



ANBIMA Code  
of Regulation  
and Best Practices

**for the Management  
of Financial Assets in  
the Domestic Market**

## CHAPTER I - DEFINITIONS

**Article 1** - For purposes of this Code of Regulation and Best Practices enacted by ANBIMA for the Management of Financial Assets (“Code”), the terms listed below are defined pursuant to the meanings herein stated, regardless of any definitions contained in any other documents, in the legislation applicable to the activities governed hereby and/or in other norms issued by ANBIMA:

“ANBIMA” or “Association” means the Brazilian Financial and Capital Markets Association;

“Management of Financial Assets” means the activity involving (i) the understanding of Investors’ profile, expectations, restrictions and investment objectives according to its economic needs, both present and future, upon due observance of risk standards, need for liquidity and the payback period, and (ii) the providing of services consisting in selecting, allocating and reallocating Financial Assets through the management of portfolios or of exclusive and/or restricted funds;

“BACEN” means the Brazilian Central Bank;

“Code” means this ANBIMA Code of Regulation and Best Practices for the Management of Financial Assets;

“Code of Proceedings” means the ANBIMA Code of Regulation and Best Practices Proceedings;

“Monitoring Commission” means the Monitoring Commission for Managers of Financial Assets;

“Board of Regulation” means the Board of Regulation and Best Practices for the Management of Financial Assets;

“CVM” means the Brazilian Securities and Exchange Commission;

“Investment Fund” means, under CVM rules, the investment fund or investment funds engaged in investing in shares of investment funds which fall outside the definition of Exclusive Fund and/or Restricted Fund hereunder;

“Exclusive Fund” means, under CVM rules, the investment fund or investment funds engaged in investing in shares of investment funds designed for qualified investors and created to receive investments from one single shareholder;

“Restrictive Fund” means the investment fund or investment funds engaged in investing in shares of investment funds designed for qualified or non-qualified investors and created to receive investments from a certain group of investors that are bound, among themselves, by family bonds, corporate relationships or which belong to one and the same economic group, or which so determines in writing;

“Manager” means the legal entity duly registered with CVM as a securities portfolio manager engaged in providing professional assistance services, either discretionary or not, on decisions involving the investment of funds in certain Financial Assets, upon the execution of orders on behalf of third parties, or on their account and in their name;

“Participating Institution” means the legal entities affiliated to ANBIMA, authorized by CVM to provide Manager services, engaged in the Management of Financial Assets, as well as any legal-entity market players authorized by CVM to provide Manager services and which, although not affiliated to ANBIMA, expressly adhere to this Code through the execution of the relevant Adhesion Agreement, upon due observance of, in both situations, the procedures described in Article 3 and in Chapter III herein;

“Investor” means an individual or legal entity classified as a qualified investor, as defined CVM, to whom Participating Institutions provide, directly or indirectly, services consisting in the Management of Financial Assets, in the capacity of Manager;

“Financial Assets” means financial and credit assets, including but not limited to bonds, securities and shares in investment funds subject to the CVM supervision and/or financial investments and assets subject to the supervision of the Brazilian Central Bank;

“Adhesion Agreement” means the instrument whereby Participating Institutions agree, by themselves, their members, associate members, employees and directly-related third parties, to abide by the rules herein;

“Compliance Agreement” means the instrument whereby Participating Institutions agree, by themselves, their members, associate members, employees and directly-related third parties, to duly perform, within a given time-period, the relevant obligations conducive to proper adhesion.

## CHAPTER II - PURPOSE AND SCOPE

**Article 2** - The objective of this Code is to establish the parameters for the Management of Financial Assets to be observed by Participating Institutions, for the following purposes:

- I. Maintain the highest ethical and quality standards upon development and exercising of services consisting in the Management of Financial Assets;
- II. Keep transparency in Investors relations; and
- III. Demand that professionals engaged in the Management of Financial Assets have a minimum qualification to exercise such activity under the standards set out herein.

