



ANBIMA Code
of Regulation
and Best Practices

Proceedings

CHAPTER I – GENERAL PROVISIONS

Article 1 - This present code (“Code”) provides for the rules governing processing of sanctioning proceedings aimed at determining whether the rules under ANBIMA Codes of Regulation and Best Practices (“Regulation and Best Practices Proceedings”) were breached.

Paragraph 1 - The provisions of this Code are intended to determine whether a breach has been committed both against the rules currently in place under ANBIMA Codes of Regulation and Best Practices and against the rules under any other ANBIMA Codes still to be created, except as otherwise expressly stated in the code itself, which in such case shall provide for the rules that shall apply in determining if a provision thereof has been breached.

Paragraph 2 - This Code shall not apply to any objective breaches already subject to pecuniary penalty under the ANBIMA Codes of Regulation and Best Practices.

Article 2 - Any and all individuals’ or legal entities’ Regulation and Best Practices Proceedings are subject to the rules of this Code, regardless of their association with ANBIMA, if their business is subject to ANBIMA Codes of Regulation and Best Practices.

Article 3 - All proceedings subject to this Code shall be ensured the right of defense and the opportunity to be heard, upon observance of the principles of expeditious trial, reasonableness and informality.

Paragraph 1 - Along the development of the Regulation and Best Practices Proceedings the filing of written defense and, at the trial, the right to present oral arguments shall be ensured, provided that the absence of manifestation by the interested parties shall not interfere with the progress of the proceedings.

Paragraph 2 - Interpretation of the regulation and best practices rule shall ensure compliance with the objectives of ANBIMA’s regulation and best practices, in that no new interpretation shall be applied retroactively.

Article 4 - The following rights apply to the party interested in the Regulation and Best Practices Proceedings, without prejudice to others as set forth either in this Code or in ANBIMA Codes of Regulation and Best Practices:

- I. Be informed of the commencement of actions intended to determine whether a breach has been committed, with right to examine and make copies of the records;
- II. Submit allegations and present documents both during the course of actions intended to determine whether a breach has been committed and after inception of ANBIMA Regulation and Best Practices Proceedings; and
- III. The right to be represented by an attorney.

Sole Paragraph - For purposes of this Code, parties interested in ANBIMA’s Regulation and Best Practices Proceedings are not only the institutions belonging to ANBIMA, its managers and affiliated companies subject to the provisions of ANBIMA Codes of Regulation and Best Practices, but also any and all individual or legal entity against whom Regulation and Best Practices Proceedings is incepted under this Code.

Article 5 - The party interested in the Regulation and Best Practices Proceedings shall:

- I. state the facts based on truth;
- II. provide any information as requested; and
- III. collaborate to clarify the facts.

Article 6 - Without prejudice to the provisions of Articles 41 and 42, the competences of ANBIMA's organizational components within the ambit of the Regulation and Best Practices Proceedings governed by this Code are as follows:

- I. Technical Areas, made up of members of ANBIMA's technical staff: supervision, monitoring and verification of due compliance by documents and conducts with all provisions under ANBIMA Codes of Regulation and Best Practices, with determination of any irregularities verified *ex officio* or notified through formal reports under this Code and, also, the preparation of a detailed account of the situation, under Article 9 herein;
- II. Monitoring Commissions, made up of representatives of ANBIMA's member institutions with sound expertise in the transactions governed by ANBIMA Codes of Regulation and Best Practices and recommended by ANBIMA's Executive Board: conduction of works under the Technical Areas, in pursuit of the reality of facts and approval of the reports prepared by the Technical Areas, to be submitted to the Boards of Regulation and Best Practices;
- III. Boards of Regulation and Best Practices, made up of individuals with sound expertise in the transactions governed by ANBIMA Codes of Regulation and Best Practices and recommended by ANBIMA's Executive Board: analysis of the cases forwarded by the Monitoring Commissions, by deciding on the inception of proceedings under ANBIMA's Regulation and Best Practices Proceedings; appointment, by drawing lots, of reporting members acting on the proceedings commenced; judgment of the Regulation and Best Practices Proceedings and imposition, as the case may be, of the penalties under ANBIMA Codes of Regulation and Best Practices; analysis and approval of proposals for execution of deeds of undertaking, as stated in this Code; and
- IV. Legal Assistance, by counsels belonging to ANBIMA's technical staff and having specialized expertise in ANBIMA's business areas: verification of observance of the provisions hereof and of the prevailing legal norms, in addition to monitoring the proceedings aimed at determining if breaches have been committed.

