

Regulation of investments made by Closed-end Private Pension Entities ("EFPC") in Brazil

Chart A – Authorized Investment Segments and respective investment limits

	Authorized investment segments	Investment limits for the funds of each plan managed by EFPCs*	Additional requirements and remarks*
		*Excluding the investment concentration limits described in Chart C	*Excluding the characteristics required from the invested funds described in Chart B
Fixed Income	Os segmentos de investimentos em renda fixa nos quais as EFPC estão autorizadas EFPCs are authorized to invest in the following fixed-income investment segments: I – federal government bonds; II – state and municipal government bonds; III – fixed-income securities issued by institutions authorized to operate by the Central Bank or in which they act as co-obligors; IV – savings deposits at institutions authorized to operate by the Central Bank; V – fixed-income securities issued by publicly-held companies, including Export Credit Notes (Notas de Crédito à Exportação - NCE) and Export Credit Bills (Cédulas de Crédito à Exportação - CCE); VI – bonds of multilateral bodies issued in Brazil; VII – receivables certificates issued by securitization companies; and VIII – shares in receivables investment funds and shares in funds for investment in receivables investment funds.	Investments classified in the fixed-income segment must observe, with respect to the funds of each plan managed by EFPCs, the following limits: I – there are no limits on investments with funds from plans managed by EFPCs in federal government bonds; II – EFPCs may invest up to 80% of the funds from each plan managed by them in securities classified in the fixed-income segment, with the exclusion of federal government bonds, for which there are no investment limits – also observing the individual investment limit for each segment described in item III below; III – EFPCs may invest up to 20% of the funds from each plan managed by them in each one of the following fixed-income investment segments, considered separately: a) bank credit notes (cédulas de crédito bancário - CCB), certificates of bank credit notes (certificados de cédulas de crédito bancário - CCB) and promissory notes; b) export credit notes (notas de crédito à exportação - NCE) and export credit bills (cédulas de crédito à exportação - CCE); c) shares in receivables investment funds (fundo de investimento em dígitos credítoiros - FDC) and shares in funds for investment in shares of receivables investment funds (fundo de investimento em colas de fundos de investimento em dígitos credítoiros - FDCIDC); d) real estate receivables certificates (certificado de recebíveis imobiliários - CR); e) real estate credit notes (cédula de crédito imobiliário - CCI); f) farm product bills (cédula de produto rural - CPR), agribusiness credit rights certificates (certificado de direitos credítoiros do agronegócio - CDCA), agribusiness receivables certificates (certificado de recebíveis do agronegócio - CRA) and farm warrants (warrant agropecuario - WA); or g) all other securities issued by publicly-held companies (except debentures) or by securitization companies.	I. EFPCs may only invest in securities not classified among the authorized fixed-income investments if the following conditions are satisfied, on an alternative basis: a) – if a financial institution authorized to operate by the Central Bank of Brazil secures payment of the security; or b) – if the security is covered by an insurance policy that does not exclude coverage for events related to acts of god or force majeure and that secures payment of an indemnity within fifteen (15) days from maturity of the security. II. Fixed-income investments must be preceded by a risk assessment that takes into account the updated opinion of a risk rating agency operating in Brazil or that is approved by the EFPC's investment committee, except for the following types of fixed-income investments: (a) Investments in federal government bonds; (b) Securities traded on stock exchanges or commodities and futures exchanges; and (c) Shares in investment funds and funds for investment in shares of investment funds classified as "Final Assets" (see the concept of "Final Assets" in Chart B). III. Securities classified in the fixed-income segment acquired by EFPCs must be preferably traded on electronic platforms managed by systems authorized to operate by the Central Bank or by the Brazilian Securities Commission (CVM), subject to the criteria established by the EFPC regulatory bodies. IV. Investments made by EFPCs in real estate credit notes (CCI) must be secured by a guarantee in rem with a value equal to at least the debt's contracted amount; V. EFPCs may only invest in farm warrants (WA) issued by warehouses certified by the Ministry of Agriculture.
Variable Income	EFPCs are authorized to invest in the following variable-income investment segments: I – shares of publicly-held companies and the corresponding equity warrants, subscription receipts and certificates of deposit; II – shares in index funds referenced to a basket of shares of publicly-held companies listed on stock exchanges; III – securities issued by specific purpose entities (SPE); IV – profit sharing debentures; V – certificates of additional construction potential (CEPAC), dealt with in article 34 of Law No. 10257 of July 10, 2001; VI – Certified Emission Reduction (CER) units or voluntary carbon credits listed on stock exchanges, commodities and futures exchanges or organized over-the-counter markets, or registered in a registration, custody and financial settlement system duly authorized by the Central Bank of Brazil or by CVM, in their respective spheres of authority; and VII – gold certificates in the standard traded on commodities and futures exchanges.	