FORM FBOT—EXHIBIT C

Request: Attach the following:

(1) A description of the requirements applicable to membership on the governing board and significant committees of the foreign board of trade.

(2) A description of the process by which the foreign board of trade ensures that potential governing board and committee members/other participants meet these standards.

(3) A description of the provisions to minimize and resolve conflicts of interest with respect to membership on the governing board and significant committees of the foreign board of trade.

(4) A description of the rules with respect to the disclosure of material non-public information obtained as a result of a member's or other participant's performance on the governing board or significant committee.

Response:

CVM Rule 461/07 requires a majority of independent board members, and the *Novo Mercado* listing segment regulations establish that, at a minimum, 20% of the board members must be independent.

Law 6404/76, Article 147, prevents persons from acting as board members or officers of Brazilian corporations who are restricted by special legislation (for example, state law may impose restrictions for people working in public functions from acting as officers or board members of Brazilian corporations), have filed for bankruptcy, been convicted of certain crimes, including corruption, crimes against the popular economy and crimes against property or public faith, or are subject to criminal sanctions preventing them from exercising governmental positions (for example, crimes associated with fraud in election processes may result in sanctions that prevent convicted individuals from exercising governmental positions). Additionally, CVM Rule 461/07, Article 23, prohibits individuals condemned for capital markets crimes and crimes against the financial system from being elected to the entity's management.

Pursuant to Article 22 of the BVMF Bylaws, the Board of Directors must consist of at least seven, but no more than 11, members. A majority of the Directors must be Independent

Directors, according to CVM Rule 461/07.[1] At no time may the Board include more than one Director with ties to a permit holder with access to the BVMF markets or having ties with such an entity, conglomerate, or economic group.[2] In addition to meeting all applicable legal and regulatory requirements, to be eligible for the Board of Directors, a person must: (a) be over 25 years old; (b) have an upstanding reputation and knowledge of the functions, operations, and practices of the capital markets operated and managed by BVMF and/or its subsidiaries; (c) not have a spouse, domestic partner, or relative to the second degree serving as director or officer of, or employed with, BVMF or any of its subsidiaries; and (d) not hold a position in any company deemed to be a competitor of BVMF or its subsidiaries and, in addition, does not have or represent any party that has a conflict of interest with BVMF or its subsidiaries, except if such prohibition is expressly lifted by a majority of the shareholders present at the shareholders' meeting convened for the election of the members of the board.[3] Pursuant to Article 22, Paragraph 2 of the BVMF Bylaws, the Board has established Internal Regulations governing its operation, the rules, rights and responsibilities of Directors, and the Board's relationship with the Executive Management Board and with other corporate bodies.[4]

The Board of Directors is advised by four mandatory committees. The BVMF Bylaws also provide for CEO-established advisory committees.[5] The mandatory committees are established by the BVMF Bylaws and further regulated by internal regulations adopted by the committees.[6]

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[1] The BVMF Bylaws define "Independent Director" as a person that meets the following requirements: "(a) all of the independence standards established in the Novo Mercado Listing Rules and in CVM Rule 461/07, cumulatively; and (b) not holding, and hot having ties with any shareholder that holds, whether directly or indirectly, ownership interest in 5% or more of the issued and outstanding shares of stock, or voting stock of the Company." BVMF Bylaws, Article 22, Paragraph 6. The Novo Mercado listing regulation defines "Independent Member" as being a member of the Board of Directors who: (i) has no ties to the Company except for owning an equity share of its capital stock; (ii) is not a Controlling Shareholder, the Controlling Shareholder's spouse or a relative to the second degree, is not or has not been linked in the last 3 years to a company or entity with ties to the Controlling Shareholder (this restriction does not apply to people linked to governmental institutions of education and research); (iii) has not been a Senior Manager of the Company or employed by or worked for the Company, the Controlling Shareholder or any other company controlled by the Company; (iv) is not a direct or indirect supplier or purchaser of the Company's services or products or both, to a degree that results in loss of independence; (v) is not an employee or manager of a company or entity that supplies services or products or both to, or buys these from, the Company; (vi) is not a spouse or a relative to the second degree of any Senior Manager of the Company; and (vii) does not receive any compensation from the Company except for that related to its activities as member of the Board of Directors (this restriction does not apply to cash from equity interests in the capital stock). The CVM Rule 461/07, Article 26, defines an "independent director" as one who has no relationship to: (i) the managing entity, the direct or indirect controller thereof, or otherwise the company under a directly or indirectly common control therewith; (ii) any officer of the managing entity, the direct or indirect controller thereof, or otherwise any controlled entity thereunder; (iii) a person authorized to trade in its market; and (iv) a member who owns an interest of 10% or more of the voting capital of the managing entity.

