Internal Regulation of the Board of Directors

BM&F BOVESPA
The New Exchange

INTERNAL REGULATION OF THE BOARD OF DIRECTORS OF BM&FBOVESPA

I - PURPOSE

1. The purpose of this Internal Regulation ("Regulation") is to regulate the operation and activities of the Board of Directors ("Board") of BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros ("Company"), as well as the relationship between the Board and other bodies of the Company, with due regard for the provisions of the Bylaws and of applicable legislation.

II – MISSION OF THE BOARD OF DIRECTORS

2. The Board has the mission of ensuring that business is conducted for protection and appreciation of Company assets, whereas maximizing long-term return for shareholders and caring for the interests of markets managed by the Company. The Board of Directors is a collective decision-making body, responsible for setting the general business guidelines for the Company and deciding on strategic matters.

III – COMPOSITION

3. As defined in the Bylaws, the Board shall consist of a minimum of seven and a maximum of eleven members, all of whom are elected for two-year terms, and may be removed, by the shareholders' meeting, reelection being permitted.
4. The members of the Board take office upon signing the instrument of investiture, as drawn up in the register of minutes of Board meetings, as well as the instrument of adherence to the *Novo Mercado* Listing Regulation, whereby they agree to comply with the listing rules contained therein, as well as with the rules set forth in the Bylaws, Internal Regulations, Policies and Code of Conduct of the Company.
5. No member of the Board may be elected to the board of executive officers of the Company or appointed to serve as officers of its subsidiaries.
6. A majority of the members of the Board of the Company shall qualify as Independent Directors, defined as: (a) those that cumulatively meet the independence standards established in the *Novo Mercado* Listing Regulation and in CVM Instruction No. 461/07; and (b) not holding direct or indirect ownership interest representing 5% or more of the shares representing the total voting stock, nor having ties with a holder of any such ownership interest. Directors elected under Article 141, paragraphs 4 and 5, of Law No. 6,404/76 shall also be considered Independent Directors, regardless of whether they meet the abovementioned independence standards.
7. In addition to the requirements set forth in the preceding paragraph, there shall be no two Directors maintaining ties with a single Access Permit holder or with a single entity, conglomerate or economic group.

IV – BOARD ADVISORY COMMITTEES

8. In order to better perform its functions, the Board shall avail itself of three permanent advisory Committees, which shall advise it in addressing and resolving specific

matters: Auditing Committee, Nomination and Corporate Governance Committee, and Compensation Committee, in addition to the Risk Committee. These are advisory bodies for matters that require greater detailing and wider analytical scope.

9. The Board committees shall have an internal regulation which the Board will approve.

10. The Board may also establish other committees, work groups or commissions of a temporary nature, for in-depth analysis or monitoring of certain matters.

11. When deciding to establish the bodies described in the previous paragraph, the Board shall formally define their functions, compositions and form of operation.

V – SCOPE OF THE ACTIVITIES OF THE BOARD OF DIRECTORS

12. The Board shall establish the general business direction and guidelines and decide on strategic matters, with the aim of accomplishing the following guidelines:

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

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

    12.3. Caring for the integrity and development of the markets in which the Company operates;

    12.4. Ensuring the values and purposes of the organization are affirmed;

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

    12.6. Approving and monitoring hiring, dismissal, evaluation and compensation of the chief executive officer and other executives, as proposed by the former;

    12.7. Take action for the Company to anticipate and properly prepare and plan the succession of board members and executive officers;

    12.8. Formulating guidelines for management of the Company and its subsidiaries, which shall be reflected in the annual budget;

    12.9. Ensuring the Company's strategy and guidelines are effectively implemented by the board of executive officers, however without interfering in operating matters;

    12.10. Preventing and handling events of conflict of interest or divergence of opinions such that the interests of the Company prevail at all times;

    12.11. Assessing the effectiveness of internal controls systems, including policies and authority caps;

    12.12. Maintaining and periodically revising the corporate governance guidelines and policies, monitoring compliance by the Company;

    12.13. Ensuring that on carrying out its activities the Company observes recommended sustainability indicators, whereas taking into account environmental and social responsibility factors;

    12.14. Ensure accountability towards regulatory entities and agencies to which the Company is subject, in connection with its legally assigned responsibilities; and

12.15. Ensuring accountability towards the shareholders, including with respect to the annual management report and financial statements.