Investments classified in the variable-income segment must observe, with respect to the funds of each plan managed by EFPCs, the following limits: I – EFPCs may invest up to 70% of the funds from each plan managed by them in securities classified in the variable-income segment, also observing the individual investment limit for each segment described in item II below. II – For each one of the authorized variable-income investment segments, considered separately: (a) – up to 70% of the plan's funds may be invested in shares of publicly-held companies listed on the Novo Mercado segment of BM&FBovespa; (b) – up to 60% of the plan's funds may be invested in shares of publicly-held companies listed on the Nivel 2 segment of BM&FBovespa; (c) – up to 60% of the plan's funds may be invested in shares of publicly-held companies listed on the Bovespa Mais segment of BM&FBovespa; (d) – up to 45% of the plan's funds may be invested in shares of publicly-held companies listed on the Nivel 1 segment of BM&FBovespa; (e) – up to 35% of the plan's funds may be invested in shares of publicly-held companies not mentioned in items I through IV above and in shares of index funds referenced to shares listed on the stock exchange; (f) – up to 20% of the plan's funds may be invested in securities issued by SPEs; and (g) – up to 3% of the plan's funds may be invested in the other segments classified as variable-income investment segments.	I. Variable-income investments must be preceded by a risk assessment that takes into account the updated opinion of a risk rating agency operating in Brazil or that is approved by the EFPC's investment committee, except for the following types of variable-income investments: (a) shares and other securities traded on stock exchanges or commodities and futures exchanges; (b) shares in index funds referenced to a basket of shares of publicly-held companies listed on stock exchanges; and (c) shares in SPEs, unless the investment presumes the provision of guarantees by the EFPC. II. EFPCs may only invest in securities of SPEs that meet the following requirements: (a) the SPE must have been set up to finance a real project; (b) the SPE must have a stated duration period, established on its organization date; (c) the SPE's activities must be restricted to those set forth in its corporate purpose, as defined on its organization date; (d) the SPE's bylaws must include a prohibition against the issue of securities in favor of participation certificates (partes beneficiárias) and a statement that there are no such securities outstanding; (e) the SPE's bylaws must include a provision establishing that the company will have a Board of Directors where all members will have a unified term of office of up to two years; (f) the SPE's bylaws must include a provision establishing that agreements with related parties, shareholders' agreement and option plans for purchase of shares, bonds or other securities issued by the company will be made widely available; (g) the SPE's bylaws must include a provision establishing that corporate conflicts will be referred to an arbitration chamber; (h) the SPE's bylaws must include a provision establishing that its accounting statements will be audited annually by independent auditors registered with CVM; and (i) the SPE's bylaws or internal regulations must include a formal commitment to the effect that, if the company goes public, it will adhere to a special segment of BM&FBovespa that ensures, at least, differentiated levels of corporate governance practices. III. Before investing in shares of SPEs, the EFPC must assess the economic and financial feasibility of the project.
Structured Investments	EFPCs are authorized to invest in the following structured investment segments: I – shares in equity investment funds and shares in funds for investment in shares of equity investment funds; II – shares in venture capital funds; III – shares in real estate investment funds; and IV – shares in investment funds and shares in funds for investment in shares of investment funds classified as hedge funds which have regulations that observe exclusively the legislation established by CVM, applying the limits, requirements and conditions established for non-qualified investors, pursuant to CVM regulations.	Investments classified in the structured investment segment must observe, with respect to the funds of each plan, the limit of 20%, also observing the following limits: I – up to 10% in shares of real estate funds; and II – up to 10% in shares of investment funds and in shares of funds for investment in shares of investment funds classified as hedge funds.	I. The investment funds in which EFPCs invest must observe the requirements described in Chart B. II. The companies that make up the portfolios of venture capital funds in which EFPCs invest must meet the following requirements: (a) the venture capital company's acts of incorporation must include a prohibition against the issue of securities in favor of participation certificates (partes beneficiárias) and a statement that there are no such securities outstanding; (b) the venture capital company's acts of incorporation must include a provision establishing that the company will have a Board of Directors where all members will have a unified term of office of up to two years; (c) the venture capital company's acts of incorporation must include a provision establishing that agreements with related parties, shareholders' agreement and option plans for purchase of shares, bonds or other securities issued by the company will be made widely available; (d) the venture capital company's acts of incorporation must include a provision establishing that corporate conflicts will be referred to an arbitration chamber; (e) the venture capital company's acts of incorporation must include a provision establishing that its accounting statements will be audited annually by independent auditors registered with CVM; and (f) the venture capital company's acts of incorporation must include a formal commitment to the effect that, if the company goes public, it will adhere to a special segment of BM&FBovespa that ensures, at least, differentiated levels of corporate governance practices.
