Internal Regulation of the Board of Executive Officers

BM&F BOVESPA
The New Exchange

INTERNAL REGULATION OF THE BOARD OF EXECUTIVE OFFICERS OF BM&FBOVESPA

1 Purpose

The purpose of this Internal Regulation ("Regulation") is to regulate the operation and activities of the Board of Executive Officers of BM&FBOVESPA ("Company"), and its technical committees, as well as the relationship between the executive officers and other Company bodies, due regard for the provisions of the Bylaws and of the laws in force.

2 Mission of the board of executive officers

The board of executive officers has the mission of ensuring that business is conducted for protection and appreciation of Company assets, whereas maximizing long-term return for shareholders, in line with the mission of the Board of Directors ("Board"). The executive officers make up the senior management of the Company, in charge of managing and conducting day-to-day business activities, and responsible for proposing to the Board initiatives, business plans and policies aimed at implementing the strategies the Board defines.

3 Composition

The Board of Executive Officers shall be composed of five (5) to nine (9) executive officers, one being the Chief Executive Officer and up to eight Executive Officers. The executive officers are elected for two-year terms and may be removed by the Board, reelection being permitted. Based on a proposal submitted by the chief executive officer, the Board shall appoint the chief financial officer and investor relations officer. Similarly, the chief executive officer shall submit to the Board a proposal for appointment of the other executive officers. Should this proposal not be accepted, other proposals will be presented until all officers are appointed. The chief executive officer shall have powers to remove any executive officer on a provisional basis, until a meeting of the Board decides on the matter.

3.1 Replacement and vacancy on the board of executive officers

As provided in the Bylaws, the chief executive officer will be replaced: (i) in the event of absence or impediment for a maximum 30-day period, by another executive officer designated by him; (ii) in the event of leave of absence for a period in excess of 30 days extending for less than 120 days, by an executive officer designated by the Board at a meeting called for this purpose; and (iii) in the event of leave of absence for 120 days or more, or in event of vacancy, the Board shall convene to elect the new chief executive officer pursuant to the process established in the Bylaws. The other executive officers will be replaced: (i) in the event of absence or impediment or leave for less than 120 days, by an executive officer appointed by the chief executive officer; and (ii) in case of absence for

a period over 120 days, or of vacancy, the Board shall convene to elect a substitute, pursuant to the process established in paragraph 1 of article 34 of the Bylaws.

4 Scope of the activities of the board of executive officers

The board of executive officers is the body vested with powers to represent the Company, and in charge of managing and conducting the Company business.

It is incumbent on the board of executive officers to propose initiatives, business plans and policies for implementation of the Company strategies, and to manage day-to-day business operations whereas implementing the following guidelines, among others:

1.1. Promoting and implementing the corporate purposes of the Company and subsidiaries;

1.2. Ensuring the Company's perpetuity, whereas generating value for shareholders and attending to the interests of stakeholders by managing relationships;

1.3. Ensuring the values and purpose of the Company are affirmed;

1.4. Adopting a flexible organizational structure that includes qualified professionals of irreproachable reputation;

1.5. Hiring or dismissing other executives, defining their compensation,

1.6. Maintaining a structured system for periodic evaluations of performance by executives at other levels of management;

1.7. Prepare succession plans for the executive officers and the other executives at different levels of management;

1.8. Propose management initiatives for the Company and its subsidiaries, which will be taken into account and reflected in the annual budget;

1.9. Implement the strategies and guidelines set for the Company by the Board;

1.10. Prevent and manage conflicts of interests or opinions, so the interests of the Company prevail;

1.11. Propose and implement the internal controls system, including policies and authority caps;

1.12. Identify and manage risks, assessing occurrence probability and adopting prevention and mitigation measures;

1.13. Observe corporate governance guidelines and policies, monitoring compliance across the Company;

1.14. Propose sustainability indicators for the Company's operations, taking into account social and environmental responsibility factors in conducting business;

1.15. Account for its actions to the Board and to shareholders.

5 Responsibilities of the board of executive officers

The board of executive officers shall have the following responsibilities:

a) to authorize the opening or closing, or relocating branches, agencies, warehouses, offices or other Company establishments in Brazil or abroad;

b) to submit annually, for review by the Board, the management report and accounts, along with the independent auditors report, and the proposal for allocation of net income for the year;

c) to prepare and propose to the Board, the annual and multi-year budgets, and the strategic plans, expansion plans and investment programs;

d) to grant prior authorization for the Company or a subsidiary to acquire or dispose of assets, including real property, or to establish liens or encumbrances of any nature on the Company assets, or to enter into financing transactions or take loans, and to grant secured or personal guarantees, which represent liability below the Reference Amount provided for in the Bylaws; and

e) to decide on any matter not within the exclusive sphere of authority of the shareholders' meeting or the Board.

