, including the use of segregated environments for development and production, methodology, test applications also in a segregated environment, approval by the users involved and maintenance of the corresponding documentation.

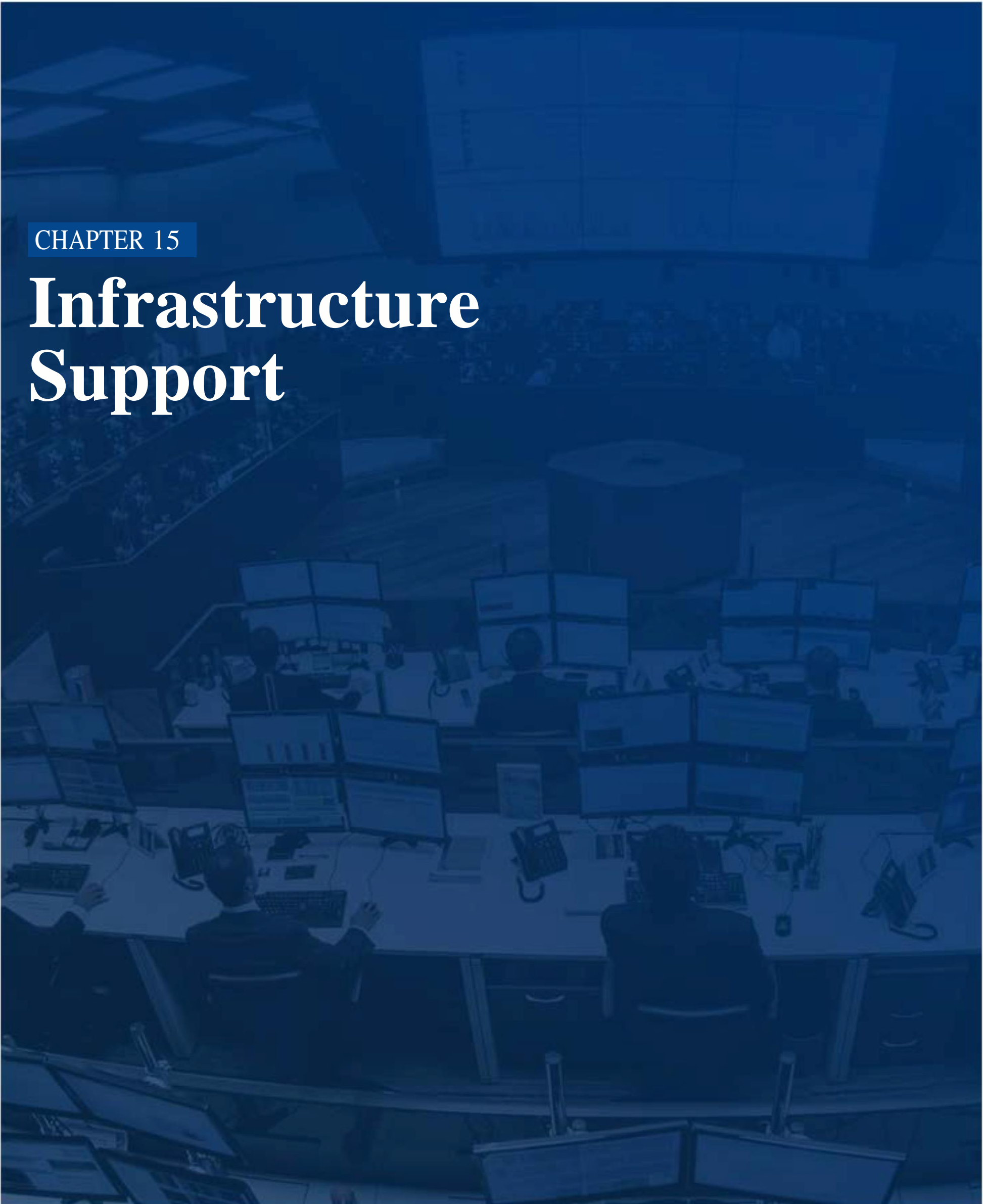
CMN Res.2554

Item 151. Participants must perform periodic technical and security maintenance and updates, in order to preserve full operating conditions for computer and telecommunication systems and equipment, and meet business needs.