Investments abroad	EFPCs are authorized to invest in the following investment abroad segments: I – assets issued abroad included in the portfolios of funds organized in Brazil, subject to CVM regulations; II – shares in investment funds and shares in funds for investment in investment funds classified as foreign debt funds; III – shares in foreign index funds listed on stock exchanges in Brazil; IV – certificates of deposit of securities backed by shares of foreign-based publicly-held or similar companies – Brazilian Depositary Receipts (BDR) –, pursuant to CVM regulations; and V – shares of foreign companies headquartered within the Common Market of the South (Mercado Comum do Sul - MERCOSUR).	EFPCs may invest up to 10% of the funds from each plan managed by them in the investment abroad segment.	I. The investments funds in which EFPCs invest must observe the requirements described in Chart B. II. The companies that make up the portfolios of venture capital funds in which EFPCs invest must meet the following requirements: (a) the venture capital company's acts of incorporation must include a prohibition against the issue of securities in favor of participation certificates (partes beneficiárias) and a statement that there are no such securities outstanding; (b) the venture capital company's acts of incorporation must include a provision establishing that the company will have a Board of Directors where all members will have a unified term of office of up to two years; (c) the venture capital company's acts of incorporation must include a provision establishing that agreements with related parties, shareholders' agreement and option plans for purchase of shares, bonds or other securities issued by the company will be made widely available; (d) the venture capital company's acts of incorporation must include a provision establishing that corporate conflicts will be referred to an arbitration chamber; (e) the venture capital company's acts of incorporation must include a provision establishing that its accounting statements will be audited annually by independent auditors registered with CVM; and (f) the venture capital company's acts of incorporation must include a formal commitment to the effect that, if the company goes public, it will adhere to a special segment of BM&FBovespa that ensures, at least, differentiated levels of corporate governance practices.
Real Estate	EFPCs are authorized to invest in the following real estate investment segments: I – real estate developments; II – real properties for rent and income; and III – other real properties.	EFPCs may invest up to 8% of the funds of each plan managed by them in the real estate segment.	Transactions classified in the real estate segment (including both investments and divestments) must be preceded by an assessment of the value of the assets involved in the transaction.
Transactions with Participants	EFPCs are authorized to engage in the following types of Transactions with Participants in the plans managed by them: I – loans extended with funds from the pension fund to its active and inactive participants; and II – real estate credit extended with funds from the pension plan to its active and inactive participants.	EFPCs may invest up to 15% of the funds from each plan managed by them in Transactions with Participants.	I. The agreements in transactions with active and inactive participants must necessarily include: (a) a clause providing for assignment of the savings reserve; (b) a provision establishing a fiduciary lien (alienação fiduciária) on the financed real property, in the case of real estate loans extended to active and inactive participants; and (c) a provision establishing that insurance be purchased with coverage for death, permanent disability (Morte, Invalidz, Permanente - ME) and property damage (Danos Físicos ao Imóvel - DF), in the case of real estate loans extended to active and inactive participants. II. The financial charges on transactions carried out with participants must necessarily: (a) accrue a transaction management fee; (b) exceed the minimum actuarial rate, in the case of defined benefit plans; and (c) exceed the reference rate established in the investment policy, in the case of plans other than defined benefit plans. Note: investments in securities backed by receivables originating, directly or indirectly, from these transactions are included in the transaction with participants segment. III – registration of the transaction or trade on the stock exchange or commodities and futures exchange; and IV – settlement and clearance providers and chambers acting as central counterparties to secure the transaction.
Derivatives Transactions	The Resolution contemplates the possibility of EFPCs' engaging in derivatives transactions, without specifying the authorized types of transactions.	I. EFPCs may invest up to 3% of the funds of each plan managed by them in derivatives transactions. II. The margin deposit amounts required in derivatives transactions cannot exceed 15% of the amount of the federal government bonds, securities issued by financial institutions and Bovespa Index stock that make up the portfolio of each plan managed by the EFPC; and III. The total amount of option premiums cannot exceed 5% of the amount of the federal government bonds, securities issued by financial institutions and Bovespa Index stock that make up the portfolio of each plan managed by the EFPC.	EFPCs' investments in derivatives must observe, on a cumulative basis, the following conditions: I – prior assessment of the risks involved; II – existence of internal control systems appropriate to their transactions; III – registration of the transaction or trade on the stock exchange or commodities and futures exchange; and IV – settlement and clearance providers and chambers acting as central counterparties to secure the transaction.

