



BANCO CENTRAL DO BRASIL

RESOLUTION No. 4122, AUGUST 2nd, 2012

Sets the requirements and procedures for the establishment, authorization to operate, cancellation of authorization, control alterations, corporate reorganizations and conditions for holding offices in bodies foreseen by bylaws or articles of association of the institutions mentioned therein.

The Central Bank of Brazil, in the form of the Article 9 of Law no. 4595, of December 31st, 1964, makes public that the National Monetary Council, in extraordinary session held on August 2nd, 2012, based on Article 4(VIII), and Article 10(XI), of the said Law, in Law no. 4728, of July 14th, 1965, in Article 20, Paragraph 1, of Law no. 4864, of November 29th, 1965, in Law no. 6099, of September 12th, 1974, and on Article 1 of the Provisional Measure no. 2192-70, of August 24th, 2001,

R E S O L V E D :

Article 1. This Resolution establishes, in accordance with the Regulations on Annexes I and II, respectively:

I - requirements and procedures for the authorization of establishment and operation, the cancellation of the authorization and control changes and corporate reorganizations of universal banks, commercial banks, investment banks, development banks, foreign exchange banks, credit, financing and investment companies, real estate credit companies, mortgage companies, development agencies, leasing companies, securities brokerage companies, securities distribution companies and foreign exchange brokerage companies; and

II - conditions for holding offices in bodies foreseen by bylaws or articles of association of financial institutions and other institutions authorized to operate by the Central Bank of Brazil.

Article 2. The Central Bank of Brazil shall issue provisions on:

I - the documents required in the proceedings related to the matters referred to in this Resolution;

II - the deadlines to be observed in the documentation of proceedings.

Article 3. The Central Bank of Brazil, in the course of the analysis of subjects mentioned in this Resolution, may:

I - request any additional documents and information it deems necessary for the decision on the claim, even to overseas authorities;



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II - call for technical interview members of the control group, holders of qualified holdings and the nominees, elected or appointed for holding offices in the institution's bodies foreseen by bylaws or articles of association.

Article 4. The Central Bank of Brazil, in the analysis of the proceedings of this Resolution, considering the circumstances of each case and the context of the facts, may release, exceptionally and with a view to the public interest, duly justified, the compliance with the conditions established for the entry in the control group of the institutions mentioned Article 1(I) or for holding the offices mentioned in Article 1(II).

Article 5. The Central Bank of Brazil can reject requests related to the matters referred to in this Resolution, if it be ascertained:

I - circumstance that may affect the reputation of administrators, members of the control group, of holders of qualified participation;

II - falsehood in statements or documents presented in the initiation of the proceedings.

Sole Paragraph - In the cases mentioned in this Article, the Central Bank of Brazil will grant a deadline for the interested parties to submit justifications.

Article 6. For the purposes of the provisions of this Resolution, it is understood as:

I - qualified capital participation: direct or indirect capital participation, owned by natural persons or legal entities, equivalent to 15% (fifteen per cent) or more of stocks or quotas representing the capital of the institutions mentioned in Article 1(I);

II - control group: person, or group of people bound by agreement of votes or under common control, holding stockholder rights corresponding to the majority of the voting capital of a corporation or 75% (seventy five per cent) of the capital stock of a limited company. (Amended by Resolution no. 4279, of 10/31/2013.)

Sole Paragraph - In cases where the control of the company is not identified according to the criteria referred to in Article 6, heading (II), the Central Bank of Brazil can use other elements to identify the control group.

Article 7. The Central Bank of Brazil may file requests related to the subjects of this Resolution when:

I - there is noncompliance to any of the deadlines laid down in this Resolution; or

II - are not met additional requests of document presentation, provision of information, attendance for technical interviews or other requests related to the proceedings, within the deadline indicated.

Article 8. Checked, at any time, falsehood in statements or in the documents presented in the proceedings laid down in this Resolution and considering the relevance of the facts omitted or distorted, based on the circumstances of each case and the public interest, the Central Bank of Brazil may:



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I - in the case of proceedings concerning authorization for establishment and operation, review the decision authorizing the operation of the institution;

II - in the event of a change in control, corporate reorganization or acquisition of qualified capital participation, determine that the operation be regularized;

III - in case of election or appointment for holding offices in the institution's bodies foreseen by bylaws or articles of association, review the decision which approved the election or appointment.