CHAPTER 15

Infrastructure Support



ICVM 505, Art. 12 & 14
CL053/2012-DP, Items 2.5.1 & 2.5.6

Item 152. Participants must take all the measures required for the periodic maintenance and continuous monitoring of Order recording and related systems, in order to provide a perfect recording quality, ensure the integrity thereof and nonstop operations, and prevent insertions or editing.

ICVM 505, Art. 14 & 36
CL053/2012-DP, Item 2.3

Item 153. Participants must keep intact all the Order transmissions received from Investors for at least five (5) years, containing the following recorded information: date, start time, end time or duration, telephone extension and users (origin and destination).

CMN Res. 2554

Item 154. Participants must establish and monitor information technology service level agreement provisions for rendering assistance and troubleshooting services within time frames and conditions that ensure the availability of services and commitments to Investors, including objective criteria for the measurement, collection and confidentiality of the information provided and compliance with the regulations applicable to the contracts entered into with the providers of the following services:

154.1. Telecommunications;

154.2. Help desk;

154.3. System supply, development and maintenance;

154.4. Custody of information on physical and logical media.

CMN Res. 2554

Item 155. All the computer and telecommunication software and equipment utilized must be inventoried and approved by the Participants and include user licenses.

CMN Res. 2554

Item 156. Participants must have antivirus software installed and updated, or procedures implemented to provide an equivalent security to all of their servers and workstations.

Glossary

Self-Employed Agent [*Agente Autônomo de Investimento*] – An individual who obtains a registration with the Brazilian Securities Commission (CVM) to exercise the activities of distribution and mediation of securities under the responsibility and as a Representative of an institution member of the securities distribution system (Participant).

Custody Agent [*Agente de Custódia*] – The Participant authorized to access the custody system of the BM&FBOVESPA central depository, pursuant to specific BM&FBOVESPA access rules and procedures.

Asset [*Ativo*] – Securities, rights and other instruments and financial Assets, including gold as a financial asset, but excluding derivatives, issued by a corporation or a government entity.

BSM (BM&FBOVESPA Market Supervision) [*BM&FBOVESPA Supervisão de Mercados*] – An auxiliary body to the Brazilian Securities Commission (CVM) for self-regulatory matters in the regulated securities markets, engaged in monitoring and supervising the Participants in the markets managed by BM&FBOVESPA, under the provisions of CVM Instruction No. 461, of October 23, 2007.

Relationship Channel [*Canal de Relacionamento*] – A mean of institutional communication made available to the Investors by the Participants, such as customer service center, telephone, email and the internet.

Electronic Relationship Channel [*Canal de Relacionamento Eletrônico*] – A website provided by the Participants for Investor queries and transactions.

Investor [*Cliente or Comitente*] – An individual or legal entity, or collective investment entity (investment fund or investment club) authorized to trade Assets through a Participant, or whose Asset portfolio is managed by a Participant.

High-Frequency Trader [*Cliente de Alta Frequência*] – The Investor thus classified by BM&FBOVESPA based on the following parameters and information: (i) number of messages and time interval between the messages transmitted by the Investor to the Electronic Trading System; (ii) number of trades and time interval between the trades matched by the Investor; and (iii) other parameters and information, at the discretion of BM&FBOVESPA.

Complexity [*Complexidade*] – Password setting with the use of characters of different classes (letters, numbers and symbols).

Error Account [*Conta Erro*] – An account that is automatically created by BM&FBOVESPA to receive the transactions that were not allocated to Investors.

Operational Error Account [*Conta Erro Operacional*] – An account used by the Participants to reallocate transactions due to operational errors, except for reallocations originating from DMA and order conveyors, which are allocated to the Error Account.

Encryption [*Criptografia*] – Use of techniques to encode information, so that only the sender and receiver are able to decipher it.

Internal Control Officer [*Diretor de Controles Internos*] – The Participant's executive officer responsible for supervising procedures and internal controls, as provided for in item II of article 4 of ICVM 505.

Market Relations Officer [*Diretor de Relações com o Mercado*] – The officer appointed in a Participant's admission process as being directly responsible for the representation of said Participant before BM&FBOVESPA.