**Article 3** - All the Participating Institutions shall observe the principles and rules herein stated.

**Paragraph 1**- Non-member institutions willing to adhere to this Code shall be subject to a prior process of analysis of mandatory requirements, to be conducted by ANBIMA’s Executive Board, as laid down in ANBIMA’s Bylaws and website.

**Paragraph 2** - In order to adhere to this Code, all the institutions approved in the preliminary process under ANBIMA Bylaws and Paragraph 1 of this Article must effectively exercise the business provided for in Chapter V of this Code and meet the minimum requirements under Chapter III herein, the analysis of which shall be made by the Board of Regulation and Best Practices for the Management of Financial Assets (“Board of Regulation and Best Practices”).

**Paragraph 3** - The adhesion process under Paragraph 2 above shall be deemed effective upon the favorable opinion expressed by a simple majority of members of the Board of Regulation and Best Practices, in that the institution may opt to execute an Adhesion Agreement whereby it undertakes to fully comply with the minimum requirements stated in Chapter III herein.

**Paragraph 4** - The Compliance Agreement may be executed by the relevant institution, at the Board of Regulation of Best Practice’s sole discretion, if the inability to meet all the minimum requirements under Chapter III herein is curable.

**Paragraph 5** - For purposes of this Code, the institution which agrees to sign the Compliance Agreement shall be deemed a Participating Institution, and failure to comply with the terms and deadlines agreed under said

Compliance Agreement shall subject such institution to the penalties provided hereunder, following procedure conducted under the Code of Proceedings.

**Article 4** - The Participating Institutions' liability for compliance with this Code extends to their members, associate members, employees and directly-related third parties engaged in the Management of Financial Assets.

**Article 5** - Participating Institutions subject to the regulatory and supervisory action of the Brazilian Monetary Board (CMN), the Brazilian Central Bank and the Brazilian Securities and Exchange Commission (CVM) expressly agree that proper performance of the Management of Financial Assets by them goes beyond the mere observance of statutory and regulatory norms applicable thereto, wherefor they also undertake to comply with the procedures stated in this Code.

**Sole Paragraph** - This Code does not supersede the prevailing legislation and regulation, even if new norms enacted hereafter conflict with the provisions herein. In the event of incompatibility between the rules of this Code and those set out by the prevailing legislation or regulation, the specific conflicting provision of this Code shall be disregarded, without prejudice to the remaining rules herein stated.

**Article 6** - Participating Institutions which adhere hereto shall adopt this Code as a statement of principles governing performance of the Management of Financial Assets.

**Article 7** - Participating Institutions shall ensure compliance herewith by all persons working for their conglomerate or financial group and who exercise in Brazil the activity governed hereby. Such undertaking does not amount to an acknowledgment, by Participating Institutions, of any sort of liability assumed, joint and several, or transferred between said institutions. However, all the mentioned entities shall be subject to the rules and principles stated in this Code.

**Paragraph 1** - For purposes hereof, an entity is considered to belong to a same conglomerate or financial group if it controls, is controlled by, or is subject to the common control of the Participating Institutions.

**Paragraph 2** - If any Participating Institution, which is not a Member of ANBIMA, intends to cancel its adhesion hereto, it must submit a request therefor by means of a letter addressed to the president of the Board of Regulation and Best Practices. Such request shall only be granted if such Participating Institution has no pending obligations with ANBIMA, including obligations arising from proceedings conducted in respect of its regulation and best practices activities.

**Article 8** - Participating Institutions shall submit to ANBIMA, upon request, information making proof that they have effectively met the requirements provided hereby.

**Article 9** - Participating Institutions shall pay to ANBIMA a periodical maintenance fee ("Maintenance Fee") to cover ANBIMA's costs in connection herewith, in that ANBIMA's Executive Board shall stipulate both the time-period and the amount of said Maintenance Fee, which may be annually reviewed.