VI – RESPONSIBILITIES OF THE BOARD OF DIRECTORS

13. Under the Bylaws, the following is incumbent on the Board:

13.1. Setting the general business guidelines of the Company and its subsidiaries, in addition to approving and amending the annual budget of the Company and its subsidiaries, setting the targets and business strategies for the subsequent period and ensuring proper performance;

13.2. Electing and removing the executive officers of the Company, as well as establishing their duties, pursuant to the Company Bylaws;

13.3. Overseeing management by the executive officers, examining the Company's books and records at any time, requesting information on transactions, whether closed or about to be closed, and any other acts, due regard given to the confidentiality required with respect to transactions carried out and/or registered in Company systems and markets;

13.4. Deciding on convening shareholders' meetings;

13.5. Submitting to the shareholders' meeting, with its opinion, the management report and the annual financial statements;

13.6. Submitting to the shareholders' meeting the proposal for allocation of net income for the year;

13.7. Granting prior authorization for the execution of agreements of any kind, as well as transactions and waivers of rights, which imply liabilities for the Company at amounts greater than the Reference Amount, as defined in the Bylaws, if not foreseen in the annual budget;

13.8. Granting prior approval for investments of the same nature, which are in excess of the Reference Amount, when not foreseen in the annual budget;

13.9. Granting prior approval for any loan, financing, issuance or cancellation of simple nonconvertible or unsecured debentures, or the granting of any secured or personal guarantees in favor of Company subsidiaries, if involving amounts or liability in excess of the Reference Amount (1% of the Company's net equity as assessed at the end of the immediately preceding year) and not foreseen in the annual budget;

13.10. Authorizing the board of executive officers to acquire or dispose of permanent assets of the Company, or encumber or give any such assets as security, if involving amounts or liability in excess of the Reference Amount (1% of the Company's net equity as assessed at the end of the immediately preceding year) and not foreseen in the annual budget ;

13.11. Granting prior approval for the execution of partnership or shareholders' agreements involving the Company or its subsidiaries;

13.12. Providing voting instructions with respect to shareholders' meetings of companies in which the Company holds an ownership interest, and granting prior approval for amendments to the Articles of Association or Bylaws of any

such company, if the intrinsic value of such ownership interest is in excess of the Reference Amount (1% of the Company's net equity as assessed at the end of the immediately preceding year), except as provided for in item (j) of Article 16 of the Bylaws;

13.13. Appointing the executive officers of subsidiaries, provided the appointment shall be concomitant with that of the chief executive officer, unless otherwise approved by 75% of the Directors;

13.14. Deciding on purchases of the Company's own shares, either to keep them as treasury stock and/or to cancel or sell them;

13.15. Having due regard for the provision of Chapter I Article 3, of the Bylaws, making decisions regarding ownership interests in other companies or in charitable associations and organizations, if involving amounts in excess of the Reference Amount (1% of the value of shareholders' equity, as determined at the end of the immediately preceding year), provided this shall not apply to short-term investments in securities made pursuant to the financial investments policy adopted by the Company;

13.16. Authorizing the Company to guarantee third-party obligations unrelated to the Company's corporate purpose, irrespective of the amount involved, but in particular when acting (for itself or a subsidiary) in the capacity of central counterparty to settlement processes or in any way controlling such processes;

13.17. Defining the triple list of candidate valuation firms in connection with the preparation of a valuation report of the Company shares in the event of a going public process (cancellation of registration as a public company) or of delisting from the *Novo Mercado segment*, such as foreseen in Paragraph 2 of Article 62 of the Bylaws;

13.18. Approving the hiring of a provider of share bookkeeping services;

13.19. Deciding on the payment or crediting of interest on shareholders' equity to the shareholders, pursuant to applicable legislation;

13.20. Choosing and removing the independent auditors, after hearing the recommendations of the Audit Committee; and

13.21. Appointing Directors to serve as members of the Board advisory committees and other committees and transitory work groups established or formed by the Board.