General requirements concerning securities acquired by EFPCs, applicable to all authorized investment segments

- The securities acquired by EFPCs, in any authorized segment, must meet the following requirements:
- I. The issue, distribution and trading of the securities acquired by EFPCs must observe the rules established by the Central Bank or by CVM;
- II. There must be only financial settlement of the securities acquired by EFPCs;
- III. The securities acquired by EFPCs must be listed on stock exchanges, commodities and futures exchanges or organized over-the-counter markets, or registered with a registration, custody or financial settlement system duly authorized by the Central Bank of Brazil or by CVM.
- IV. The securities acquired by EFPCs must be deposited in an separate account held by the EFPC with the Special Settlement and Custody System (Sistema Especial de Liquidação e de Custódia - SELIC), with CETIP S.A. – Balcão Organizado de Ativos e Derivativos (CETIP), with BM&FBovespa S.A. – Bósa de Valores, Mercadorias e Futuros (BM&FBovespa) or with asset registration and financial settlement systems authorized to operate by the Central Bank or by CVM, in which it is possible to identify the EFPC and to segregate the EFPC's assets from those of the custody or settlement agent. This rule does not apply to EFPCs investments in securities issued by SPEs, which may be deposited with a legal entity authorized to provide custody services by the Central Bank or by CVM.
- V. The securities acquired by EFPCs must bear an International Securities Identification Number (ISIN Code).

Chart B – Characteristics of investment funds in which EFPCs are authorized to invest ("Investee Funds")

