

_ News for 2018 Ordinary Shareholders' Meetings

CVM Instruction 594 (“[ICVM594/17](#)”) was published on December 20, 2017, changing the rules set forth in CVM Instruction 481 dated December 17, 2009 (“[ICVM 481/09](#)”) regarding the attendance and voting process at shareholders' meetings aiming at improving specific issues regarding this voting procedure.

The new rules established by ICVM 594/17 will be applicable for [shareholders' meetings held from March 5, 2018 onwards](#) and which distance voting bulletin are to be released as of February 1, 2018.

Among the main changes, we highlight the following:

_ **Mandatory use of the distance voting bulletin whenever the extraordinary shareholders' meetings** is called to occur on the same date of the ordinary shareholders' meeting;

_ **Extension of deadline for shareholders to propose candidates for the board of directors and fiscal committee** [from](#) 45 days before an ordinary shareholder's meeting, and 35 days before an extraordinary shareholders' meeting to 25 days before any shareholders' meeting;

_ **Resubmission of the distance voting bulletin by the company** (i) up to 20 days prior to the shareholders'

meeting for inclusion of new candidates for the board of directors and fiscal committee that shall have been proposed by the minority shareholders; or (ii) to correct material errors that might jeopardize the understanding of the matters to be voted by the shareholders, or to adapt the proposal to the provisions of the regulation or the company's by-laws; and;

_ **Required disclosure of a final detailed voting map** within 7 business days after the shareholders' meeting, including the first 5 digits of the shareholders' Individual or Corporate Taxpayers' Registry number, the vote casted by each of them in relation to each matter submitted to the approval of the shareholders, and the information on the shareholders' share interest in the company, in order to allow the verification of the votes by the shareholders who have chosen to use the distance voting system.

Finally, another change brought by ICVM 594 is the **exemption to comply with the requirements of ICVM 418/09 granted to companies that do not have shares in the free float** aiming at avoiding them incurring unnecessary expenses.

CVM INSTRUCTION 594/2017 CAN BE ACCESSED IN PORTUGUESE AT:

<http://www.cvm.gov.br/legislacao/instrucoes/inst594.html>

_ New version of Novo Mercado Listing Regulation comes into force

The new version of B3 Novo Mercado Regulation came into force on January 2, 2018. The changes to the previous regulation were a result of a lengthy process that involved public discussion, a restricted voting among the companies listed in the Novo Mercado and its approval by CVM. B3 main purpose with these changes was to improve corporate governance rules applicable to companies listed in the Novo Mercado segment, as well as to provide flexibility on some of the requirements set forth in the previous regulation.

We would like to draw your attention to the following obligations that are already in force:

(i) **disclosure of joint exercise of office** as chairman of the board of directors and chief executive officer due to vacancy;

(ii) **disclosure of the resignation or dismissal** of any member of the board of directors or of the board of statutory officers;

(iii) **disclosure of the English version** of press releases on material events, information on dividends and other distributions of profits and earnings releases concurrently with their respective disclosures in Portuguese;

(iv) **holding of a public earnings presentation** on the information disclosed in the company's annual and quarterly financial statements and standardized financial statements within 5 (five) business days of their release;

(v) **disclosure, by December 10 of each year, of the company's annual calendar** for the subsequent year containing, at least, the dates for release of the annual and quarterly financial statements and standardized financial statements and of the Reference Form and the date of the ordinary general shareholders' meeting for the next civil year.

(vi) **disclosure of monthly reports** on the company's share ownership held by controlling shareholders and their related persons, regardless of changes, within 10 days after the end of each month;

(vii) **disclosure of a reasoned opinion** on alternatives available in the market to any public tender offer. This obligation is applicable only to offers whose respective notice was published after January 2, 2018; and

(viii) **new rules on the transfer of control, delisting from Novo Mercado and corporate reorganization** applicable to corporate events disclosed by the companies after January 2, 2018.

THE NEW VERSION OF NOVO MERCADO REGULATION CAN BE ACCESSED AT:

http://www.bmfbovespa.com.br/pt_br/listagem/acoes/segmentos-de-listagem/novo-mercado/

_ CVM publishes quarterly report on its sanctioning activities

On December 13, 2017, the Brazilian Securities and Exchange Commission (CVM) released the first edition of its quarterly report on sanctioning activity. This report contains key findings and results in this area, and aims at promoting a better understanding of CVM functions, as well as at enhancing market transparency.

The drafting and disclosure of this report is part of CVM's strategic planning project, which established its goals and priorities until 2023. In this context, one of the main objectives is to ensure rapid and **efficient investigation and sanctioning procedures as an effective disciplinary measure to prevent and inhibit wrongdoings.**

According to the report, up to September 30, 2017, CVM trials resulted in 86 defendants, among which 27 were acquitted, 53 received fines or a warning and 6 were suspended, disqualified or prohibited from performing certain activities or operations to members of the distribution system or other entities that are required to obtain CVM's authorization or registration.

THE QUARTERLY REPORT ON CVM SANCTIONING ACTIVITIES CAN BE ACCESSED IN PORTUGUESE AT:

http://www.cvm.gov.br/export/sites/cvm/publicacao/relatorio_atividade_sancionadora/anexos/2017/20171213_relatorio_atividade_sancionadora_janeiro_setembro_2017.pdf