CHAPTER II – PROCEEDINGS FOR DETERMINATION OF IRREGULARITIES

Article 7 - Markets Supervision shall determine if any breach was committed against the provisions contained in the Codes of Regulation and Best Practices, either *ex officio* or by notice of formal report.

Paragraph 1 - For purposes of this Code, only the formal reports submitted by Participating Institutions shall be accepted.

Paragraph 2 - In order for the formal report referred to herein to be effective, it shall be made in writing and contain a clear identification of the reporting person and a description of the action which is the object of the report and, if possible, include the documents evidencing it.

Article 8 - Upon verification of circumstantial evidence of a breach of any provision of ANBIMA Codes of Regulation and Best Practices, the Markets Supervision area shall communicate such fact to the Monitoring Commission and shall conduct the relevant investigation, under the supervision of the latter, for purposes of determining any irregular action.

Paragraph 1 - Once the investigation is initiated, the parties involved shall be notified and the facts subject to investigation shall be mentioned as a summary.

Paragraph 2 - In the course of the investigation, the Markets Supervision may, as it deems fit:

- I. Request information and clarifications, in writing, from the parties interested in the Regulation and Best Practices Proceedings;
- II. Request that the parties interested in the Regulation and Best Practices Proceedings appear and provide oral clarifications;
- III. Request to see the documents in possession of the parties interested in the Regulation and Best Practices Proceedings, upon due regard to the legal and contractual secrecy concerning them;
- IV. Hire external technical assistance to collaborate in the investigations, upon the relevant prior and written consent thereto by ANBIMA's Executive Board; and
- V. Amend the notice to include new facts relevant to the case, that were unknown at the time of the notice.

Paragraph 3 - The time-limit for compliance with the requirements of items I to III, of Paragraph 2 herein shall be ten (10) days from receipt thereof by the parties interested in the Regulation and Best Practices Proceedings, and such time-limit may be extended only once, at the discretion of the Monitoring Commission. Another time-limit extension, for the same term, may only be granted by the Chairman of the Board of Regulation and Best Practices, and only once.

Paragraph 4 - Any unjustified denial or the silence as to the requirements under items I to III of Paragraph 2 hereof shall imply the confession of the facts determined therein.

Article 9 - Upon conclusion of the investigation, the Monitoring Commission shall analyze the report prepared by the Markets Supervision, in that the former shall be entitled to determine additional diligences.

Sole Paragraph - The report shall necessarily include:

- I. The name and identification of the parties interested in ANBIMA's Regulation and Best Practices Proceedings;
- II. A detailed description of the facts under investigation, containing at least the source of the information regarding the alleged breach, the dates and the summarized content of the communications to the interested party and the relevant answers and other elements pointing to the occurrence of any breaches, as well as the specification of the relevant provision of the ANBIMA Code of Regulation and Best Practices allegedly breached;
- III. Indication, if possible, of the persons responsible for the breach, with information on everyone's conduct, upon submission of evidence of their participation in the reported facts; and
- IV. Manifestation of ANBIMA's Legal Counsel responsible for the case on the formal aspects of the proceedings in order to determine any irregularities.

Article 10 - The Monitoring Commission shall send to the Board of Regulation and Best Practices, in order for it to decide on the commencement of proceedings, the report referred to in Article 9, together with the interested party's prior manifestation, if submitted under the Sole Paragraph herein.

Sole Paragraph - Before sending the report to the Board of Regulation and Best Practices, the Monitoring Commission shall notify the parties interested in ANBIMA's Regulation and Best Practices Proceedings so that they be able to submit, within no more than fifteen (15) days from the date of receipt of the notice, their prior manifestation on the irregularities imputed on them. Such time-period may be extended only once, for an equal period, at the discretion of the Monitoring Commission.