Paragraph 1 - In the hypothesis described in the heading of this Article, the Central Bank of Brazil must initiate administrative proceedings, notifying the interested party, at the address provided to the Autarchy, to give explanations about the irregularity discovered.

Paragraph 2 - The interested party shall be notified by public notice, in case it is not found at the address provided to the Central Bank of Brazil.

Paragraph 3 - The measures provided in this Article may also be adopted in case it is discovered, at any time, circumstances either pre-existing or subsequent to the election or appointment that could affect the reputation of the individuals elected or appointed to offices in bodies foreseen by bylaws or articles of association.

Paragraph 4 - The pertinent registry agency will be communicated of the measure adopted by the Central Bank of Brazil.

Article 9. The Central Bank of Brazil is authorized to issue the rules necessary for the execution of the provisions of this Resolution.

Article 10. This Resolution comes into force on the date of its publication.

Article 11. Resolutions 3040, of November 28th, 2002, 3041, of November 28th, 2002, and 3141, of November 27th, 2003, are hereby revoked, except with respect to requests of authorization filed with the Central Bank of Brazil until the publication of this Resolution, which will continue to be governed by the provisions of the Resolutions above mentioned.

Alexandre Antonio Tombini
President of the Central Bank of Brazil

This text does not replace what was published in DOU, the Federal Official Gazette, of 8/6/2012, Section 1, p. 14-17, and in the Sisbacen.



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REGULATION ANNEX I TO RESOLUTION NO. 4122, OF AUGUST 2nd 2012

Regulates the requirements and procedures for the authorization of establishment and operation, the cancellation of the authorization and control changes and corporate reorganizations of the institutions mentioned therein.

Article 1. Universal banks, commercial banks, investment banks, development banks, foreign exchange banks, credit, financing and investment companies, real estate credit companies, mortgage companies, development agencies, leasing companies, securities brokerage companies, securities distribution companies and foreign exchange brokerage companies are subject to the provisions of this Regulation.

CHAPTER I

ESTABLISHMENT AND AUTHORIZATION TO OPERATE

Article 2. The operation of the institutions mentioned in Article 1 assumes:

I - establishment, according to applicable legislation, this Resolution and other regulations in effect;

II - authorization to operate.

Article 3. In the proceedings for establishment, a technically qualified person in charge of conducting the project before the Central Bank of Brazil must be identified as well as the group organizing the institution, which shall include representatives of the future control group and of the future holders of qualified capital sharing.

Article 4. The proceedings for establishment of the institutions mentioned in Article 1 will commence with the presentation, to the Central Bank of Brazil, of:

I - draft statement of purpose envisaged in Article 6(I);

II - executive summary of the business plan mentioned in Article 6(II), whose minimum content will be defined by the Central Bank of Brazil;

III - identification of members of the control group of the institution and of holders of qualified capital participation in the institution, with their respective stockholdings, accompanied by the statement mentioned in Article 4 of Annex II to this Resolution;



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IV - identification of natural persons and legal entities that make up the economic group the institution will participate and which could exercise direct or indirect influence on their business;

V - statements and documents that show that the control group members hold knowledge about the business and market segment in which the institution intends to operate, even about the aspects related to market dynamics, sources of operational resources, management and risks associated with operations;

VI - identification of the origin of the resources to be used in the project;

VII - express authorization by all members of the control group and by all holders of qualified capital participation:

a) to the Brazilian Internal Revenue Service, to supply to the Central Bank of Brazil a copy of the tax returns, concerning earnings, assets and rights, and debts and encumbrance, related to the last three fiscal years, for exclusive use in the respective proceedings for authorization;

b) to the Central Bank of Brazil, to access the information in any public or private database and information system, including proceedings and procedures, either judicial or administrative, and police investigations.

Sole Paragraph - In case of shared control, the requirement mentioned in item V of the heading of this Article may be met, at the discretion of the Central Bank of Brazil, by part of the members of the control group. (Added by Resolution no. 4279, of 10/31/2013.)