## CHAPTER III - MINIMUM REQUIREMENTS

**Article 10** - Participating Institutions shall meet the following minimum requirements to perform the Management of Financial Assets:

- I. Be registered with CVM as a Securities Portfolio Manager;
- II. Assign a manager to be responsible exclusively for the Management of Assets;
- III. Assign a professional to be responsible for ensuring strict observance of this Code;
- IV. Provide management services exclusively to Investors, as defined in this Code;
- V. Exercise the management activities through the management of portfolios and/or through the management of exclusive and/or restricted funds;
- VI. Have a formal contractual relationship with its clients, which shall necessarily contain:
  - a. The total remuneration and the origin thereof (i) if contracted directly, paid exclusively by its client; (ii) if contracted indirectly, paid by third parties to the assets manager; or, still (iii) if paid to legal entities having members or co-owners which are simultaneously members or co-owners of the assets manager;
  - b. The benefits accrued as a result of the services and allocation thereof; and
  - c. The list of duties and liabilities of both parties.
- VII. Follow a specific methodology or engage an outsourced company specialized in market-risk control and classify Investors' investment portfolio, if the Management of Financial Assets also includes risk analysis;
- VIII. Have a duly accredited professional for each activity exercised by Participating Institutions, under the relevant accreditation granted by ANBIMA;
- IX. Have a Code of Ethics, which shall define rules of conduct, including formal and mandatory adhesion thereto by its members, associate members, employees and directly-related third parties;
- X. Implement internal policies intended to promote the integrity and confidentiality of the information resulting from performance of the activities set out in Item I and policies intended to control privileged information;
- XI. Have policies on personal and/or spouse, cohabitant and first-degree relatives investments;
- XII. Demand that members, employees, managers and officers connected with the Management of Financial Assets adopt a standard of conduct compatible with the terms of this Code;
- XIII. Have policies on restricted access to the systems and areas which are responsible for the services, so as to ensure the integrity of the information and prevent any access by unauthorized persons;
- XIV. Undertake a suitability process, as described in Communication channels VI;
- XV. Demand that the persons directly or indirectly exercising the Management of Financial Assets, even if in support positions, execute a Confidentiality Agreement;
- XVI. Develop a policy for the exercise of the Management of Financial Assets that:
  - a. Define "know your client" procedures to prevent money laundering; and
  - b. Make the content of this Code available for Participating Institutions and their Investors.
- XVII. Adopt an updated and duly documented business continuity plan which provides, at least, for:
  - a. Processing alternatives for contingencies, with adequate equipment and systems versions identical to those adopted at the main processing location;
  - b. Access to data and data backup, as well as storage of information at locations other than the main processing location, which enable activation and continuity with the processing of their activities;

- c. A contact plan with key persons to activate the plan; and
- d. Evidence of tests conducted to the activation plan every twelve (12) months.

## CHAPTER IV - GENERAL PRINCIPLES

**Article 11** - Participating Institutions shall observe the following principles and rules upon the Management of Financial Assets:

- I. Exercise the Management of Financial Assets in compliance with the principles of free enterprise and free competition;
- II. Deter any practices conflicting with the rules and principles stated in this Code, the applicable legislation and/or other rules issued by ANBIMA;
- III. Prevent the exercise of any practices characterizing unfair competition;
- IV. Adopt, in performing their duties and obligations, the same degree of diligence as that which is exercised in the management of their own financial assets;
- V. Recommend the hiring of third-party contractors upon prior and thorough analysis and selection of prospects, in that the contractors shall remain solely liable to third parties and Investors for the services rendered;
- VI. Observe the financial and capital market procedures and rules;
- VII. Maintain the confidentiality duty as regards Investors' information, obtained from the performance of the Management of Financial Assets, subject to the applicable legislation;
- VIII. Adopt practices aimed at building and maintaining a long-term relationship with Investors and
- IX. Adopt practices aimed at promoting transparency in the relationship with Investors.