Article 11 - Whenever the breach involves minor damaging potential and easy remedying thereof, the Markets Supervision may issue a letter of recommendation to the parties interested in the Regulation and Best Practices Proceedings, upon consent of both the Chairman of the Monitoring Commission and the Chairman of the Board of

Regulation and Best Practices, whereby it shall propose the relevant actions to be taken in order for the conduct to be in compliance with the provisions stated in the applicable ANBIMA Code of Regulation and Best Practices.

Paragraph 1 - Each Board of Regulation and Best Practices may stipulate its own rules and parameters for the issuance of a letters of recommendation by the Markets Supervision without the need for consent of both the Chairman of the Monitoring Commission and the Chairman of the Board of Regulation and Best Practices, as stated in the main clause of this Article.

Paragraph 2 - The implementation of the actions proposed in the letter of recommendation, within the stipulated time-limit, cures any irregularity; accordingly, the breach ceases to be subject to punishment.

CHAPTER III – COMMENCEMENT AND CONDUCTION OF ANBIMA’S REGULATION AND BEST PRACTICES PROCEEDINGS

Article 12 - The Chairman of the Board of Regulation and Best Practices shall receive the report sent by the Monitoring Commission and shall set a date for examination thereof.

Sole Paragraph - The session at which the report shall be examined shall duly observe the provisions under Articles 18, 21 and 22 of this Code.

Article 13 - Should the Board of Regulation and Best Practices decide not to commence proceedings, the relevant detailed report shall be shelved and the interested parties shall be notified of such decision.

Article 14 - Should it be decided that proceedings must be commenced, these shall be distributed, by drawing lots, to a member of the Board of Regulation and Best Practices, who shall act in the capacity of reporting member and shall conduct the proceedings until the rendering of the relevant decision.

Sole Paragraph - Upon commencement of ANBIMA’s Regulation and Best Practices Proceedings, the allegedly irregular fact, the breached Code of Regulation and Best Practices, the applicable penalties and the alleged agent of the breach shall be clearly described.

Article 15 - The reporting member shall instruct the Markets Supervision, within up to three (3) business days from the date of commencement of ANBIMA’s Regulation and Best Practices Proceedings, to notify the parties interested in the proceedings for presentation of their defense.

Article 16 - The parties interested in ANBIMA’s Regulation and Best Practices Proceedings shall present their defense in writing to the reporting member acting in the proceedings, together with documents deemed necessary for the relevant production of evidence, within ten (10) days from the receipt of the notice referred to in the previous Article.

Paragraph 1 - The reporting member acting in ANBIMA’s Regulation and Best Practices Proceedings, upon express request of the interested party, may grant up to thirty (30) days for presentation of documents and opinions by the defense.

Paragraph 2 - The parties interested in ANBIMA’s Regulation and Best Practices Proceedings may also present up to three (3) witnesses, and the reporting member shall set the dates for them to be heard.

Paragraph 3 - A hearing for the testimony of more than three (3) witnesses shall only be authorized upon approval of the Board of Regulation and Best Practices.

Paragraph 4 - Following receipt of the defense, the reporting member may determine additional diligences, other than those implemented in the course of investigation of the breach, and request additional manifestations from ANBIMA's Legal Counsel.

Paragraph 5 - The diligences or manifestations that may be determined under the previous Paragraph shall be notified to the parties interested in the Regulation and Best Practices Proceedings at least three (3) days in advance, and they shall be granted the time-period of ten (10) days following said diligences or manifestations to amend their defense, if they so wish.

Article 17 - Following the stages under the previous Paragraph, the reporting member shall prepare a report containing at least the description of the alleged breach and the reasons for the defense, as well as the Articles of the Code of Regulation and Best Practices providing for the breach and for the penalties applicable thereto. Upon preparation of the report one shall refer to the content of the report under Article 9 herein, as applicable.

Sole Paragraph - The report referred to in the main clause herein shall be made available to the other members of the Board of Regulation and Best Practices and to the parties interested in the Regulation and Best Practices Proceedings for at least three (3) days before the date set for the decision to be rendered.