6 Responsibilities of the chief executive and the other executive officers

The chief executive officer is responsible for the Company management and for coordinating the operation of the board of executive officers, as well as for interacting with the Board. The chief executive officer is responsible for implementing the guidelines established by the Board, to whom he or she is accountable. The chief executive officer has a duty of loyalty to the Company.

Each of the executive officers is personally liable for performing his or her allocated functional duties, for which he or she is accountable to the chief executive officer and, as the case may be and upon consent given by the chief executive, also to the Board and the shareholders.

As the lead executive, the chief executive officer will be responsible for approving and managing implementation of all operating and financial processes and, in addition, for ensuring and monitoring compliance with all legal and regulatory requirements and duties applicable to the Company in its capacity as manager of regulated securities markets.

7 Requirements applicable to the executive officers

The executive officers are required to work for the Company on an exclusive dedication basis, and pursuant to Article 22, paragraph 8, of the Bylaws may not while acting as officers have ties with: (i) holders of permits granting access to BM&FBOVESPA markets, (ii) shareholders or groups of shareholders (as defined in the Bylaws) individually or collectively holding ownership interest in 5% or more of the Company's voting stock, (iii) participants of the securities distribution system in Brazil or elsewhere, (iv) other public companies; (v) institutions that operate in the capacity of securities portfolio managers; (vi) qualified institutional buyers (as per paragraph 8 of Article 22 of the Bylaws).

Pursuant to the Bylaws, eligibility to serve as executive officer of the Company requires a person to meet the following, in addition to other legal and regulatory requirements: (a) be

over 25 years of age; (b) have irreproachable reputation and knowledge of the markets managed by the Company and/or a subsidiary; (c) not have a spouse, common-law spouse or relative to the second degree holding a position as director or officer of, or having an employment relationship with, the Company or any subsidiary; and (d) not hold a position in any company that may be deemed a competitor of the Company or any subsidiary, and not have or represent conflicting interests with those of the Company or any subsidiary, provided persons that meet the following cumulative conditions shall be deemed to have a conflict of interests with the Company: (**i**) a person elected by a shareholder that in turn acts as director of a competitor; and that (**ii**) has a subordinate relationship with the shareholder electing such person.

8 Technical advisory committees and other bodies for support of the board of executive officers

Under the Bylaws, the Chief Executive Officer has powers to establish technical committees, advisory chambers for the different markets managed by the Company technical committees for standardization, grading and mediation, work groups and other advisory bodies; in addition to authority to regulate their operation, membership, roles and responsibilities, and to make arrangements for their operational infrastructure.

The technical committees include the Market Risk Committee. This body, which will be composed by Company officers and other executives appointed by the chief executive officer, will perform the following functional activities: (i) analyzing macroeconomic scenarios and related risks possibly affecting the markets in which the Company operates; (ii) defining standards and parameters to determine margin calls; (iii) defining standards and parameters for valuation of assets received as collateral; (iv) defining categories and/or collateral amounts for trades carried out on the trading floor and/or registered in trading or in clearing and settlement systems of the Company and its subsidiaries, which will also apply to open positions; (v) proposing collateral management policies; (vi) conducting system-level leveraging analyses; (vii) advising on risk management standards, caps and parameters to manage credit risk posed by market participants; (viii) analyzing and advising on solutions to improve the Company's risk management systems; and (ix) performing other analyses and reviews related to the matters set forth in this paragraph.

9 Operating rules

The board of executive officers will validly convene upon attendance by 50% plus one of the acting executive officers. Resolutions will be adopted by a majority of votes cast by officers in attendance, with the chief executive officer having the casting vote. The meetings will be held weekly or as often the chief executive officer may decide. Meeting resolutions will be recorded in minutes prepared by the secretary of the meeting, as appointed by the chief executive officer.

Pursuant to the Bylaws, the following decisions may only be taken at meetings attended by the executive officer in charge of the relevant practice area:

(a) declaring default by a participant with access to any of the Company's clearinghouses, and establishing appropriate measures to tackle default, in accordance with applicable regulations;

(b) establishing operational, credit and risk caps and limits applicable to direct or indirect participants of the Company's clearinghouses, whether severally or as a group, due regard being given to specific procedures related to each clearinghouse;

(c) defining common processes for adoption by the clearinghouses, as well as procedures for integration with trading systems, custody systems and risk management systems; and

(d) requiring full or partial clearing and settlement of open positions held by participants with access to Company markets, and their clients.

10 Company representation

Unless otherwise provided for in the Bylaws, the Company will be represented and may only undertake binding obligations pursuant to acts practiced by, or documents signed by the following persons:

(a) two executive officers, acting jointly;

(b) any executive officer acting jointly with an attorney-in-fact vested with special powers; or,

(c) two attorneys-in-fact vested with special powers and acting jointly.