## CHAPTER V - MANAGEMENT OF FINANCIAL ASSETS

**Article 12** - The Management of Financial Assets shall involve, cumulatively:

- I. The understanding of Investors profile, expectations, restrictions and investment objectives according to their economic needs, both present and future, upon due observance of risk standards, need for liquidity and the payback period; and
- II. The allocation and reallocation of Financial Assets through the management of portfolios or of exclusive and/or restricted funds.

**Paragraph 1** - For purposes of the exercise of Management of Financial Assets, the Participating Institution may, as allowed, develop the following activities on a supplementary basis:

- I. Distribution of shares of Exclusive Funds or Restricted Funds to whose shareholders the Participating Institutions provides the services that are the object of this Code;
- II. Distribution of bonds, securities and shares of investment funds, and distribution of investment funds in shares of investment funds as part of the services consisting in the selection, allocation and reallocation of the Financial Assets; and/or
- III. Investment Advice.

**Paragraph 2** - The Management of Financial Assets may also involve, without limitation, one or more among the activities below, even if not provided for by this Code:

- I. Analysis of Investors' non-financial assets;
- II. Risk analysis concerning the investment portfolios, made up of financial and non-financial assets owned by Investors;
- III. Assistance in selecting allocation and reallocation in non-financial assets;
- IV. Consolidation of information on financial and non-financial assets, even if outside the scope of its liability;
- V. Execution of allocation and reallocation in any assets, by means of specific proxy, in accordance with the objectives previously agreed with Investors, and provided that these latter be duly informed of the limits of liability and execution risk;
- VI. Identification of Investors' needs relative to other markets and to non-financial assets, such as, but not limited to, real estate, cattle, works of art and antiques; and
- VII. Identification of Investors' needs relative to family and corporate succession, as well as all the tax, corporate and/or real-estate aspects, in that the matters concerning family and corporate succession, and tax, corporate and/or real-estate aspects, even if approached by the Participating Institution in a generic manner, and if implemented, must be assessed by Investors based on opinions issued by independent and specialized professionals.

## **CHAPTER VI - DUTY TO DETERMINE THE FINANCIAL ASSET'S SUITABILITY FOR INVESTORS' INVESTMENT PROFILE**

**Article 13** - In order to determine the Financial Asset's suitability for Investors' profile, every Participating Institution shall, on its own liability:

- I. Count on a specific methodology for gathering information from Investors deemed necessary to define Investors' investment profile;
- II. Establish the actions to be taken if the Participating Institution considers that the information obtained is unsatisfactory for determination of Investors' investment profile, or if an Investor decides not to provide such information;
- III. Count on a specific policy intended to adapt the Financial Assets to the investment profile;
- IV. Establish a criterion to monitor allocation of each Investor and, whenever needed, update the information so that the Financial Assets' investment profile become suitable for new circumstances affecting Investors; and
- V. Lay down the rules that shall govern the storage of information, as well as confidentiality and disclosure rules, as requested.

**Article 14** - In order to implement the suitability procedure, Participating Institutions shall:

- I. Collect information that enable assessment of Investors' level of knowledge of the financial and capital market, and of the products offered;
- II. Inform Investors of the risks inherent in each investment made, to warn them of their level of tolerance in respect thereto;
- III. Explain to Investors the monitoring procedure applied to the Financial Asset and provide them with reports from time to time, as agreed; and

- IV. As applicable, obtain Investors' approval so that the investment profile of the Financial Asset be suitable for the new circumstances affecting them.

**Article 15** - On an annual basis, Participating Institutions shall prepare a report with information on the suitability process, describing the methodology and controls for the collection and updating of information, the changes occurred following the latest report and the statistical data resulting from the suitability process, in that Participating Institutions shall be liable for the veracity of the information provided.

**Sole Paragraph** - The report mentioned in the main clause herein shall state the annual position on the final date of December 31<sup>st</sup> and shall be annually sent to ANBIMA by Participating Institutions by March 31<sup>st</sup> of the subsequent year. This deadline may be extended by the Board of Regulation.

## CHAPTER VII - SENDING INFORMATION TO ANBIMA DATABASE

**Article 16** - Adherence to this Code requires that the information making up the Database defined below be sent pursuant to specific guidelines set out by the Board of Regulation and Best Practices.

