

_ news for Ordinary Shareholders' Meetings

The most important news for the Ordinary Shareholders' Meetings of 2017 consists in the obligation of companies that were listed in Ibovespa and IBrX-100 securities portfolio general indexes on April 7, 2016 to adopt the distance voting procedure.

It is worth reminding that some deadlines related to Ordinary Shareholders' Meetings of the companies that adopt the distance voting procedure will be different, for example:

- (i) in the first 15 days of 2017, the companies shall disclose the Ordinary Shareholders' Meeting date;
- (ii) at least 45 days before the Ordinary Shareholders' Meeting (as mentioned in item "i"), minority shareholders may send a request to include proposals of new matters in the meeting agenda and/or candidates to the board of directors and audit board, as the case may be;

- (iii) With one month in advance of the Ordinary Shareholders' Meeting, the distance voting bulletin shall be disclosed by the company along with the management proposal for the Ordinary Shareholders' Meeting.

It is important to highlight that shareholders may send the distance voting bulletins to the companies through the following channels:

- (i) To the custodian agents, who, in turn, shall send the voting instruction to the central securities depository;
- (ii) To the company's custodian bank; or
- (iii) Directly to the company.

_ changes in BM&FBOVESPA's Issuers Manual

BM&FBOVESPA disclosed a new version of its Issuers' Manual, which entered into force on December 14, 2016. The changes are related to the Unsponsored Brazilian Depository Receipts (BDRs) Level I programs.

CVM INSTRUCTION 561 CAN BE ACCESSED AT THE FOLLOWING LINK:

<http://www.cvm.gov.br/legislacao/inst/inst561.html>

THE NEW VERSION OF THE ISSUERS' MANUAL CAN BE ACCESSED AT THE FOLLOWING LINK:[http://](http://www.bmfbovespa.com.br/pt_br/regulacao/regulamentos-e-manuais/)

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_ CVM discloses the Semi-Annual Report on the Supervision Based on Risk

On December 09, 2016, CVM disclosed the Semi-Annual Report on the Supervision Based on Risk, which presents an overview of its regulation and control actions between January and June 2016. The document compiles a summary regarding the followings areas:

- (i) companies;
- (ii) funds regulated by CVM Instructions 409/2004 and 555/2014;
- (iii) structured funds;
- (iv) independent auditors;
- (v) markets and intermediates; and
- (vi) registration of public offers.

The monitoring of the companies area, conducted by CVM's Superintendence of Company Relations, was divided into four "risk events":

- (i) the failure or delay on the delivery of periodic information;
- (ii) failure to properly disclose useful information, by the companies, their managers or shareholders, which may affect investment decisions and the exercise of minority shareholders' rights;
- (iii) preparation and disclosure of the financial statements in disagreement with the current regulation and with the company's by-laws provisions; and
- (iv) irregularities in proposals and decisions taken by the management, in deliberations of shareholders' meetings and in the carrying out of business by controlling shareholders and management bodies.

PURSUANT TO THE REPORT, IN THE FIRST HALF OF 2016, 168 PUNITIVE FINES WERE APPLIED TO PUBLICLY-HELD COMPANIES WHICH PRESENTED FAILURES IN THE DISCLOSURE OF THEIR PERIODICAL OBLIGATIONS, THIS CORRESPONDS TO AN INCREASE OF 89% IN RELATION TO THE SAME PERIOD OF 2015.

THE SEMI-ANNUAL REPORT ON THE SUPERVISION BASED ON RISK CAN BE ACCESSED AT THE FOLLOWING LINK:
http://www.cvm.gov.br/export/sites/cvm/menu/aceso_informacao/planos/sbr/Relatorio_Semestral_janeirojunho_2016.pdf

_ CVM declares as illegal the indication of a member of the board of directors of a publicly held company based on the State-Owned Companies Law

On February 27, 2016, CVM granted a decision on a claim, which started with a request to interrupt the deadline to call an extraordinary shareholders' meeting ("Meeting") of a publicly held company ("Invested Company") that has a mixed-capital company ("State-Owned Company") as part of its control block.

The Meeting was called to elect one member of the board of directors of the Invested Company, who was appointed by the State-Owned Company. The claimants questioned the impediment of this professional due to his involvement in the 2014 presidential campaign, pursuant to Article 17, paragraph 2, item "ii" of Law Nr. 13,303/2016 ("State-Owned Companies Law"), which forbids the participation of persons who have worked on election campaigns within the past 36 months in management bodies of state-owned companies.

The State-Owned Companies Law regulates the management of state-owned companies, establishing corporate governance and transparency mechanisms. Public companies, mixed-capital companies, as the State-Owned Company of the present case, and their controlled companies are subject to the State-Owned Companies Law.

According to Leonardo Pereira, CVM's chairman, the essence of the aforementioned Article 17 of the State-Owned Companies Law is focused on improving corporate governance structures, including by reducing political-party appointments within the scope of public companies and mixed-capital companies.

CVM director Gustavo Borba agreed with the conclusion of CVM's Superintendence of Company Relations, upholding that, regardless whether the Invested Company is subject or not to the State-Owned Companies Law, the State-Owned Company, as shareholder of the Invested Company, shall comply with the rules of corporate governance and other rules applicable to mixed-capital companies, stating that there is no logic in the appointment, by the State-Owned Company, of a professional who could not be a member of its own management bodies.

ACCORDING TO CVM DIRECTOR HENRIQUE MACHADO, STATE-OWNED COMPANIES ARE DIRECTLY SUBJECT TO THE OBLIGATION DESCRIBED IN ARTICLE 17 OF THE STATE-OWNED COMPANIES LAW, AND SHOULD, AS A CONSEQUENCE THEREOF, OBSERVE THE REQUIREMENTS AND PROHIBITIONS SET FORTH ON IT, NOT ONLY TO FULFILL THEIR OWN POSITIONS IN THE MANAGEMENT, BUT ALSO IN THEIR PARTICIPATION AND APPOINTMENTS IN INVESTED COMPANIES.

Finally, CVM Board decided, by unanimous vote, the illegality of the appointment of the professional who participated in the 2014 presidential campaign as member of the board of directors of the Invested Company.