CHAPTER IV – DECISION ON THE REGULATION AND BEST PRACTICES PROCEEDINGS

Article 18 - The session whereat the decision is entered shall be chaired by the Chairman of the Board of Regulation and Best Practices or, in his absence, by its Vice-Chairman.

Paragraph 1 - Parties interested in the Regulation and Best Practices Proceedings shall be notified of the date, time and place of the adjudication session at least eight (8) days in advance.

Paragraph 2 - The minimum *quorum* for inception of the adjudication session shall be one-third (1/3) of the representatives for the Board of Regulation and Best Practices.

Paragraph 3 - If the *quorum* above is not reached, the Chairman of the adjudication session shall assign another date for the session.

Article 19 - The adjudication session shall be incepted upon the calling of the Regulation and Best Practices Proceedings, with no need for the report to be read, except upon request therefor by the defense. Then, the Legal Counsel shall speak for up to fifteen (15) minutes on the formal aspects of the proceedings. Following manifestation of the Legal Counsel, each party interested in the Regulation and Best Practices Proceedings shall also have fifteen (15) minutes to orally argue the reasons for their defense, either by themselves or through their counsels.

Article 20 - Once the defense is heard, the hearing shall continue without the presence of the parties interested in the Regulation and Best Practices Proceedings or their counsels and representatives, whereupon the reporting member and the other members of the Board of Regulation and Best Practices, in this order, shall issue their respective opinions, always observing the *quorum* under Paragraph 2 of Article 18 of this Code.

Paragraph 1 - The Chairman of the Board of Regulation and Best Practices shall not vote, except in the situation described in the Paragraph below.

Paragraph 2 - The decision entered at the adjudication session shall be made by majority vote of those present at the session, the Chairman thereof being responsible for the casting vote, if needed.

Paragraph 3 - If more than two different solutions are proposed to the case, the final judgment shall be made by successive voting sessions, starting from the two more burdensome, until only one remains, which shall be the solution to be adopted.

Article 21 - The members of the Board of Regulation and Best Practices shall not be allowed to vote if they have any direct or indirect interest in the matter, and they may also recuse themselves on the basis of impediment or suspicion. Such impediment and suspicion shall be communicated to the Chairman of the Board of Regulation and Best Practices, in that the impeded member of the Board shall, in both cases, refrain from acting in the case and from taking part in the final judgment.

Sole Paragraph - Should any party interested in ANBIMA's Regulation and Best Practices Proceedings claim impediment of any member, the Board of Regulation and Best Practices shall decide on such allegation, without consideration of the opinion of the member allegedly impeded or suspect.

Article 22 - The members of the Board of Regulation and Best Practices may request the right to see the case records of ANBIMA's Regulation and Best Practices Proceedings before the beginning of the voting, and shall return the case records within the fifteen (15) subsequent days.

Article 23 - Upon conclusion of the adjudication session, the case records of ANBIMA's Regulation and Best Practices Proceedings shall be sent to the reporting member for the relevant opinion to be drafted, and the parties interested in the case shall be notified of the decision within up to five (5) business days from completion of the adjudication session.

Sole Paragraph - The opinion shall contain:

- I. The report prepared by the reporting member;
- II. The grounds for the judgment which, if against the party, shall include any aggravating or mitigating circumstances;
- III. The conclusion, with indication of the imposed sanction, as the case may be;
- IV. The names of the members taking part in the adjudication session; and
- V. The signatures of the reporting member, the Chairman of the Board of Regulation and Best Practices and the legal counsel responsible for the case.

Article 24 - If the irregularity imputed to the parties interested in the Regulation of Best Practices Proceedings is acknowledged and granted, then the Board of Regulation and Best Practices shall impose the relevant penalties set forth by the specific ANBIMA Code of Regulation and Best Practices applicable thereto.

Paragraph 1 - Any duty to compensate for a breach of ANBIMA Codes of Regulation and Best Practices may, at the discretion of the Board of Regulation and Best Practices, exclude the application of the penalty, but this shall at least be deemed to be a mitigating circumstance for the penalty to be applied. Other mitigating circumstances that may also reduce the penalty are late regret and voluntary confession.