Article 5. Received the documentation drawn up in accordance with Article 4, the Central Bank of Brazil shall convene the institution's future owners of controlling interest for technical interview in order to present the proposal of project.

Paragraph 1 - If the Central Bank of Brazil deems inappropriate the proposal of project, it shall communicate the decision to the interested parties, and may convene them for a new technical interview, in case they reintroduce the proposal, with the necessary adjustments.

Paragraph 2 - If, after the second technical interview, the Central Bank of Brazil keeps their unfavorable understanding to the project proposal presented, it shall communicate the rejection of the request.

Paragraph 3 - The Central Bank of Brazil may dispense the undertaking of the technical interview, communicating this fact to interested parties, if:

I - the proposal of project is sufficiently delineated in the Executive Summary and future owners of controlling interest have demonstrated the necessary knowledge about the business and market segment in which the institution intends to operate;

II - the request for authorization to operate is formulated by the institution mentioned in Article 1 or by natural persons or legal entities that integrate the control group of the institution mentioned in Article 1.



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Article 6. The interested parties must, within 60 (sixty) days counting from the favorable decision of the Central Bank of Brazil regarding the proposal of the project, comply with the following conditions:

I - publication of the statement of purpose by the natural persons or legal entities that do not integrate the control group of the institutions mentioned in Article 1, under the terms and conditions established by the Central Bank of Brazil, which also must disclose it, using for this purpose, the means it deems appropriate;

II - submission of a business plan consisting of the following documents, covering the period stipulated by the Central Bank of Brazil in the form of the Paragraph 2 of this Article:

a) the financial plan, that must demonstrate the economic and financial feasibility of the project and which shall include:

1. economic premises;
2. project premises;
3. methodology used for the evaluation of the business;
4. projection, on a monthly basis, of financial statements and cash flows;
5. capital structure and financing sources;
6. estimate of the discount rate, based on a widely accepted methodology for calculating cost of equity;
7. calculation of Net Present Value (NPV) of the project based on the Free Cash Flow to Equity;
8. description of the critical variables for the success of the project, as well as the construction of three scenarios (base, conservative and ideal), so that it is possible to check the impact of changes of these variables on the results obtained;

b) market plan, which should include the following topics:

1. strategic goals of the project;
2. description of the market on which the institution intends to operate, contemplating the risks existing in it and arising from any business concentration;
3. target audience;
4. major products and services to be offered;
5. analysis of the competition;
6. technologies to be used in product placement and sizing of the service structure;

c) operation plan, detailing the following aspects:



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1. the ownership structure of the institution and of the economic group to which it belongs, indicating, at all levels of capital participation, the members of the control group, holders of qualified capital sharing, foreign stockholders or quotaholders, if any, as well as the quantities and species of stocks or quotas held, until it is evidenced who are the final owners of controlling interest;

2. the relationship that the institution intends to keep with other natural persons or legal entities that make up the economic group of which it is part;

3. the standards of corporate governance and the business management structure;

4. the organizational chart of the institution and the personnel policy;

5. the physical structure;

6. internal controls, the structure to be used in risk management, contingency plans to be adopted and an indication of the systems, procedures and controls to be used for detection and prevention of transactions whose characteristics may indicate the existence of the crimes described in Law no. 9613, of March 3rd, 1998;

7. the proposed structure to comply with the requirements of the Central Bank of Brazil regarding the provision of information for statistical and supervisory purposes and the disclosure of financial statements in the established standards;

III - submission of drafts of corporate acts for establishment of the legal entity subject to authorization to operate;

IV - demonstration of economic and financial capability compatible with the size, nature and purpose of the project, to be met, at the discretion of the Central Bank of Brazil, by the control group or individually by each member of the control group;

V - no restrictions that may, in the judgment of the Central Bank of Brazil, affect the reputation of owners of controlling interest and holders of qualified capital sharing, applying, as applicable, the requirements set out in Articles 2 and 3 of Annex II of this Resolution.

Paragraph 1 - The Central Bank of Brazil, in the cases it deems necessary, may require:

I - publication of a statement of purpose on the part of natural persons or legal entities that integrate the control group of institution mentioned in Article 1;

II - commitment to the conclusion of a stockholders and quotaholders agreement contemplating the express definition of the control group of the institution subject to the proceedings.