**Sole Paragraph** - The Data Base constitutes a set of information concerning the Management of Financial Assets stored in a structured manner at ANBIMA ("Database").

**Article 17** - The pecuniary penalty resulting from non-observance of the deadlines under Art. 40 applies to the sending of periodical information on the Management of Financial Assets to the Database.

**Sole Paragraph** - The Board of Regulation and Best Practices shall issue specific guidelines and set the deadlines therefor.

## CHAPTER VIII - THE ANBIMA SEAL

**Article 18** - The ANBIMA Seal ("ANBIMA Seal") shall be made up of ANBIMA logo accompanied by the following text: "This Institution has adhered to ANBIMA Code of Regulation and Best Practices for the Management of Financial Assets in the Domestic Market".

**Article 19** - The ANBIMA Seal shall be displayed conspicuously:

- I. On advertisements specifically related to the Financial Assets Manager Activity;
- II. On sites specifically related to the Financial Assets Manager Activity;
- III. On public promotional material specifically related to the Financial Assets Manager Activity; and
- IV. On agreements made by Participating Institutions specifically for the Management of Financial Assets.

**Article 20** - The display of ANBIMA Seal is exclusively intended to demonstrate the commitment of Participating Institutions to the terms of this Code, wherefor ANBIMA shall not be liable for any information contained in the documents bearing the ANBIMA Seal, nor for the quality of the service provided by Participating Institutions.

## CHAPTER IX - MARKETS SUPERVISION FOR THE FINANCIAL ASSETS MANAGER ACTIVITY

**Article 21** - The Markets Supervision, made up of ANBIMA's employees, shall:

- I. Supervise compliance, by Participating Institutions, with the rules hereunder, including suitability of documents and conducts relative to the performance of the Financial Assets Manager Activity, through the preparation of specific report, as applicable, especially in the event of any suspected violation hereof;
- II. Receive, upon observance of the Code of Proceedings terms, notices reporting violation of the rules herein against Participating Institutions, and prepare specific report thereon;
- III. Send a letter of recommendation to the Participating Institutions, as it deems fit, under the terms stated in the Code of Proceedings;
- IV. Send to the Monitoring Commission the reports referred to in Items I and II herein, in order that the applicable actions be taken.

**Paragraph 1** - The reports referred to in Items I and II herein shall bring an analysis of said facts by the Markets Supervision and, as applicable, the advisable recommendations.

**Paragraph 2** - In the exercise of its duties, the Markets Supervision may demand that Participating Institutions provide it with written information and clarifications.

**Article 22** - The Markets Supervision is subordinate to the Monitoring Commission, which shall provide instructions to it by establishing the relevant guidelines that shall govern its activities.

## CHAPTER X - MONITORING COMMISSION FOR THE FINANCIAL ASSETS MANAGER ACTIVITY

**Article 23** - The Monitoring Commission shall:

- I. Be informed of, analyze and approve the reports prepared by the Markets Supervision;
- II. Send the abovementioned reports to the Board of Regulation and Best Practices, following analysis thereof;
- III. Provide instructions to the Markets Supervision, which shall also be assigned tasks, in all aspects necessary for achievement of the objectives set out herein; and
- IV. Request additional explanations, information and clarifications on the observance of norms and principles set out in this Code.

**Article 24** - The Monitoring Commission shall be made up of nine (9) members, of which one shall be the president, one the vice-president, nominated by ANBIMA's Financial Assets Managers Committee and appointed by ANBIMA's Executive Board, from among reputable and honest individuals renowned for their knowledge of the operations governed by this Code.

**Paragraph 1** - The president and the vice-president of the Monitoring Commission shall be chosen by ANBIMA's Executive Board from among the members nominated by ANBIMA's Financial Assets Managers Committee.

**Paragraph 2** - The term of office of the Monitoring Commission shall be for two (2) years, reappointment being allowed.