Paragraph 2 - The penalties imposed by the Board of Regulation and Best Practices shall be applied by ANBIMA's Markets Supervision.

Article 25 - No appeal may be lodged against the decisions entered by the Board of Regulation and Best Practices. However, a request for review will be acceptable in the event of a new fact, unknown by the time of the adjudication of the Regulation and Best Practices Proceedings, the acceptance of which shall be decided by the Chairman of the Board of Regulation and Best Practices.

CHAPTER V – DEED OF UNDERTAKING

Article 26 - The parties interested in the Regulation and Best Practices Proceedings may send to the reporting member, by the date set for the holding of the adjudication session, a proposal for execution of an Deed of Undertaking whereby the parties agree, at least, to cease and remedy the actions that may characterize a breach of the rules of the relevant ANBIMA Code of Regulation and Best Practices (“Deed of Undertaking”).

Sole Paragraph - The execution of the Deed of Undertaking shall not imply a confession of the matter of fact nor an acknowledgment of the illegality of the conduct under examination.

Article 27 - Upon receipt of the proposal for execution of an Deed of Undertaking, which shall be executed by legal representatives for the parties interested in the Regulation and Best Practices Proceedings, or by the parties themselves, the reporting member shall sent it to the Board of Regulation and Best Practices which shall decide on the acceptance or rejection thereof.

Paragraph 1 - The Board of Regulation and Best Practices shall also deliberate on the Deeds of Undertaking submitted before commencement of proceedings.

Paragraph 2 - Upon examination of the proposal of the Deed of Undertaking, the Board of Regulation and Best Practices shall take into consideration its convenience and opportunity, as well as the nature of the alleged breach.

Paragraph 3 - The reporting member, within the limits set by the Board of Regulation and Best Practices, may negotiate with the parties interested in the Regulation and Best Practices Proceedings the conditions for acceptance of the Deed of Undertaking.

Article 28 - Acceptance of the Deed of Undertaking by the Board of Regulation and Best Practices shall be formalized through the execution of the proposal of the Deed of Undertaking by the reporting member, together with the Chairman of the Board of Regulation and Best Practices.

Article 29 - The ANBIMA’s Regulation and Best Practices Proceedings shall remain suspended until the obligations stipulated in the Deed of Undertaking are duly performed, whereupon said proceedings shall be closed. In the event of breach of the Deed of Undertaking during the term thereof, the proceedings shall resume their course, in which case a new Deed of Undertaking shall not be accepted.

Sole Paragraph - For purposes of the main clause herein, the parties interested in the Regulation and Best Practices Proceedings shall prove to the reporting member the due performance of all obligations assumed in the Deed of Undertaking. The reporting member shall inform such fact to the Chairman of the Board of Regulation and Best Practices, which shall close the proceedings *ex officio*. The reporting member shall be allowed, in the event of doubts as to the correct performance of the Deed of Undertaking, submit the closing of the proceedings to the Board of Regulation and Best Practices.

CHAPTER VI – AGREEMENT FOR APPLICATION OF PENALTIES AND EXECUTION OF DEEDS OF UNDERTAKING

Article 30 - Upon adjudication of any breach committed against ANBIMA Codes of Regulation and Best Practices, Participating Institutions may ask, based on any similar breach, that ANBIMA considers an Deed of Undertaking already executed or a penalty already applied by CVM (the Brazilian Securities and Exchange Commission) on such Member Institution, upon observance of the agreement relative to the penalties to be applied and the execution of deeds of undertaking made between ANBIMA and CVM to such effect.

Paragraph 1 - For purposes of the provision in the main clause herein, Participating Institutions shall submit a prior request asking CVM to provide ANBIMA with all the information it has had access to in respect of the case under scrutiny.

Paragraph 2 - Following analysis of the information referred to in Paragraph 1 herein, should the Board of Regulation and Best Practices deem fit, it may consider, for purposes of execution of the Deed of Undertaking requested by the Participating Institution, either the content of the Deed of Undertaking executed, or the penalty applied, by CVM.