14. In addition, pursuant to Article 30 of the Bylaws, it is incumbent on the Board to:

14.1. Approve the Rules of Access, as well as the rules concerning access, suspension and exclusion of market participants, and other regulatory, operating, clearing and settlement rules to define and regulate trades in securities, bonds and contracts which may be carried out on trading markets and/or registered in registration systems, as well as cleared and settled in systems managed or operated by the Company and its subsidiaries;

14.2. Approve the listing, suspension and delisting rules concerning securities and contracts, and regulatory rules concerning issuers of securities and financial assets, as applicable;

14.3. Approve the operating regulations and rules related to the Clearinghouses and systems that provide registration, clearing and settlement services for trades carried out on markets managed by the Company and its subsidiaries;

14.4. Approve the Code of Ethical Conduct applicable to Market Participants, which shall establish rules of conduct aimed at ensuring the proper operation of markets managed by the Company and adoption of highly ethical trading standards within the scope of these markets, as well as aimed at regulating the operation and composition of the Ethics Committee, and to elect its members;

14.5. Establish the penalties applicable to breaches of the rules approved by the Board;

14.6. Issue decisions on the granting of the Access Permits, which within thirty (30) days from the decision date may be appealed through an application for review by the shareholders' meeting, which in turn shall deliver a final decision having due regard for the applicable regulatory rules;

14.7. Decide on suspension or cancellation of Access Permits, as well as review cases involving disposition of control and election of new directors and officers by Access Permit holders;

14.8. Order full or partial recess of markets managed by the Company or its subsidiaries, in the event of serious emergency which may potentially affect the normal course of market activities, provided such decision shall promptly be notified and justified to the CVM;

14.9. Approve the annual report on operating risk management systems and the business continuity plan of the Company and its subsidiaries; and

14.10. Decide on the creation, allocation and maintenance of funds and the other safeguard mechanisms, including for reimbursement of losses arising from trades carried out in systems or on markets managed or operated by the Company and its subsidiaries, as well as regulate indemnity events and claim processes.

VII – DUTIES OF THE BOARD OF DIRECTORS

15. Beyond the duties provided by Law and in the Bylaws, every director is required to:

15.1. Act on the Board seeking to create value for the Company and in defense of the long-term interests of all shareholders;

15.2. Attend Board meetings having prepared in advance and examined the support documentation available, and to participate actively and diligently in these meetings. A director that participates in less than 75% of the Board meetings and of the meetings of committees of which he/she is a member shall not be nominated for reelection. The Nomination and Corporate Governance Committee may take special situations into account when making its recommendations to the Board;

15.3. Notify the Board of any other boards (of directors, fiscal councils and advisory or similar boards) of which he/she may be a member, in addition to his/her main activity. Any significant alteration in these positions must be notified promptly;

15.4. Observe personal and professional commitments in which he/she is involved in order to assess whether he/she can dedicate the time necessary to act on the Company's Board;

15.5. Maintain the confidentiality of any and all Company information to which he/she may have access on account of being a director, as well as to require the same confidential treatment from professionals that provide advisory services, using the information only for performance of his/her functions as director;

15.6. Abstain from interfering, whether individually or jointly with a third party, in any business transaction carried out by the Company, its subsidiaries and affiliates, or material shareholders, and also with transactions between the Company and the subsidiaries or affiliates of directors, officers or material shareholders, as well as any other company belonging to the same conglomerate as any of such persons, either under the law or as a matter of fact. Any transaction between the Company or any of its subsidiaries or affiliates and any of such persons may only be entered into on an arm's length basis, pursuant to market practices or under conditions the Company would reasonably transact with third parties. Agreements between a director, or a related person, and the Company, or any of its subsidiaries and affiliates, shall compulsorily be disclosed to the market, in accordance with applicable regulations;

15.7. Promptly and previously declare any personal interest or conflict with the Company's interest concerning any matter on which the Board may have to decide, whereas abstaining from taking part in the discussion or voting on any such matter;

15.8. exercise conscience and responsibility by systematically reflecting on his/her ability to make independent judgments; and

15.9. ensure the Company adopts good corporate governance practices.