**Paragraph 3** - The members of the Monitoring Commission shall be vested in their respective positions by ANBIMA's president upon execution of the relevant instruments of appointment.

**Paragraph 4** - The members of the Monitoring Commission shall remain in their positions until new members take office.

**Paragraph 5** - In the event of vacancies, ANBIMA's Executive Board shall appoint, as nominated by the Financial Assets Managers Committee, a new member to complete the term of office.

**Article 25** - The Monitoring Commission shall meet ordinarily every three (3) months, and extraordinarily, whenever needed, at its president's call, or within no more than fifteen (15) days, whenever a report is sent by the Markets Supervision with the recommendation that proceedings be incepted.

**Sole Paragraph** - The meetings of the Monitoring Commission shall be presided over by its president or, in his absence, by its vice-president, or by any other member appointed by the Commission, in that the manager responsible for the Supervision of the Financial Assets Manager Activity shall exercise the function of secretary.

**Article 26** - The resolutions of the Monitoring Commission shall be taken by majority vote of the members present at the meeting.

**Article 27** - The meetings of the Monitoring Commission shall be incepted on first call with the presence of, at least, five (5) members.

**Paragraph 1** - If a quorum is not reached on first call, the meeting of the Monitoring Commission shall be incepted, on second call, thirty (30) minutes after the time set for the meeting, with the presence of at least three (3) members.

**Paragraph 2** - If a quorum is not reached on second call, a new meeting of the Monitoring Commission shall be convened by its president.

**Paragraph 3** - In the event of a tie upon the taking of resolutions by Monitoring Commission, the matter shall be subject to the Board of Regulation and Best Practices, which shall resolve thereon.

**Article 28** - The members of the Monitoring Commission may declare themselves disqualified, on the basis of impediment, to vote on the Commission's resolutions.

**Paragraph 1** - The members of the Monitoring Commission having interest in the matters in the agenda may claim disqualification of any member, on the basis of impediment, to vote resolutions subject to the Commission.

**Paragraph 2** - Said declaration and claim for disqualification, on the basis of impediment, shall be duly justified and examined by the president of the Monitoring Commission. In the absence of the president, the vice-president shall be in charge of such examination.

**Article 29** - No decision made by the Monitoring Commission shall exempt the Participating Institutions from their legal and/or regulatory liabilities.

**Article 30** - The members of the Monitoring Commission shall not be remunerated for their functions.

## CHAPTER XI - BOARD OF REGULATION AND BEST PRACTICES FOR THE FINANCIAL ASSETS MANAGER ACTIVITY

**Article 31** - The Board of Regulation and Best Practices shall:

- I. Be informed of and analyze the reports sent to it by the Monitoring Commission;
- II. Incept, always upon justification, as set out in the Code of Proceedings, the proceedings involving breach of the provisions of this Code;
- III. Hear and decide, under one single level of jurisdiction, the proceedings referred to in Item II herein, and imposing the applicable penalties;
- IV. Issue resolutions (“Resolutions”);
- V. Issue guidance opinions (“Guidance Opinions”);
- VI. Decide on requests for dismissal of any procedure and/or requirement provided for herein;
- VII. Request that Participating Institutions provide additional explanations, information and clarifications on the observance of the rules and principles herein;
- VIII. Introduce new supervising mechanisms to be adopted by the Markets Supervision;
- IX. Monitor due compliance with the minimum requirements set out in Chapter III of this Code; and
- X. Approve execution of a Compliance Agreement between ANBIMA and the Participating Institutions, in order to implement the prerequisites for adhesion hereto.

**Paragraph 1** - The resolutions shall be binding on Participating Institutions, the object of which shall be the interpretation and clarification of the rules of this Code.

**Paragraph 2** - The Guidance Opinions and letters of recommendation shall not be binding, since they constitute mere recommendations.