Paragraph 2 - With reference to the documents mentioned in Article 6, heading (II), the Central Bank of Brazil, taking into account the nature and the size of the institution, may:



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I - stipulate a minimum period of coverage to be considered in the preparation of these documents;

II - adapt the established requirements.

Paragraph 3 - It is released:

I - the publication of the statement of purpose mentioned in item I of the heading of this Article, in cases of establishment of development agencies;

II - the forwarding of the financial plan mentioned in Article 6, heading (II)(a), in case of establishment of securities brokerage companies, securities distribution companies and foreign exchange brokerage companies.

Paragraph 4 - In the event described in Article 6, Paragraph 3(II), the financial plan must stay at the headquarters of the company during the stipulated period in the terms of Article 6, Paragraph 2, and the Central Bank of Brazil may require its presentation at any time during this period.

Article 7. Within 180 (one hundred and eighty) days from the reception of the favorable manifestation of the Central Bank of Brazil regarding the compliance with the conditions envisaged by Article 6, the interested parties must:

I - formalize the corporate acts of establishment of the legal entity subject the authorization to operate by the Central Bank of Brazil, leading them, after the approval of the Autarchy, to filing with the Trade Registry;

II - implement the organizational structure, contemplating the structure of corporate governance, business management, internal controls and risk management, the hiring of electronic systems and manpower, the acquisition of equipment and the adoption of all other measures envisaged in the business plan and necessary to the activities of the institution;

III - submit to the Central Bank of Brazil the request of an inspection in order to verify the organizational structure implemented.

Paragraph 1 - The bylaws or articles of association of the legal entity mentioned in Article 7, heading (I), shall contain, expressly, a clause stipulating that:

I - until the issuance of the authorization to operate of the institution, it is forbidden to carry out any activity, especially operations exclusive to the institutions mentioned in Article 1, being allowed only those necessary to comply with the provisions of this Article;

II - the company shall be governed subsidiarily by the Corporations Law, according to Article 1053, Sole Paragraph, of Law no. 10406, of January 10th, 2002 (Civil Code), when not organized as a corporation.

Paragraph 2 - The capital stock of the company mentioned in Article 7, heading (I), shall be paid exclusively in legal tender.



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Paragraph 3 - While the legal entity mentioned in Article 7, heading (I), keeps in its bylaws or articles of association, the restrictive clause mentioned in Paragraph 1(I), its paid-up capital may be restricted to a sufficient amount for the adoption of the measures provided in Article 7(II).

Paragraph 4 - Until the issuance of the authorization to operate by the Central Bank of Brazil, the legal entity mentioned in Article 7, heading (I), shall not be considered by the Autarchy to any purpose, as one of the institutions mentioned in Article 1.

Paragraph 5 – The term mentioned in the heading of this Article may be extended for up to 90 (ninety) days, justifiably, at the discretion of the Central Bank of Brazil. (Added by Resolution no. 4308, of 1/30/2014.)

Article 8. Within 90 (ninety) days from the receipt of the document mentioned in Article 7(III), the Central Bank of Brazil will carry out an inspection in the institution, in order to assess the compatibility between the organizational structure implemented and that envisaged in the business plan. (Amended by Resolution no. 4308, of 1/30/2014.)

Sole Paragraph - In case of incompatibility between the existing organizational structure and the one projected in the business plan, the Central Bank of Brazil will determine a deadline for correction, after which, in the case of neglecting, it shall reject the request.

Article 9. Confirmed the adequacy of the organizational structure, the authorization to operate will depend on the presentation, to the Central Bank of Brazil, within 90 (ninety) days, of evidentiary documentation of the adoption of the following measures:

I - amendment of the bylaws or operation agreement of the legal entity mentioned in Article 7(I), in order to adapt their stock capital to the amount envisaged in the business plan;

II - election of the institution's managers and other members of bodies foreseen by bylaws or articles of association;

III - proof of origin of resources used in the venture.

Article 10. Verified by the Central Bank of Brazil the fulfillment of the conditions mentioned in Article 9, it will be issued the authorization to operate of the institution.

