

BROKERAGE RULES - BOVESPA

GRADUAL CCTVM S/A

In accordance with Section 6 of Instruction 387 of the Brazilian Securities Commission (CVM) from April 28th, 2003, Gradual Corretora de Câmbio, Títulos e Valores Mobiliários S/A establishes by this present instrument rules and parameters for receipt, recording, refusal, period of validity, priority, execution, distribution and cancellation of trades orders received by the clients and the procedures concerning trades settlement and custody.

1 - Registration

In order to trade with Gradual CCTVM S/A, the client must provide all the information requested, by filling in and signing the client registry information card, and delivering copies of documents proving its identity, in accordance with legislation in force.

The client is required to maintain all registration information duly updated

2 - Receipt of orders

“For the purposes hereof and the CVM Instruction 387, order shall mean the act whereby the client requests that a brokerage firm buy or sell securities or underlying rights in his name and on the conditions specified thereby.

2.1 Gradual CCTVM S/A will accept the following type of orders:

- a) Market Order - an order that specifies only the amount and characteristics of the securities or rights to be bought or sold, and is to be executed as from the moment it is received by **Gradual CCTVM S/A**;
- b) Matched Orders - an order which the execution is linked of another execution order by the client, being able to be with and without limit of price;
- c) Managed Order - an order that specifies only the quantity and characteristics of the securities or rights to be bought or sold, with execution at the discretion of **Gradual CCTVM S/A**;
- d) Discretionary order - an order given by a private individual or legal entity that manages a portfolio of securities, or by a person or legal entity representing more than one client. In this case it is for the person or the legal entity giving the order to specify the conditions under which the order should be executed.
- e) Limit order - an order that is to be executed only for a price equal to or better than the price specified by the client.
- f) Financing order - an order of a purchase or sale in the market administered by BOVESPA, and another order concurrently at the same market or in another market also administered by the BOVESPA;
- g) Stop order - an order that specifies a threshold price beyond which the order should be executed. A buy on stop order is to be executed when, in the case of a price rise, a trade is available at a price equal to or higher than the specified price. A sell on stop order is to be executed when, in the case of a price fall, a trade is available at a price equal to or lower than the specified price.

2.2 **Gradual CCTVM S/A** will accept orders from its clients for operations in the following markets: spot, futures, options and fixed-income.

2.3 In the event of an interruption in the trading system of **Gradual CCTVM S/A**, due to operational reasons or force majeure, the orders will be transmitted straightly to the operations desk, through the telephone number: + 55 11 3372-8300 or fax number: + 55 11 3372-8301.

2.4 Acceptable forms of transmitting orders:

The orders will be transmitted to the Broker verbally. In case the client wants to transmit them in writing, this type of procedure should be sent formally in the moment of the registration at a Broker.

When the option will go in writing, the Broker will accept the forms transmitted: by letter, fax, e-mail or any other transmission which is possible show up their receipt and since assured to their authenticity and integrity.

There is no deadline for receiving orders. However, when received outside of market hours, orders will be valid for the subsequent trading session or, if the client so specifies, for the subsequent After Market session.

2.5 Procedure for refusing orders:

Gradual CCTVM S/A, at its sole discretion may refuse orders from your clients, entirely or partially, via immediate communication to the client, not being obliged to say the reasons for its refusal.

Gradual CCTVM S/A will not accept orders from clients who, for any reason, are not allowed to trade in the securities market.

When the order will go transmitted in writing, the Broker will send the refusal in writing.

Gradual CCTVM S/A reserves the right to condition acceptance of orders on fulfillment of the following requirements:

- a) Prior deposit of the securities to be sold, or, in the case of purchase of securities, prior deposit of the amount corresponding to the purchase;
- b) For issuances of uncovered options, **Gradual CCTVM S/A** will accept orders via the prior deposit of the securities, or of guarantees, at the CBLC (Brazilian Clearing and Depository Corporation), through **Gradual CCTVM S/A**, provided said guarantees are also accepted by the CBLC, or of a cash deposit in the necessary amount.

Gradual CCTVM S/A will establish, operational limits and/or mechanisms to limit risks to its clients, in consequence of the variation of quotation and exceptional conditions of the market, at its sole discretion may refuse, entirely or partially, orders from its clients, via immediate communication to the client.