Paragraph 3 - The Board of Regulation and Best Practices may also, should it deem fit, upon determination of the penalties to be imposed, take into consideration the content of the Deed of Undertaking executed or the penalty applied by CVM.

Article 31 - Should the Participating Institution request CVM to consider the Deed of Undertaking already executed or the penalty already applied by ANBIMA on said Participating Institution due to a similar breach, ANBIMA shall then provide CVM with all the information it has had access to in respect of the case under scrutiny, provided that the Participating Institution so requests.

CHAPTER VII – FINAL AND TRANSITIONAL PROVISIONS

Article 32 - Whenever the outcome of a decision on a Regulation and Best Practices Proceedings involves an issue of general interest for the regulation and best practices business developed by ANBIMA's Market Supervision, the Board of Regulation and Best Practices, upon due observance of the *quorum* for inception under Paragraph 2 of Article 18 herein, may issue precedents that shall indicate ANBIMA's position on that matter.

Sole Paragraph - The precedents approved by the Board of Regulation and Best Practices shall be published at ANBIMA's website (internet).

Article 33 - ANBIMA shall annul all the procedural actions containing any errors or irregularities. However, under no circumstance whatsoever shall a decision be reversed for purposes of causing the penalty applied to be harsher.

Article 34 - The time periods referred to in the provisions of this Code shall start running on the first business day following notice served on the interested party, and shall end on the relevant expiration date.

Paragraph 1 - Computation of all time-periods shall be suspended between December 20th and January 6th.

Paragraph 2 - 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 time period shall be deemed to be extended until the first subsequent business day.

Article 35 - The time-limit for commencement of ANBIMA's Regulation and Best Practices Proceedings expires within one (1) year from the date of the act or, for permanent or continued breaches, from the date on which it was first ceased.

Paragraph 1 - The computation of the limitation period referred to in the main clause herein shall be interrupted and will be resumed on the date the fact becomes known to ANBIMA.

Paragraph 2 - The time-limit to end ANBIMA's Regulation and Best Practices Proceedings shall be three (3) years, from the date of determination of its commencement, and it may be extended only once, at the discretion of the Board of Regulation and Best Practices.

Paragraph 3 - The time-limit for presentation of a request for review expires within one (1) year from the date that the parties interested in the Regulation and Best Practices Proceedings are notified of the judgment.

Article 36 - 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 had access to by virtue of their functions.

Article 37 - Communication of procedural acts and terms may be made by registered letter, against receipt, electronic mail or any other communication channels, in that the access to the case records or any manifestation on ANBIMA's Regulation and Best Practices Proceedings by the interested parties shall be deemed to remedy the lack of communication.

Sole Paragraph - In order for communication via electronic mail to be deemed valid, it shall be sent to an address that must be informed to ANBIMA in advance by the interested party, for such specific purpose.

Article 38 - Case records of ANBIMA's Regulation and Best Practices Proceedings shall be numbered in sequence and initialed.

Article 39 - The party interested in ANBIMA's Regulation and Best Practices Proceedings shall make proof of all the facts alleged by it.

Article 40 - All the manifestations provided for herein shall be submitted by a person duly empowered to do so.

Article 41 - The Boards of Regulation and Best Practices shall decide on any omissions and loopholes in this Code.

Article 42 - This Code applies only to those proceedings concerning ANBIMA's Regulation and Best Practices Proceedings, and the other aspects, such as composition, functioning and competence of ANBIMA's Technical Areas, Monitoring Commissions and Boards of Regulation and Best Practices.

Article 43 - ANBIMA's Regulation and Best Practices Proceedings which, on this present date, have already been commenced, shall proceed upon observance of the procedural rules set out herein; however, any other procedural acts already taken to date shall remain valid.

Sole Paragraph - Under no circumstance whatsoever shall any provision of this Code retroact, for purposes of altering procedural acts already made under the rules prevailing at the time of exercise thereof.

Article 44 - All procedural rules relative to ANBIMA's Regulation and Best Practices Proceedings conflicting with the provisions of this Code are hereby expressly revoked.

Article 45 - This Code is effective as of June 1st 2013.