VIII – PROHIBITIONS APPLICABLE TO BOARD MEMBERS

16. It is forbidden for a director to:

16.1. Receive improper or disproportionate benefits as a result of exercise of his/her office;

16.2. Take advantage of any commercial or investment opportunity for his or her own benefit or for the benefit of a third party, regardless of whether or not this is done at the expense of the company, where he or she may have learned of any such opportunity by virtue of his or her position as director;

16.3. Neglect the protection of the company's rights, including by failing to ensure the Company exercises its rights, whether for his or her own benefit or for the benefit of a third party;

16.4. Acquire, in order to resell for profit, a good or right that is essential to the Company's business operations, or that the Company intends to acquire itself ;

16.5. Avail him/herself of privileged information to his or her own benefit or the benefit of a third party; and

16.6. Participate directly or indirectly in the management of companies that compete with the Company or its subsidiaries.

IX – CHAIR OF THE BOARD OF DIRECTORS

17. In addition to other functions foreseen in the law or the Bylaws, the Chair of the Board shall perform the following key functions:

    17.1. To chair (i) the Board meetings, having the casting vote in the event of a tie, with permission to designate any other director to replace him as chair of the meeting; (ii) the shareholders' meetings;

    17.2. To ensure the efficiency and good performance of the Board;

    17.3. To organize and coordinate meeting agendas, in collaboration with the Secretary of the Board, after consulting the other directors and the chief executive officer;

    17.4. To propose to the Board the annual calendars of Board and shareholders' meetings;

    17.5. To ensure the activities of the Board are in line with the interests of the Company, and of the shareholders and other stakeholders;

    17.6. To ensure the directors receive complete and timely information concerning the items included in the agendas of the meetings;

    17.7. To submit to the Board a proposal nominating the secretary of the Board of Directors, who will not be a Board member;

    17.8. To submit to the Board a proposal on the compensation of directors, as prepared with the support of the Compensation Committee;

    17.9. Upon the election of any new director, to organize jointly with the chief executive officer an integration program for this new member, so he/she can quickly become acquainted with the Board activities and obtain information on the organization;

    17.10. To ensure effectiveness of the systems adopted to monitor and evaluate the activities of both the Board of Directors and the board of executive officers, as well as the individual activities of the members of each these bodies; and

    17.11. To conduct a formal and periodic process of evaluation of the Board as a collective decision-making body.

18. The Board may formally establish additional responsibilities and specific functions for the Board Chair.

X – SUBSTITUTIONS

19. In case of a vacancy in the positions of Chair of the Board, the Vice Chair shall occupy the vacant position until election of the new Chair.

20. In cases of absence or temporary impediment, a director may be represented at Board meetings by another director appointed in writing, who shall vote for the represented director in addition to having his or her own vote. If the director thus represented is an Independent Director, the appointed representative shall also be an Independent Director.

21. In the event of absence or temporary impediment of the Chair, his or her functions shall be performed temporarily by the Vice Chair or by another director appointed by him or her. In the event of absence or temporary impediment of the Vice Chair, the Chair shall have the duty to appoint his or her substitute from among the other directors.

22. If there is a vacancy in the Board, a replacement shall be appointed by the other directors, based on a recommendation of the Nomination and Corporate Governance Committee, and shall serve until the next shareholders' meeting, when a new Director must be elected to complete the term of office of the substituted Director. Where there is a vacancy of the majority of positions in the board of directors, a shareholders' meeting shall be convened within at most 15 days from the event, to elect substitute directors to complete the terms of office of those being replaced.

XI – OPERATIONAL RULES APPLICABLE TO MEETINGS OF THE BOARD OF DIRECTORS

Annual Calendar

23. The Board holds regular meetings at least once every two months, in accordance with a calendar the Chair releases in the first month of each year, and convenes in extraordinary meetings whenever business may require, as called by the Chair, or in his absence the Vice Chair, or by two thirds of its members. Minutes of these meetings are drawn up in summary form.

24. The periodicity of the meetings shall be determined so as to ensure effectiveness of the Board's activities, though efforts will be made to avoid more than one meeting by month.

Place

25. Unless otherwise resolved, the regular and special meetings shall be held at the Company's headquarters.

Calling Notice, Installation and Representation

26. The call notices for the Board meetings shall be given in writing, by letter, telegram, fax, e-mail or other manner that allows the addressee to prove receipt of the call notice, and shall inform the place, date and time of the meeting, as well as the agenda.

27. The Board meetings shall be convened with, at least, three-day prior call notice. Regardless of the formalities for convening a meeting, the meeting shall be considered regularly convened whenever attended by all directors.