When the client does not specify the type of order, **Gradual CCTVM S/A** may, at its own discretion, choose the type of order that best meets the client's instructions.

2.6 Persons authorized to place orders

Gradual CCTVM S/A will only accept an order transmitted by a third party if said third party is duly authorized on the client registry information card, or in the case of a legal representative, through his identification as the legal representative of the client and delivery of a copy of the respective powers of attorney.

3 - Rules for the register of orders

3.1 Register of orders

Gradual CCTVM S/A will record the orders received by means of an information technology system that attributes to each order a daily sequential number for control, the issue date and the receipt time.

3.2 Formalization of registration (Control)

Orders will be registered with the following information:

- The client's identification code or name at the Brokerage;
- Date, time and number that identifies the chronological sequence of receipt;
- Object of the order (type and amount of securities to be traded);
- Type of transaction (purchase or sale and type of market: spot, forward, options and futures);
- Type of order (market, managed, discretionary, limited, or stop);
- Identification of the person who transmits the orders in the following cases: a corporate clients, client who's the portfolio is administered by third party or legal representative or proxy of the client authorized to transmit orders in the client's name;
- Period of validity of order.

4 - Rules for the period of validity of orders

Gradual CCTVM S/A will accept transactions orders to indeterminate period, valid until the cancellation by the clients.

5 - Rules for Execution of orders

Execution of an order is the act by which **Gradual CCTVM S/A** carries out the order transmitted by the client by trading on its behalf in the various markets.

5.1 Execution

Gradual CCTVM S/A will execute orders individually, by constituent or by asset manager, and may group them by type of market and security.

In the event of an interruption in the trading system of **Gradual CCTVM S/A** or of the BOVESPA, due to operational reasons or force majeure, the operations will, if possible, be executed through another trading system made available by the BOVESPA.

5.2 Broker Fee

The broker fee will be negotiated with the client when the service is hired.

5.3 Confirmation of execution of orders

In timely fashion, so as to enable the adequate control of each client's orders, **Gradual CCTVM S/A** will verbally confirm to these clients the execution of their orders and the conditions under which they were executed, or any other method by which it is possible to prove the issue and the receipt of the message.

The client, or its representative or custodian, will receive at the address provided on the client registry information card, the document "Notification of Stock Trade - ANA", issued by BOVESPA, which has details of the trades carried out and the "custody position" showing the position of stocks in custody.

6 - Rules for the distribution of trades

Distribution is the act by which **Gradual CCTVM S/A** attributes to its clients, entirely or partially, the trades carried out by **Gradual CCTVM S/A** in the various markets.

Gradual CCTVM S/A will orientate the distribution of the trades carried out on the BOVESPA by type of market, by asset and by standard/fractional lot.

The following criteria shall be obeyed:

- I. Only orders able to be executed at the moment a trade is made qualify for distribution.
- II. The orders of persons not link to **Gradual CCTVM S/A** will have priority relates to the orders of persons linked.
- III. Managed orders, financing orders and matched orders, will have priority in the distribution.
- IV. When orders of the same type are "competing" against each other, distribution of trades carried out shall be proportional to the volume of the competing orders being executed, dividing the orders by volume and average price, except for monitored orders, in which the client can interfere via telephone at the moment when the trade is closed.

7 - Rules for cancellation of orders

All orders may be cancelled providing they have not yet been executed:

- a) At the request of the client;
- b) At the initiative of **Gradual CCTVM S/A**:

- When the operation, or the circumstances, or the available data indicate risk of client delinquency;
- When the operation is in conflict with the operational rules of the securities market, in which case **Gradual CCTVM S/A** shall communicate this verbally to the client.

The order shall be cancelled and, if the case, replaced by a new order when the client decides to modify the conditions of its order that has been recorded but no yet executed.

When the order was transmitted in writing, the Broker will only accept the cancellation in writing.

8 - Rules for settlement of operations

Gradual CCTVM S/A will maintain, in the name of the client, a checking account that cannot be operated using checks, to be used for accounting the client's trades and the credits and debits carried out on its name.