[2] *See* BVMF Bylaws, Article 22, Paragraph 8. For purposes of Article 22, "having ties" with a party is defined as: "(a) an employment relationship, or one arising from any agreement for provision of professional services on a continuing basis or from participation in any management or advisory or deliberative body or fiscal council of an entity; (b) any direct or indirect ownership interest in exceeds [sic] 10% of the issued and outstanding shares of stock or voting stock of the Company; or (c) a relationship established through a spouse, domestic partner or relative to the second degree."

[3] *See* BVMF Bylaws, Article 22, Paragraph 4. For purposes of Article 22, Paragraph 4, a conflict of interest is presumed to exist where a person 1) has been elected by a shareholder that has also elected a director in a competitor company; and 2) has ties arising from a subordinate relationship with the shareholder voting for his/her election. *See id.*

[4] *See* Internal Regulation of the Board of Directors (Attachment C-1).

[5] *See* BVMF Bylaws, Article 35(f) and (g). There are currently five CEO-established committees, including the Agribusiness Committee, Market Committee, Market Risk Committee, Regulatory Committee, and Athletics Club Committee.

[6] *See* BVMF Bylaws, Article 45.

With respect to the four mandatory committees, committee members must be experienced in the practice area of the committee to which they are appointed.[7] Committee coordinators, who act as representatives of the committees before the Board of Directors, must be independent members (with the exception of the Risk Committee Coordinator) and qualify as experts in their committee's practice area.[8]

Executive Management Board

The Executive Management Board ("Executive Board") is vested with senior management power and is in charge of managing and conducting BVMF's corporate business activities, including the acquisition and disposition of corporate assets and authorizing the opening, closing or relocation of branches, agencies, offices or other company establishments.[9] The Executive Board is also responsible for preparing and proposing to the Board of Directors initiatives, business plans, and policies, such as the annual budget, strategic and expansion plans, and investment programs. The Executive Board is comprised of five to nine Officers, including the Chief Executive Officer. All of the Officers are elected and removable by the Board of Directors. All Officers must meet, in addition to all applicable legal and regulatory requirements, the requirements for serving on the Board of Directors described above and outlined in Article 22, Paragraph 4 of the BVMF Bylaws. While in office, Officers are not permitted to have ties with: (1) holders of a permit for access to BVMF's markets, (2) a shareholder or group of shareholders owning a 5% or more interest in the issued and outstanding shares of voting stock in BVMF, (3) any institution that is a participant in the Brazilian or other international securities distribution system, (4) other public companies, (5) portfolio management firms, or (6) institutional investors.

Audit Committee

The Audit Committee is composed of five members, all of whom must be independent.[10] At least one, but up to two, Audit Committee members may be Independent Directors, with the remaining members being external independent members ("External Members"). The Nominations and Corporate Governance Committee nominate candidates for the Audit Committee, which the Board of Directors elects. External Members of the Audit Committee are required to (1) be knowledgeable about, or experienced in auditing, compliance and controls, accounting, taxation, and other similar matters; (2) hold no position in the Board of Directors or Executive Management Board of BVMF or any of its subsidiaries; (3) hold no interest in BVMF shares, including no interest held by a spouse or domestic partner; (4) hold no controlling or minority interest in, and do not act as a management member or employee of, a shareholder of BVMF or its subsidiaries; (5) within the 12-month period preceding appointment, not have had ties with (i) BVMF, its

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[7] *See* Internal Regulation for the Board Advisory Committees, pg. 4 (Attachment C-2).