Sole Paragraph - Issued the authorization mentioned in the heading of this Article, the institution will be considered in operation, for the purposes of the application and observance of the legislation in effect.

Article 11. Having started its activities, the institution shall, during the period stipulated by the Central Bank of Brazil in accordance with the Paragraph 2 of Article 6, show, in the management report that accompanies the semiannual financial statements, the adequacy of operations carried out with the strategic objectives set out in the business plan.

Sole Paragraph - Verified, during the period mentioned in the heading of this Article, the inadequacy of operations with the business plan, the institution must present well-



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founded reasons, which shall be examined by the Central Bank of Brazil, which may establish additional conditions for the operation of the institution, setting a deadline for its compliance.

Article 12. In case of requests of authorization to operate made by institutions mentioned in Article 1 or by natural persons or legal entities that integrate the control group of the referred institutions mentioned in Article 1, the requirements laid down in Article 7(II) can be supplied through an operational arrangement to share organizational structures between the legal entity subject to authorization to operate mentioned in Article 7(I) and another company member of the same group.

CHAPTER II

AUTHORIZATION FOR TRANSFER OF CORPORATE CONTROL AND REORGANIZATION

Article 13. The transfer of corporate control and any change, direct or indirect, in the control group, which may imply an alteration in the group of people that conduct the effective management of the institution's business, caused by the reasons listed below, depend on authorization by the Central Bank of Brazil:

I - stockholders or quotaholders agreement;

II - inheritance and acts of disposition of the will, such as donation, advance of legitimate and establishment of usufruct;

III - act, individual or jointly, by any natural person or legal entity, or group of people representing common interest.

IV - conversion into stocks of instruments authorized to integrate the Additional Tier 1 or Additional Tier 2 of the Regulatory Capital mentioned in Resolution no. 4192, of 3/1/2013. (Added by Resolution no. 4279, of 10/31/2013.)

Sole Paragraph - The provisions of this Article do not apply to transfers of corporate control to legal entities in which no change occurs in the institution's group of final owners of controlling interest.

Article 14. The following subjects also depend on the authorization of the Central Bank of Brazil:

I - change of corporate goal, subject to the provisions of Article 19;

II - creation or cancellation of the operating portfolio by a universal bank;

III - merger, split or incorporation;

IV - corporate transformation.



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Article 15. The requests mentioned in Articles 13 and 14 shall observe the following conditions:

I - in the cases envisaged in Article 13, it must be forwarded the documents and met the conditions laid down in Article 4(I, III, IV, V and VII) and in Article 6(I, IV and V), as well as proof of origin of the resources used in the operation;

II - in the cases envisaged in Article 14, a grounded justification must be given for the operation.

Sole Paragraph - The Central Bank of Brazil, in the analysis of the proceedings mentioned in the heading of this Article, may convene the interested parties to carry out technical interviews, demand the submission of additional documents and the fulfillment of other requirements set out in the Articles 4 to 8.

Article 16. The following operations must be submitted to the Central Bank of Brazil, under the conditions it establishes:

I - entry of a stockholder or quotaholder with qualified capital participation or with corresponding rights to qualified capital participation;

II - the assumption of the condition of stockholder or quotaholder owning a qualified capital participation;

III - increase of the percentage of the qualified capital participation equal to or greater than 15% (fifteen per cent) of the institution's capital, in an aggregate form or not.

Paragraph 1 - The Central Bank of Brazil may request information and documents deemed necessary for the perfect clarification of the operation, including in what regards the origin of the resources used in such operation and the reputation of those involved.

Paragraph 2 - Examined the aspects of the operation mentioned in Paragraph 1 and found any irregularity, the Central Bank of Brazil may determine that the operation be regularized through its undoing or alienation of the qualified capital participation.

Paragraph 3 - The provisions of this Article do not apply to qualified participation resulting from conversion into stocks of instruments authorized to integrate the Additional Tier 1 or Additional Tier 2 of the Regulatory Capital mentioned in Resolution no. 4192, of 2013. (Added by Resolution no. 4279, of 10/31/2013.)

Paragraph 4 - The qualified participation mentioned in Paragraph 3 of this Article shall be reported to the Central Bank of Brazil within the deadline it sets. (Added by Resolution no. 4279, of 10/31/2013.)