Officer in Charge of ICVM 505 [*Diretor Responsável pela ICVM 505*] – The executive officer responsible for compliance with the rules established by ICVM 505, pursuant to the provisions of item I of article 4 thereof.

DMA (Direct Market Access) – A trading model whereby the broker, through the use of a specific technology solution, provides Investors with the ability to: (i) view, in real time, the Electronic Trading System order book; and (ii) enter bids and offers electronically which, by adhering to the limits and other parameters established by the broker and/or by BM&FBOVESPA, are automatically turned into orders in the Electronic Trading System book.

Glossary

Voluntary Corporate Actions [*Eventos Corporativos Voluntários*] – Corporate rights that depend on the desire of certain Investors to be exercised, such as subscription rights, preemptive rights, dissent and conversion rights, and subscription surpluses.

Alternative Power Source [*Fonte de Energia Alternativa*] – Electrical power source for equipment operation. Typically, uninterruptible power supply devices and power generators are used.

GHP (Gerenciador de Habilitação de Profissionais) system [*Professional Qualification Management*] – A registration system for the professionals who perform at Participants the functions that are certified by BM&FBOVESPA.

ICP Brazil – ICP is an acronym that stands for Public Key Infrastructure (PKI) in Brazil, which is a set of techniques, practices and procedures designed to support a cryptographic system based on digital certificates.

ICVM 505 – CVM Instruction No. 505, of September 27, 2011.

Formal Instruction [*Instrução Formal*] – An instruction which is given by an Investor and is subject to retention within the prescribed regulatory period, provided its integrity is maintained.

IP – The acronym for Internet Protocol. It is the identification of the computer used by the Investor and/or the Broker on a local or public network.

Conflict of Interest [*Conflito de Interesses*] – Activities which, taken together and performed on the systems by the same person, may generate conflict, such as: access by the professional acting as Broker to an Investor's custody transfers and update of an Investor's bank details by the professional in charge of settlement.

Layering – Entering orders to buy and/or sell a certain security, whether in collusion with other party(ies) or not, at different prices and volumes and at reduced time intervals, with high cancellation fees, in order to modify that security's demand, supply or price conditions.

Broker or Electronic System Broker [*Operador or Operador de Sistema Eletrônico*] – The professional who performs the following activities at a Participant, among others: (i) receives and/or gives up Orders; (ii) enters bids or offers and registers transactions in the Electronic Trading Systems; (iii) guides Investors on the transactions executed in the Electronic Trading Systems; (iv) provides information to other internal departments on transaction registration, Give-up receipt and acceptance, and Order allocation; (v) reports the rules and procedures established by BM&FBOVESPA and applicable legislation associated with the capital market activities. The Brokers who act as Order conveyors, according to BM&FBOVESPA regulations, are included in this concept. Brokers must be accredited and certified by BM&FBOVESPA.

Order [*Ordem*] – The action that precedes the execution of a transaction, whereby Investors instruct a Participant to trade or register a securities transaction on their behalf and under the conditions they specify.

Participant [*Participante*] – The institution that holds an access authorization to provide trading, custody, settlement and/or registration services in the markets managed by BM&FBOVESPA.

Investment Profile [*Perfil de Investimento*] – An Investor rating based on a set of features, such as economic and financial condition, investment objectives, risk tolerance, knowledge and experience, executed transactions, portfolio concentration, among others, in order to define the products and services that are compatible therewith.

Business Continuity Plan [*Plano de Continuidade dos Negócios*] – The definition of strategies for the recovery of a Participant's transactions due to trade halts arising from disruptive events.

Glossary

Trading Policy for Associated Persons [*Política de Operações de Pessoas Vinculadas*] – Description of the rules and procedures adopted by the Participants for the transactions carried out on behalf of associated persons and of the Participants themselves, which are made known to Investors through the Operating Rules and Parameters issued by the Participants, covering the following aspects:

- Whether a Participant performs or not transactions on behalf of associated persons and/or of the Participant itself;
- In the event that the Participant carries out transactions on behalf of associated persons and/or of the Participant itself:
 - The transactions allowed, including day trades;
 - Means of access to Order transmission and registration (trading desk, home broker and/or DMA);
 - Nature of transactions that can be performed by associated persons and the Participant itself, examples of which are: proprietary portfolio, client facilitation, liquidity provider and market maker.