[8] *See id.*

[9] Section II of the BVMF Bylaws governs the Executive Management Board. In addition, the Executive Management Board has established the Internal Regulation of the Board of Executive Officers (Attachment C-3), which further outlines the requirements and responsibilities of the Executive Management Board.

[10] Section II, Subsection I governs the Audit Committee. In addition the Audit Committee has adopted an exclusive Internal Regulation, which further outlines the requirements and responsibilities of the Audit Committee.

subsidiaries, or direct or indirect controlling shareholders or companies under common control, (ii) any of the Directors and Officers of BVMF and its subsidiaries, or, direct or indirect controlling shareholders or companies under common control, (iii) holders of permits for access to BVMF's markets, or (iv) a shareholder or group of shareholders holding a 10% or greater interest in the issued and outstanding shares of voting stock of BVMF; (6) not hold at the time, or in the 5 year period preceding their appointment, a position as: (i) officer or employee of the Company, its subsidiaries and affiliates, or its direct or indirect controlling shareholders or companies under common control; or (ii) member and lead auditor of the audit team in charge of auditing the financial information of the Company; (7) not be a spouse, lineal, or collateral blood relative to the third degree, or relative by affinity to the second degree, of any of the persons alluded to in item (6) above; and (7) fulfill the requirements set forth in paragraphs 4 and 5 of Article 22 of the BVMF Bylaws and those of article 147 of Brazilian Corporate Law.[11]

Compensation Committee

The Compensation Committee is established by the Board of Directors and composed of three members of the Board of Directors, two of whom must be Independent Directors.[12] The Compensation Committee is responsible for recommending to the Board of Directors the standards and guidelines for compensating BVMF's managers, members of other Board advisory groups, and the Board of Directors and Officers. The Compensation Committee is also responsible for preparing management succession plans and ensuring BVMF adopts appropriate competencies and leadership models to attract and retain management in line with BVMF's strategic plan.

Nominations and Corporate Governance Committee

The Nominations and Corporate Governance Committee is established by the Board of Directors and comprised of three members of the Board of Directors, at least two of whom must be independent members.[13] With respect to nominations, the Nominations and Corporate Governance Committee is responsible for identifying, recruiting, and nominating potential Board members and potential Board advisory committee members, including potential replacements to fill vacancies on the Nominations and Corporate Governance Committee. With respect to corporate governance issues, the Nominations and Corporate Governance Committee is responsible for conducting periodic reviews of the competencies and qualifications of Board members, including a yearly formal self-evaluation by Board members, and preparing and promoting corporate governance guidelines and governance documents.

Risk Committee

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[11] The requirements of Article 147 are described at the second paragraph of this section.

[12] Section II, Subsection II governs the Compensation Committee. In addition, together with the other mandatory committees, the Compensation Committee has adopted the Internal Regulation for the Board Advisory Committees, which further outlines the requirements and responsibilities of the Compensation Committee.

[13] Section II, Subsection III governs the Nominations and Corporate Governance Committee. In addition, together with the other mandatory committees, the Nominations and Corporate Governance Committee has adopted the Internal Regulation for the Board Advisory Committees, which further outlines the requirements and responsibilities of the Nominations and Corporate Governance Committee.

> The Risk Committee is comprised of four members from the Board of Directors.[14] The Risk Committee is responsible for assessing and monitoring risk, including central counterparty risk, financial risk, liquidity risk, operational risk, and strategic risk. The Risk Committee is also responsible for recommending to the Board risk management guidelines and strategies, including establishing specific risk limits if necessary, and conducting periodic assessments of these risk management strategies.