	Characteristics of Investee Funds	Exceptions
Registration with CVM	Investee Funds must be registered with the Brazilian Securities Commission (CVM).	No exceptions to this rule.
Conditions for investments	The investments made through Investee Funds must comply with the investment types, requirements and conditions to which EFPCs are subject.	Exceptions to this rule: I – investment funds and funds for investment in shares of foreign debt funds; II – receivables investment funds and funds for investment in shares of receivables investment funds; and III – investment funds and funds for investment in shares of structured investment funds.
Quantitative investment limits per segment	Investments made through investment funds and funds investing in investment fund shares (fund of funds) must be consolidated with the own portfolio and managed portfolio positions, for the purpose of determining investment limits.	Exceptions to this rule: I – investment funds and funds for investment in shares of foreign debt funds; II – receivables investment funds and funds for investment in shares of receivables investment funds; III – index funds referenced in a basket of publicly-held company shares; and IV – investment funds and funds for investment in shares of structured investment funds.
Shares in investment funds treated as Final Assets	For investment regulation purposes, the "Final Assets" of EFPCs will comprise the shares in investment funds and the shares in investment funds investing in short-term (referenced, fixed-income or stock) investment funds, provided that: I – the regulations, prospectuses or adhesion instruments relating to such funds contemplate: a) the fund organization as a non-exclusive, open-ended pool of funds; b) absence by the limits, requirements and conditions applicable to non-qualified investors under the CVM regulations; and c) disclosure of data on the fund portfolio and operations to the regulatory authorities, in the manner and periodicity determined by these bodies; II – the EFPC investments in investment funds must observe the following limits, cumulatively: a) the EFPC investments in an investment fund cannot exceed an amount equivalent to 10% of the assets that make up each plan managed by the EFPC; and b) the EFPC investments in an investment fund cannot exceed an amount equivalent to 25% of the net asset value of each investment fund or fund of funds.	I. The shares in stock funds that invest in one single company or industry will not qualify as "Final Assets" of EFPCs. II. Compliance with the limit set out in subitem II-b is optional during 60 days after the fund organization date, and imbalances deriving from restrictions by the other holders of fund shares will not be treated as a noncompliant liability position (provided that compliance resumes within 60 days). III. For the purpose of complying with the investment limits per segment, the shares in investment funds qualifying as "Final Assets" must be computed as follows: (a) funds investing in short-term (referenced or fixed-income) assets will be computed at 100% of the investment limit applicable to federal government bonds; (b) funds investing in private credit assets will be computed at 20% of the investment limit applicable to the set of other securities issued by publicly-held companies (except debentures) or by securitization companies; these investment funds and funds identified as "private credit" investment funds are covered by this rule; and (c) stock investment funds will be computed at 35% of the investment limit applicable to investments in publicly-held company stocks.
Redemption of shares in Investment Funds	The EFPC may use assets to pay up or redeem investment fund shares, with due regard for the applicable CVM regulations.	No exceptions to this rule.
Performance fee	The performance fees charged by EFPC Investee Funds must have the following characteristics: I – a performance fee is payable only when the yield rate exceeds at least 100% of the benchmark index; II – the final investment value exceeds the initial investment value or the investment value on the latest payment date; III – a minimum half-yearly periodicity applies to the performance fee; IV – the fee will be charged solely in cash; and V – the performance fee must comply with the other rules applicable to non-qualified investors as defined in CVM regulations.	No exceptions to this rule.

Chart C – Concentration limits for EFPC investments

Allocation limits per issuer	Up to 100% of the assets making up each managed plan	National Treasury bonds.	In determining the allocation limits per issuer, the final allocation made by the EFPC must be taken into account, but disregarding the equity interests in intermediate holding entities solely organized to participate in the capital stock of publicly-held companies, directly or indirectly. For the purpose of establishing the allocation limits, the members of one same economic or financial conglomerate, as well as the companies controlled by the state or local treasury authorities, will be regarded as a single issuer. Savings deposits and co-obligations of the financial institution must be computed at the limit set at 25% of the allocation of funds to one same financial institution.
	Up to 25% of the assets making up each managed plan	Securities issued by one same financial institution, taken individually.	
	Up to 10% of the assets making up each managed plan	I - securities issued by one same state or local treasury authority; II - securities issued by one same publicly-held company, taken individually; III - securities issued by one same multilateral organism, taken individually; IV - securities issued by one same securitization company, taken individually; V - securities issued by one same benefit plan sponsor, taken individually; VI - shares in one same receivables investment fund or in one same fund investing in receivables investment fund shares; VII - shares in one same index fund referenced in a basket of publicly-held company stocks, taken individually; VIII - shares or securities issued by one same SPE, taken individually; or IX - shares in one same investment fund or in one same fund investing in structured investment fund shares, taken individually.	
Concentration limits per Investeees, taking the capital/ equity ratio of investees into consideration	Up to 5% of the assets making up each managed plan	Other issuers not covered by the preceding items.	Further, in determining the concentration limit per investee, it is necessary to take into account the investees that are at the end of the EFPC investment chain, but disregard the equity interests in holding entities solely organized to participate in the capital stock of publicly-held companies, directly or indirectly. Finally, the limit set out in item IVb does not apply to funds investing in investment fund shares that observe such limits, or to real estate funds whose portfolio is fully composed of completed real properties for which a certificate of occupancy (habite-se) has already been issued.
	EFPCs cannot acquire shares / membership units representing more than 25%	I – of the total capital of one same publicly-held company or SPE; II – of the voting capital of one same publicly-held company; III – of the net equity of one same financial institution; and IV – of the net asset value of one same: a) index fund referenced in a basket of publicly-held company stocks; b) structured investment fund; c) investment fund organized in Brazil and whose portfolio contains foreign investment assets; and d) foreign index fund admitted for trades on stock exchange in Brazil; V – of the separate assets arising from issuance of receivables certificates under a trustee system.	
Concentration limits per investment	EFPCs cannot acquire securities representing more than 25%	I – of one same series of securities; II – of one same class or series of shares in receivables investment funds; or III – of one same real estate undertaking.	Item I does not apply to subscription warrants and receipts, receivables certificates issued under a trustee system, and debentures issued by SPE.