CHAPTER III

STRUCTURE OF CORPORATE CONTROL



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Article 17. Direct corporate capital participation involving control of institutions mentioned in Article 1 can only be exercised by:

I - natural persons;

II - financial institutions headquartered in the country or abroad and other institutions authorized to operate by the Central Bank of Brazil;

III - other legal entities headquartered in the country whose sole corporate goal is the capital participation in financial institutions and other institutions authorized to operate by the Central Bank of Brazil.

Paragraph 1 - The provisions of the heading of this Article do not apply to:

I - development agencies;

II - institutions established before November 28th, 2002, as long as the control structure existing at that date keeps unchanged.

Paragraph 2 - The entry of a partner or quotaholder as a member of the control group requires the compliance with the provisions of the heading of this Article.

Paragraph 3 - (Revoked by Resolution no. 4308, of 1/30/2014).

Article 17-A. The Central Bank of Brazil may require the formalization of a stockholders or quotaholders agreement containing the express definition of corporate control, direct or indirect, when deemed necessary. (Added by Resolution no. 4308, of 1/30/2014.)

Article 18. It depends on the absence of any objection on the part of the supervisor in the country of origin:

I - the establishment, in the country, of a subsidiary of financial institutions headquartered abroad;

II - the entry of a financial institution headquartered abroad in the direct or indirect control group of an institution mentioned in Article 1.

CHAPTER IV

CANCELLATION OF THE AUTHORIZATION TO OPERATE

Article 19. The dissolution of the company or changing of its corporate goal, so that the company loses the characteristics of an institution which integrates the financial system, implies the cancellation of the respective authorization to operate.

Article 20. The following are indispensable requirements for the cancellation, upon request, of the authorization to operate of the institutions mentioned in Article 1:



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I - publication of the statement of purpose under the terms and conditions established by the Central Bank of Brazil, which must also disseminate such statement, using for this purpose, the means it deems appropriate;

II - deliberation in a general assembly or meeting of quotaholders, as the case may be;

III - documentation of the respective proceedings with the Central Bank of Brazil under the terms and conditions set by it.

Paragraph 1 - In addition to the requirements established in this Article, the Central Bank of Brazil may suspend the cancellation until all liability operations typical of institutions mentioned in Article 1 are settled.

Paragraph 2 - The provisions of this Article do not apply to the extinction of a company resulting from a merger, split-up or amalgamation, since the resulting or succeeding institution be authorized to operate by the Central Bank of Brazil.

Article 21. The Central Bank of Brazil may cancel the authorization to operate of the institutions mentioned in this Resolution, when found, at any time, one or more of the following situations:

I - lack of usual practice of operations considered essential, in accordance with the applicable rules, to the institutions mentioned in Article 1 of this Regulation;

II - lack of operating activity;

III - the no localization of the institution at the address informed to the Central Bank of Brazil;

IV - interruption, by more than 4 (four) months, without justification, of the delivery to the Central Bank of Brazil of financial statements required by legislation in effect;

V - lack of compliance with the business plan mentioned in Article 6(II), considering the period of verification mentioned in Article 11.

Paragraph 1 - The Central Bank of Brazil, prior to the cancellation of the mentioned in the heading of this Article, shall:

I - disseminate to the public, through the means it deems most appropriate, its intention to cancel the authorization mentioned, aiming at the possible presentation of objections within 30 (thirty) days;

II - initiate administrative proceedings, notifying the institution at the address provided to the Central Bank of Brazil to declare its intention of cancellation;

III - consider the risks of the cancellation for the stability of the national financial system, for popular savings and for operational creditors of the institution.



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Paragraph 2 - In the case of Article, heading (III), or not being found the interested party, the notification mentioned in Paragraph 1(II) shall be carried out by means of a public notice.

Paragraph 3 - Confirmed the cancellation mentioned in the heading of this Article, the Central Bank of Brazil will communicate the fact to the Registry of Trade or the competent registry organ.



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REGULATION ANNEX II TO RESOLUTION No. 4122, OF AUGUST 2nd 2012

Regulates the conditions for holding duties in offices of bodies foreseen by bylaws or articles of association of financial institutions and other institutions authorized to operate by the Central Bank of Brazil.