In additional to the Nominations and Corporate Governance Committee's periodic and annual reviews of the Board of Directors, described above, the Board of Directors election procedures help ensure that potential governing board and committee members meet the standards articulated above. Only candidates who are either (1) nominated by the Board of Directors, as advised by the Nominations and Corporate Governance Committee, or (2) appointed by shareholders as prescribed by the BVMF Bylaws may run for election to the Board.[15] On the date the shareholders' meeting to elect the members of the Board is called, the Board of Directors must make available for each candidate a signed statement containing (1) his/her complete identification information, (2) a complete description of his/her professional experience, (3) information regarding disciplinary or judicial proceedings in which a final judgment of guilty has been entered, and (4) information on any conflicts of interest candidates may have with the company.[16]

With respect to conflicts of interest, according to the Brazilian Corporations Law, BVMF's Policy on Conflicts of Interest and Related Party Transactions ("Conflicts Policy") clarifies instances involving conflicts of interest and prescribes specific rules for decisions involving related parties and other conflicts of interest. Specifically, the Conflicts Policy requires that upon identification of a conflict, Directors and Officers promptly make the conflict of interest known to BVMF and abstain from taking part in discussions concerning, and from voting on any such matter.[17] A Director or Officer with a conflict may participate in discussions concerning the matter only if specifically requested by the Chairman of the Board or the Chief Executive Officer and only to provide information on the conflict, the transaction, or the parties involved.[18] A Director or Officer who fails to disclose a conflict is deemed to have breached the Conflicts Policy and the matter will be submitted to the Nomination and Corporate Governance Committee for evaluation and possible corrective action.[19] To further avoid conflicts of interest and according to the Novo Mercado listing rules, the Chairman of the Board may not also occupy the position of Chief Executive Officer.[20] Directors are also prohibited from serving as executive officers of BVMF or any of its subsidiaries.[21]

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[14] Section II, Subsection IV governs the Risk Committee. In addition, together with the other mandatory committees, the Risk Committee has adopted the Internal Regulation for the Board Advisory Committees, which further outlines the requirements and responsibilities of Risk Committee.

[15] *See* BVMF Bylaws, Article 23, Paragraph 1.

[16] *See id.* at Paragraph 2.

[17] *See* Conflicts Policy, Paragraph 4 (Attachment C-4).

[18] *See id.*

[19] *See id.*

[20] BVMF Bylaws, Article 20, Sole Paragraph.

[21] *See* Internal Regulation of the Board of Directors, Paragraph 5.

With respect to disclosure of material non-public information, all Directors of Officers must adhere to the BVMF Manual of the Material Disclosures and Securities Trading Policy (the "MNPI Policy").[22] The MNPI Policy governs 1) the use and release of information related to BVMF, specifically information classified as "material fact" that would have the capacity to influence the value of BVMF shares; 2) the processes related to the confidential information; and 3) trading in BVMF securities. The MNPI Policy prohibits directors from trading on material nonpublic information ("MNPI").[23] The MNPI Policy outlines BVMF's internal procedures for the disclosure and release of MNPI.[24] Section VI of the MNPI Policy limits the trading activities in securities issued by BVMF. Specifically, it provides for blackout periods, trading restrictions prior to the disclosure of MNPI, and closed periods preceding the release of financial reports. In addition, the Code of Conduct prohibits Officers from trading any public company's securities. Officers are able to negotiate securities only if they submit an individual investment program to BVMF for analysis and approval, according to the conditions described in the Code of Conduct. Trading in the derivatives and futures markets is prohibited, without exception.

Also, according to article 29 of CVM Rule 461/07, BVMF's CEO cannot provide to any member of the Board of Directors information undisclosed to the public referring to: (i) transactions carried out in the trading environments of the markets managed thereby; (ii) positions in custody; or (iii) positions held in the futures market and securities loan market.

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[22] *See* BVMF Bylaws, Article 21, Sole Paragraph. The MNPI Policy is included as Attachment C-5.

[23] *See* MNPI Policy, Section V(9)(i).

[24] *See id.* at Section V.