**Paragraph 3** - The Resolutions and Guidance Opinions shall be announced on ANBIMA’s communication channels.

**Article 32** - The Board of Regulation and Best Practices shall be made up of twelve (12) members, of which one shall be the president, another the vice-president, named under Paragraphs 1 and 2 herein, and appointed by ANBIMA’s Executive Board from among reputable and honest individuals renowned for their knowledge of the operations governed by this Code.

**Paragraph 1** - The members of the Board of Regulation and Best Practices shall be appointed as per the following criteria:

- I. Four (4) of its members shall be named by ANBIMA’s Executive Board, chosen from among professionals engaged in the area of Financial Assets Manager;
- II. Six (6) of its members shall be named by other institutions chosen by ANBIMA’s Executive Board; and
- III. The president and vice-president of the Monitoring Commission shall be members as of right of the Board of Regulation and Best Practices, with no right to vote.

**Paragraph 2** - The president and vice-president of the Board of Regulation and Best Practices shall be appointed by ANBIMA’s Executive Board.

**Paragraph 3** - The term of office of the members of the Board of Regulation and Best Practices shall be for two (2) years, reappointment being allowed.

**Paragraph 4** - The members of the Board of Regulation and Best Practices shall remain in their respective positions until new members take office.

**Paragraph 5** - The members of the Board of Regulation and Best Practices shall be vested in their respective positions by ANBIMA's president upon execution of the relevant instrument of appointment.

**Paragraph 6** - In the event of vacancies, new members shall be appointed to complete the terms of office, under Paragraph 1 herein.

**Article 33** - The Board of Regulation and Best Practices shall meet ordinarily every six (6) months and extraordinarily, whenever needed, at its president's call, or within no more than thirty (30) days, whenever a report in such respect is sent to it by the Monitoring Commission.

**Paragraph 1** - The meetings of the Board of Regulation and Best Practices shall be called by its president or its substitute, under the terms of this Code.

**Paragraph 2** - The meetings of the Board of Regulation and Best Practices shall be presided over by its president, and the Markets Superintendent shall exercise the function of secretary.

**Paragraph 3** - In the absence of the president of the Board of Regulation and Best Practices, the meetings shall be presided over by its vice-president, and in the absence of this latter, by any other member present at the meeting, to be appointed in order of age.

**Article 34** - The meetings of the Board of Regulation and Best Practices shall only be incepted with the presence of at least eight (8) of its members.

**Paragraph 1** - If a quorum is not reached on first call, the meeting of the Board of Regulation and Best Practices shall be incepted, on second call, thirty (30) minutes after the time set for the meeting, with the presence of at least four (4) of its members.

**Paragraph 2** - If a quorum is not reached on second call, a new meeting of the Board of Regulation and Best Practices shall be convened by its president.

**Article 35** - The resolutions of the Board of Regulation and Best Practices shall be taken by vote of the majority of members present, and the president shall cast the deciding vote, if necessary.

**Paragraph 1** - The president of the Board of Regulation and Best Practices shall not have the right to vote, except in the case of a tie vote, under the main clause herein. In the absence of the president, the deciding vote shall be cast by the vice-president and, in the absence of this latter, by the member substituting him pursuant to the terms of this Code.

**Paragraph 2** - The members of the Board of Regulation and Best Practices may declare themselves disqualified, on the basis of impediment, to vote on resolutions of the Board of Regulation.

**Paragraph 3** - Both the members of the Board of Regulation and Best Practices and the Participating Institutions may claim disqualification of any member, on the basis of impediment, to vote resolutions of the Board of Regulation and Best Practices.

**Paragraph 4** - The declaration and claim for disqualification referred to in Paragraphs 2 and 3 herein shall be duly justified and analyzed by the president, who shall be substituted hereunder, should he be absent.

**Paragraph 5** - If, by virtue of the substitution rules set out in this Code, the Presidency of the meeting, at that time, is exercised by a member who claims himself disqualified, the decision shall be made by one of the other members present, which shall be chosen by age.

**Paragraph 6** - If the 4-member quorum is not reached as a result of the declaration or of the claim for disqualification referred to in Paragraphs 2 and 3 herein, a new meeting shall be called to resolve on the matter.