Article 1. The inauguration and performance of duties in offices of bodies foreseen by bylaws or articles of association of financial institutions and other institutions authorized to operate by the Central Bank of Brazil are exclusive to people whose election or appointment has been accepted by the Autarchy, which is the competent body to analyze the respective proceedings and make decisions as deemed appropriate.

Paragraph 1 - The election or appointment of members of bodies foreseen by bylaws or articles of association shall be submitted to the approval of the Central Bank of Brazil, within 15 (fifteen) days of its occurrence, properly accompanied by the documentation set by the Autarchy.

Paragraph 2 - The provisions of this Resolution are not applicable to federal public financial institutions, whose members of bodies foreseen by bylaws or articles of association are inaugurated in their offices according to the legislation in effect, without prejudice of the obligation to communicate the respective acts of election or appointment to the Central Bank of Brazil within 15 (fifteen) days from the occurrence of such facts.

Article 2. The following are conditions for the performance of duties in offices mentioned in Article 1, in addition to other required by legislation and by the regulation in effect, to wit, that the elected or appointed person:

I - has good repute;

II - is resident in the country, in cases of a director, managing partner and member of the statutory audit committee;

III - is not prevented by special law, nor convicted of bankruptcy crime, tax evasion, malfeasance, active or passive corruption, concussion, embezzlement, crime against the popular economy, public faith, the property or the National Financial System, or convicted to criminal penalty that prohibits, albeit temporarily, the access to public offices;

IV - is not held as unfit or suspended for the performance of duties of member of the statutory audit committee, member of the board of directors, member of the executive board or managing partner in the institutions mentioned in Article 1 or in private pension entities, insurance companies, capitalization companies, publicly held companies or entities subject to supervision by *Comissão de Valores Mobiliários*, the Brazilian securities and exchange commission;



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V - is not currently responding, nor any company of which he or she is an owner of controlling interest or administrator, by protest of securities, judicial collection, issuing checks without funds, default of obligations and other occurrences or similar circumstances;

VI - is not declared bankrupt or insolvent;

VII - has not been either an owner of controlling interest or administrator, over the 2 (two) years preceding the election or appointment, of a firm or company object of declaration of insolvency, liquidation, intervention, bankruptcy or judicial reorganization.

Sole Paragraph - In the cases of elected or appointed individuals who do not comply with the provisions of this Article, heading (V to VII), the Central Bank of Brazil may analyze the individual situation of the applicants in order to assess the possibility of accepting the ratification of their names.

Article 3. In order to assess compliance, by the elected or appointed person, regarding the requirement mentioned in Article 2(I), the Central Bank of Brazil may take into account the following situations and occurrences:

I - criminal proceedings or police investigation that is being answered by the elected or appointed person, or any company that he or she has been, at the time of the facts, owner of controlling interest or administrator;

II - judicial or administrative proceedings related to the National Financial System;

III - other situations, occurrences or similar circumstances deemed relevant by the Central Bank of Brazil.

Sole Paragraph - In the analysis regarding the parameters laid down in this Article, the Central Bank of Brazil will consider the circumstances of each case, as well as the context in which the election of the applicants occurs, in order to assess the possibility to accept or decline their names, in view of the public interest.

Article 4. Without prejudice to other documents necessary for the proceedings, those elected or appointed to hold offices in bodies foreseen by bylaws or articles of association of the institutions mentioned in Article 1 shall submit to the Central Bank of Brazil the authorizations described in Article 4(VII), of Annex I of this Resolution and statement accounting that they possibly fit in any of the situations envisaged in Articles 2 and 3, in the manner to be defined by the Central Bank of Brazil, subject to the provisions of Article 8 of this Resolution.

Paragraph 1 - If the elected or appointed fits in any of the situations mentioned in Article 3, such circumstances should be informed in the statement mentioned in the heading of this Article, which should be accompanied by documents that enable the assessment of the nature and the stage of the occurrences reported.

Paragraph 2 - The acceptance, by the Central Bank of Brazil, of names for the holding the offices mentioned in Article 1 does not exempt the elected or appointed, the



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institution, its owners of controlling interest and administrators of the responsibility for the veracity of the information given to the Autarchy.

