May 18, 2017

002/2017-DO

CIRCULAR LETTER

To: B3 Market Participants – Equity and Derivatives Segments

Re: **Treatment of Securities Lending Positions as a Result of the Primary Private Placement Shares of Ser Educacional S.A.**

B3 hereby informs the lenders of shares issued by Ser Educacional S.A. (Company) of the treatment to be executed by its Securities Lending Service (BTC) for the exercise of the priority right within the scope of the Primary Private Placement of Shares (Private Placement) that the Company announced through the notice of material event of May 15, 2017 (Notice of Material Event).

1. Operational procedures of the BTC system

For treatment by the BTC system of the exercise of the priority right within the scope of the Private Placement, the lenders and custody agents must observe the timetable in item 3 of this Circular Letter and the following procedures:

a) securities lending agreements must be registered by (including) the **First Cut-Off Date (T+0)** and be active or renewed by the **Second Cut-Off Date**;

b) lenders must express their interest during the priory right exercise period described in the Notice of Material Event;

c) the interested lender shall, through its custody agent, specify the quantity of shares, underlying the lending agreements, to be acquired for equivalent treatment for the exercise of the priority right within the scope of the Private Placement, observing the Proportional Subscription Limit, and state whether it is opting to condition the acquisition to a maximum price per share. In this way, on the settlement date of the placement, sub-agreements will be created for shares;

d) on the settlement date of the Private Placement, the BTC system will register and call margin for the sub-agreements, as well as charge the cash amount corresponding to the exercise of the priority right, to be paid by the lender to the borrower;

e) the borrower shall deliver the securities underlying the sub-agreement by the expiration date of the agreement, that is, by T+4 of the settlement date of the Private Placement.

Agreements registered **on T+1 of the First Cut-Off Date** <u>will not grant lenders the right to the equivalent treatment to be executed for the Private Placement through the BTC system</u>.

2. Operational procedures of the DDA System

For the lenders to exercise priority rights through the DDA system, the lending agreements must have been registered by the **First Cut-Off Date** and settled between the **First Cut-Off Date** and the **Second Cut-Off Date**.

In this manner the shares shall be part of the Company’s shareholder base recorded at the B3 Central Depository or at the registrar, on the **Second Cut-Off Date**.

3. Timetable

Dates	
Publication of Notice of Material Event	May 14, 2017
First Cut-Off Date	May 16, 2017
Second Cut-Off Date	May 22, 2017
Period for lenders to express interest	May 17-23, 2017
Settlement date of the Private Placement	May 30, 2017
Expiration date of sub-agreement	June 05, 2017

4. General provisions

The procedures described in this Circular Letter may be subject to changes arising from new information about the Private Placement published by the Company.

Please note that the B3 Securities Lending Service does not allow the lender to withdraw its interest within the scope of the Private Placement in the case of a partial Placement, neither does it implement the allocation process for outstanding subscription rights in regard to the exercise of the priority right.

Should the lender opt to make its expression of interest conditional upon a maximum price per share, its custody agent must submit a scanned letter to dc-cle@bvmf.com.br by 7:00 p.m. of the last day of the period established for lenders to express an interest in equivalent treatment for the exercise of the priority right. Only letters confirmed via B3 email will be considered valid.

The procedures described in this Circular Letter complement those described in item 7.4 of Chapter VI of the B3 Equities Clearinghouse (BOVESPA Segment), in the Central Securities Depository (Equities Clearinghouse) Operating Procedures Manual and in Circular Letter 087/2014-DP of November 28, 2014.

As regards early settlement of the agreement by the lender, the provisions of Circular Letter 014/2014-DP of March 12, 2014 shall be observed.

Finally, any failure to deliver the securities upon settlement of the lending agreements shall be subject to the provisions of the prevailing Circular Letters that cover this subject.

Further information may be obtained from Post-Trade Support, by telephone at (+55 11) 2565-5000, option 3, or by email at ssp@bvmf.com.br.

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