**Article 36** - The members of the Board of Regulation and Best Practices shall not be remunerated for their functions.

## **CHAPTER XII - INCEPTION, CONDUCTION AND JUDGMENT OF PROCEEDINGS OF REGULATION AND BEST PRACTICES AND EXECUTION OF INSTRUMENT OF COMMITMENT**

**Article 37** - The inception, conduction and judgment of proceedings, as well as the proposal for execution of any Instrument of Commitment, shall be governed by the Code of Proceedings.

**Sole Paragraph** - In the event of conflict between the rules of this Code and the rules set forth by the Code of Proceedings, the rules of this Code shall prevail.

## **CHAPTER XIII - PENALTIES**

**Article 38** - Participating Institutions which fail to comply with the principles and norms stated in this Code shall be subject to the following penalties:

- I. Public admonition by the Board of Regulation and Best Practices, to be announced on ANBIMA's communication channels;
- II. Pecuniary penalty in the amount of up to one hundred (100) times the greatest monthly dues received by ANBIMA;
- III. Temporary ban on the use of ANBIMA's texts and Seal under Article 18 of this Code, in any advertisements, websites, promotional material and agreements relative to the Financial Assets Manager Activity; and
- IV. Removal from ANBIMA, announced on ANBIMA's communication channels.

**Paragraph 1** - The penalty of removal from ANBIMA must be approved by ANBIMA's General Meeting.

**Paragraph 2** - For non-members Participating Institutions, the penalty of removal shall be replaced with revocation of the respective Agreement to Adhere (Adhesion Agreement) to this Code of Regulation and Best Practices, and such decision may be taken by the Board of Regulation and Best Practices, which shall dispense with approval by ANBIMA's General Meeting.

**Paragraph 3** - In cases involving the penalty set out in Item III above, the Participating Institution shall refrain from using ANBIMA Seal in materials and documents therein mentioned immediately following the decision issued by the Board of Regulation and Best Practices determining said suspension, in that such penalty shall be observed for the whole time period as stipulated in the decision.

**Article 39** - Whenever the penalties of **Article 38** are imposed, the Board of Regulation and Best Practices shall deem any breach of the obligations agreed to in the Instrument of Commitment, executed under the Code of Proceedings, to constitute an aggravating circumstance.

**Article 40** - Without prejudice to the other provisions of this Chapter, ANBIMA's Markets Supervision may impose a pecuniary penalty in the amount of one hundred fifty Brazilian reais (R\$ 150.00) per day in arrears on the Participating Institutions which fail to comply with the deadlines stated in this Code.

**Sole Paragraph** - The pecuniary penalty herein is limited to the amount equivalent to thirty (30) days in arrears.

## CHAPTER XIV - FINAL PROVISIONS

**Article 41** - Any change to the provisions of this Code may only be made by ANBIMA's Executive Board, upon approval of the General Meeting.

**Article 42** - The deadlines referred to in the provisions of this Code shall start running on the first business day following notice of the interested party, and shall end on the expiration date.

**Sole Paragraph** - If the expiration date falls on banking holidays, Saturdays, Sundays or on days when ANBIMA does not function or when ANBIMA's business hours are reduced, the deadline shall be deemed to be extended until the first subsequent business day.

**Article 43** - All of the organizational components mentioned in this Code with respect to ANBIMA, including ANBIMA's employees or representatives appointed by Participating Institutions or other entities, shall keep in strict confidentiality all the information and documents they may have access to by virtue of their functions.

**Article 44** - Adhesion to this Code shall imply adhesion to the Code of Proceedings, which provides for the conduction of sanctioning proceedings for determination of breaches involving the rules under ANBIMA Codes of Regulation and Best Practices.

**Article 45** - The deadline for Participating Institutions to adapt to the new provisions of this Code, as well as to the requirements imposed for adhesion hereto, shall be announced on ANBIMA's communication channels.

**Article 46** - This Code is effective as of February 1<sup>st</sup> 2013.