Chart D – Restrictions to EFPCs

Restrictions to EFPC	Notes
EFPCs shall not: I – carry out transactions between plans managed by them, except for transfer of assets in strict compliance with the conditions spelled out by the regulatory bodies; II – act as a financial institution, unless in the cases expressly prescribed by law; III – carry out credit transactions with their sponsors; IV – tender sureties, aval guarantees, acceptances or co-obligations in any way, unless in the cases expressly prescribed by law; V – invest in assets or investment modes not prescribed by the Resolution; VI – invest in securities issued by companies not registered with CVM, unless otherwise expressly prescribed by law or in the Resolution; VII – invest in companies that are not listed on trading segments Novo Mercado, Nivel 2 or Bovespa Mais of BM&FBovespa, unless these companies make their primary public distribution before May 29, 2001; VIII – trade in stocks outside of stock exchanges or of over-the-counter markets organized by a CVM-licensed entity, except in the following events: a) public distribution of stocks; b) exercise of preemptive rights; c) conversion of debentures into stocks; d) exercise of subscription warrants or receipts; and e) other cases specifically prescribed by the regulatory bodies. IX – hold positions in derivatives, whether directly or through an investment fund, which are sold short or may result in losses exceeding the NAV of their portfolio or the investment fund equity value; X – purchase and sell one same security, instrument or derivative contract on one same day (day trades), except through electronic platforms or on stock or commodities and futures exchanges, provided that duly justified in a report certified by AETQ or by the investment fund manager; XI – invest abroad through their own or managed portfolios, without due regard for the limits set out in the Resolution; XII – lease, lend, borrow, pledge or escrow any securities, except in the following events: a) margin deposits in derivatives transactions within the scope of each benefit plan; b) lending of securities as prescribed by law and in the Resolution; and c) posting of bond in lawsuits within the scope of each plan managed by the EFPCs; XIII – act as real estate developer, whether directly, indirectly or through a real estate investment fund; and XIV – acquire or hold lands, except those intended for use in real estate developments or building of real properties for rental, income or own use, provided that such conditions are expressly set out in the investment policy of the benefit plan.	I. The restrictions to EFPCs apply to final portfolio, managed portfolio, investment funds; and funds investing in EFPC Investee Fund shares, including those whose shares are traded as Own Assets, except: (a) funds investing in foreign debt assets, and funds investing in foreign debt investment fund shares; (b) receivables investment funds and funds investing in receivables investment fund shares; (c) equity investment funds and funds investing in equity investment fund shares; and (d) venture capital investment funds. II. For the real estate investment funds qualifying as EFPC Investee Funds, the restrictions set out in subitems V, VI and VII above do not apply. III. For the investment funds qualifying as hedge funds and as funds investing in hedge fund shares, including those acting in the structured investment segment, the restrictions set out in subitems VII, IX, X and XI above do not apply. IV. The ratio of guarantees tendered by EFPCs (when EFPCs are authorized to tender guarantees) to the total guarantees tendered by the Investee SPE cannot exceed the EFPC stake in the total capital of the SPE.

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