The client undertakes to pay **Gradual CCTVM S/A** by the means made available to it, the debits resulting from the execution of orders of trades carried out on its behalf, as well as any expenses related to these trades.

The funds sent by the client to **Gradual CCTVM S/A**, via banks, will only be considered freed up and available after confirmation, by **Gradual CCTVM S/A**, of their effective availability.

If there are pending debits in the client's name, **Gradual CCTVM S/A** is authorized to liquidate, on the stock market or in clearing houses, the contracts, rights and securities acquired on the client's behalf, as well as to execute goods, rights and securities given as collateral in operations of the client, or which are held by Gradual, using the funds raised to pay the client's pending debits with **Gradual CCTVM S/A**, independent of judicial or extrajudicial notification.

9 - Custody of securities

In order to use the settlement and custody services of **Gradual CCTVM S/A**, the client shall agree to the terms of the Asset Custody Contract of the CBLC, signed by **Gradual CCTVM S/A**, granting the CBLC powers to, as fiduciary owner, transfer to its name, in the issuing companies, the assets of its ownership.

The services that are the object of this comprise the custody of assets and securities, the updating and receipt of dividends, stock bonuses, interest and yields, the exercise of rights in general and other activities related to the Services of Custody of Assets and Securities.

The entry of funds from rights related to the securities deposited in custody will be credited in the client's account at **Gradual CCTVM S/A** and the assets and securities received will be deposited in the client's custody account with the CBLC.

Subscription rights of assets and securities will only be exercised by **Gradual CCTVM S/A** through authorization by the client, who will make the corresponding cash payment.

The client will receive, at the address provided in his client registry information card that is also held by the CBLC, monthly statement issued by the CBLC containing the list of assets deposited and other transactions carried out in his name.

The custody account opened by **Gradual CCTVM S/A** at the CBLC will be operated exclusively by **Gradual CCTVM S/A**.

10 - Specific rules for securities operations carried out via the Internet through the Home Broker System

10.1 Home Broker

Gradual CCTVM S/A offers duly authorized clients the option of transmitting operation orders over the Internet through the Home Broker System of the São Paulo Stock Exchange - BOVESPA ("Home Broker").

Home Broker provides automated services offered by **Gradual CCTVM S/A**, allowing clients to place, for immediate execution, orders to buy and sell securities in the spot markets (standard and fractional lots) and options on the BOVESPA.

10.2 Form of Orders Transmissions

All orders sent directly via the Internet to the Home Broker System will always be considered as having been made in writing.

In case there is no possibility to transmit order by Internet, the client has an option to transmit the orders straightly to the operations desk, by telephone number: + 55 11 3372-8300 or fax number: + 55 11 3372-8301.

Given the risks inherent to the means of communication used in the BOVESPA Electronic Trading System and in the Home Broker System, **Gradual CCTVM S/A** is not responsible for problems with transmission, interference or interventions caused by third parties or inherent to the means used.

10.3 Registry of Trading Orders

When sent directly via the Internet to the Home Broker System, orders shall be considered accepted only after the moment of their effective receipt by the Mega Bolsa System of the BOVESPA and the return of the acceptance confirmation to the client.

10.4 Priority in Distributing Trades

When orders sent directly via the Internet to the Home Broker System and when distributed shall not compete with the other trades executed by **Gradual CCTVM S/A**.

10.5 Cancellation of trading orders

The cancellation of orders transmitted via the Internet to the Home Broker System may only be considered accepted after their effective receipt by the Mega Bolsa System of the BOVESPA, and provided that the corresponding trade has not yet been carried out.

10.6 Confirmation of Trades

Confirmation of the execution of orders received via the Internet shall be made by Gradual CCTVM S/A to the client by means of an electronic message.

Indication of the execution of a specific order does not represent an irrevocable trade, given that if there is any infraction of the norms of the securities markets the BOVESPA and CVM have powers to cancel the trades executed. Accordingly, the orders transmitted directly to Gradual CCTVM S/A via the Internet to the Home Broker System shall only be considered effectively executed when there are no infractions of the norms of the securities market and after the passing of the deadlines for carrying out special trading procedures provided for by the norms issued by the BOVESPA or CVM.