28. The directors may take part in Board meetings by telephone conference, videoconference or by any other means of communication allowing for identification of the directors and simultaneous communication with all other persons present at the meeting. In this event, the directors shall be considered present at the meeting and must sign the minutes.

    28.1. Directors that participate by telephone or videoconference shall make sure that the matters addressed at the meeting remain privy and are not overheard by unauthorized third parties.

29. The quorum to convene Board meetings on first call shall be the absolute majority of its members. On second call, which shall require a second call notice being sent promptly

after the date set for the first call, the meeting shall be convened with any number of directors present.

30. The acting chief executive officer, or his alternate, shall attend the Board meetings, from which he may be requested to take leave.

XII. DOCUMENTATION

Meeting agendas

31. The Chair, as assisted by the Secretary, shall prepare the agenda of the meetings after consulting with the other directors, the chief executive officer and the Board committee coordinators.

32. Unless in the case of urgent extraordinary meetings called as indicated in item 34, the Chair, or a designee, shall send to the directors, the chief executive officer and the committee coordinators a preliminary agenda for the meeting, doing so by no later than seven days prior to the meeting, such that within the next two days the addressees can present justified recommendations for inclusion of other matters in the order of business. The Chair shall evaluate the pertinence of the proposed changes and forward the final agenda along with the call notice for the meeting, pursuant to item 27 of this Regulation.

33. The matters on which a Board decision is required shall be reflected in proposals and/or recommendations from the board of executive officers or other pertinent body, presented along with a legal opinion, if this is necessary for the deliberations concerning any particular matter.

34. The support documentation necessary for deliberations on matters included in the agenda shall be delivered to the directors at least three (3) days prior to the date of the meeting. In the case of extraordinary meetings, in view of the urgency, the Chair shall define the minimum timeframe within which the agenda and the documentation must be forwarded.

Minutes

35. A record shall be made of the deliberations and decisions taking place at Board meetings, based on which minutes will be drawn up containing the topics addressed, the decisions taken and actions to be implemented, including defined implementation deadlines and indication of the leaders in charge. Dissenting votes and relevant discussions shall be included in the minutes upon request.

36. The chief executive officer shall take action to ensure that minutes requiring filing with the Commercial Registry or any regulatory entity are so filed, in addition to ensuring customary publications and disclosures, as appropriate.

Presence of Third Parties

37. The Board Chair, on his/her own initiative or on request of any director, may summon executive officers and/or Company collaborators to attend Board meetings and provide clarification or information on matters being addressed at such meetings.

Secretary of the Board of Directors

38. The secretary of the meetings of the Board has the following responsibilities:

38.1. organizing the agendas for the meetings based on direction provided by the Chair and on requests by Board members or consultations with executive officers, for subsequent circulation;

38.2. forwarding call notices for Board meetings, informing directors and other participants of the place, date, time and agenda of the meetings;

38.3. acting as secretary of Board meetings, preparing the relevant minutes and having them circulate among those attending these meetings, for comments and changes, if any, prior to final approval and filing, in addition to collecting signatures, as appropriate;

38.4. monitoring and controlling requests and pending actions originating from Board meetings;

38.5. providing copies of the approved minutes to all Board members and the chief executive officer; and

38.6. monitoring filings of the minutes of meetings and Board decisions with the pertinent registration or regulatory bodies, in addition to arranging for the customary publications and disclosures, as appropriate.

XIII – RESOLUTION AND SUSPENSION OF MEETINGS

39. Unless otherwise provided for in the Bylaws, the decisions of the Board shall be taken by a majority vote of members present at the meetings, with the Chair having the casting vote.

40. At the request of any board member and with approval of the Chair the meetings may be adjourned or closed if circumstances so require.

41. In the event of adjournment, the Chair will schedule another date, time and place for the meeting to continue, without need for observing call notice formalities, as long as no additional items are added to the agenda.

XIV. GENERAL PROVISIONS

42. Omissions in this Internal Regulation, interpretative issues and possible amendments to this document shall be decided at a Board meeting, in accordance with the provisions contemplated herein and in the Bylaws.

43. This Internal Regulation takes effect as of the date of approval by the Board and shall be filed in the Company's registered office.