The transactions carried out for an account held by the Participant itself or by persons associated to said Participant and intended to increase the liquidity of securities (client facilitation, liquidity provider and market maker) are considered as transactions executed by associated persons and are subject to applicable regulations.

Position [*Posição*] – The quantity of a certain Asset to be settled, of a particular derivatives or loan contract, or of a particular foreign currency traded in the spot/cash market.

Abusive Practice [*Prática Abusiva*] – The creation of artificial conditions of demand, supply, or price for securities, price manipulation, fraudulent transactions, and use of inequitable practices, pursuant to the provisions of CVM Instruction No. 08/1979.

Representative [*Preposto*] – A professional (individual or legal entity) who performs intermediation or operational support activities and signs a services agreement directly with the Participant.

Quote Stuffing – Entering a large number of bids and offers and cancelling them quickly, in order to damage the order flow in the Electronic Trading System.

Recommendation (To Recommend) [*Recomendação (Recomendar)*] – The issuance of an opinion or value judgment by any person authorized to trade in the markets managed by BM&FBOVESPA, aimed at influencing an individual's or a group of individuals' decision-making process, is considered as a Recommendation of products, services and transactions. Recommendation implies the individualization of communication and must comply with the provisions of applicable regulations associated with the duty to verify the appropriateness of products, services and transactions to the investor or group of investors to which they are intended (suitability rule). The determination of whether a Recommendation has been issued on a certain communication or not will depend on the review of the content, context and format of said communication. Isolated communications may be considered as a Recommendation if their whole set contains sufficient elements to influence the recipients' decision-making process.

The publicity of products, services and transactions limited to the presentation of facts and figures, where no comments or value judgments are issued to affect an investor's or group of investors' decision-making process, is not considered as a Recommendation.

Operating Rules and Parameters [*Regras e Parâmetros de Atuação - RPA*] – A document that describes the operating model and the procedures adopted by each Participant to carry out its activities in the markets managed by BM&FBOVESPA.

Give-up [*Repasse*] – A procedure whereby the executing participant of a transaction and relevant Clearing Member transfer the responsibility for the settlement of said transaction, as well as the corresponding rights and obligations, risk management and Positions resulting therefrom to a carrying participant through a give-up confirmation.

Economic and Financial Requirements [*Requisitos Econômicos e Financeiros*] – Requisites for the admission and maintenance of an access granted to a Participant by BM&FBOVESPA in connection with the markets it manages, according to the relevant access category. Those requisites include indicators such as working capital, net worth and custody limit.

Glossary

Officer In Charge of Operations [*Responsável por Operações*] – A Participant’s certified employee designated to BM&FBOVESPA in the admission process as being responsible for the settlement of transactions.

Electronic Trading System [*Sistema Eletrônico de Negociação*] – A technology solution to access the BM&FBOVESPA electronic trading environment provided by Participants to Investors and Brokers, developed in-house or by third parties, including DMA, trading screens and Order management systems (OMS).

Spoofing – Entering limit orders to buy (or sell) at different prices, with no intention of executing said orders, and subsequently entering order(s) to sell (or buy) on the opposite side of the book which, after being filled, are followed by the quick withdrawal of the limit orders initially entered.

Squeezing – Taking advantage of certain securities’ illiquidity by controlling demand and exploiting market congestion during shortages, in order to create artificial prices.

Audit Trails [*Trilhas de Auditoria*] – Critical activities that require traceability, examples of which are:

- Entering, modifying and cancelling bids/offers and Investor Orders;
- Including and modifying advisors;
- Modifying account reports;
- Including and maintaining manually-entered financial values in Investor book accounts;
- Investor custody account transfers;
- Including and maintaining Investors’ registration data;
- Including and maintaining Investors’ Investment Profiles;
- Including and modifying parameters that make up Investors’ operational limits;
- Including and modifying Investors’ operational limits;
- System management activities (parameter modification, user administration, password lock and unlock).



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