Article 5. It is also a condition for holding the offices of member of the board of directors, member of the executive board or managing partner of the institutions mentioned in Article 1 to possess technical qualification compatible with the duties of the office to which he or she was elected or appointed.

Paragraph 1 - The technical qualification mentioned in the heading of this Article must be evidenced by academic background, professional experience or other items deemed relevant, by means of documents and statement signed by the institutions mentioned in Article 1, submitted to the assessment of the Central Bank of Brazil simultaneously with the documentation foreseen in Article 4.

Paragraph 2 - The statement mentioned in Paragraph 1 is released in case of election of members of the board of directors, members of the executive board and managing partners with an active term of office in the institution itself or in another institution integrating the financial conglomerate.

Article 6. A statement of purpose shall be published, with a view to holding offices of member of the board of directors, member of the executive board or managing partner of the institutions mentioned in the Annex I of this Resolution and of full-service credit unions, in respect of individuals elected or appointed, whose names have not been previously approved by the Central Bank of Brazil for the exercise of such offices in these institutions. (Amended by Resolution no. 4434, of 8/5/2015.)

Sole Paragraph - The Central Bank of Brazil may, if deemed necessary, adopt the following measures regarding the statement of purpose mentioned in the heading of this Article, both in specific cases and by establishing general rules and procedures:

I - determine its publication, in case of persons elected or appointed to offices of member of the board of directors, member of the executive board or managing partner and, even, in the case of those whose names have already been previously accepted by the Central Bank of Brazil;

II - establish the form and term for its publication, as well as a deadline for receiving objections from the public, with a view to the progress of the proceedings;

III - disseminate the statement of purpose by the medium it deems appropriate.

Article 7. The term of 60 (sixty) days mentioned in Article 33, Paragraph 1, of Law no. 4595, of December 31st, 1964, shall be counted from the date on which all pieces of information necessary for the Central Bank of Brazil to decide on the proceedings are gathered in the records.

Sole Paragraph - In case the publication of the statement of purpose mentioned in Article 6 is required, the proceedings may only be considered fully documented after the expiry of the deadline set by Central Bank of Brazil to receive objections from the public.



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Article 8. The temporary withdraw of a member of a body foreseen by bylaws of the institutions mentioned in Article 1, caused by a proceeding carried out under the legislation in effect, does not exclude the withdrawn member from the prohibitions applicable to members remaining in office.

Article 9. The Central Bank of Brazil should disclose the names of those elected or appointed accepted by it, using the means it deems most appropriate.

Article 9-A The articles of association of financial institutions and other institutions authorized to operate by the Central Bank of Brazil formed as limited liability companies, in the cases it is so permitted, must contain a clause providing that elected administrators shall have a fixed term of office, not exceeding four years, reelection permitted.

Sole Paragraph - The institutions whose articles of incorporation do not contain the clause mentioned in the heading of Article 9-A shall provide its inclusion in the first assembly or meeting of quotaholders held or until April 30, 2015, whichever occurs first, and hold new elections within the same period.

(Article 9-A added by Resolution no. 4308, of 1/30/2014.)

Article 10. The bylaws or articles of association of the institutions mentioned in Article 1 shall contain a clause explaining that the term of the office of members of bodies foreseen by bylaws or articles of association, with the exception of the statutory audit committee, will extend until the inauguration in office of their replacements.

Article 10-A. The exception mentioned in the heading of Article 10 does not apply to the statutory audit committee of credit unions, so that the term of office of the members of such committee extends until the inauguration in office of their replacements. (Added by Resolution no. 4308, of 1/30/2014.)

Sole Paragraph - The institutions which, on the date of publication of this Resolution, do not have, on its bylaws or articles of association, the clause mentioned in the heading of this Article shall provide the inclusion of such provision in the first amendment of bylaws or articles of association carried out after the publishing of this Resolution.

Article 11. If the name of the person elected or appointed to the offices mentioned in Article 1 is rejected by the Central Bank of Brazil, the institution shall, within 30 (thirty) days from the date on which the rejection becomes final, elect or appoint the substitute of the person not approved.