



Statute of Fundo Garantidor de Créditos - FGC

ANNEX I TO RESOLUTION 4,222, OF MAY 23, 2013

(Annex I as per wording provided for by Resolution 4,688, of September 25, 2018.)

CHAPTER I - Denomination, Object, Purpose, Head Office and Term

Article 1 - Fundo Garantidor de Créditos (FGC) is a non-profit civil association, with legal status of a private company, governed by the present statute and by the applicable legal provisions and regulations.

Sole paragraph. FGC does not exercise any public function, including those by force of delegation.

Article 2 - FGC's purposes are:

I - protect depositors and investors under the financial system, up to the limits set forth by regulation;

II - contribute to the maintenance of stability of the National Financial System; and

III - contribute to the prevention of a banking systemic crisis.

Article 3 - FGC's object is:

I - to render guarantee regarding the financial instruments issued or raised by member-institutions, in the events of:

- a) a decision for intervention or extrajudicial liquidation of a member-institution; and
- b) recognition by the Central Bank of Brazil of the insolvency status of a member-institution that, under the terms of the current legislation, is not subject to the regimes referred to under item "a"; and

II - considering the purposes set forth under items II and III of Article 2,



the engagement of assistance or financial support operations, including liquidity operations with member-institutions, directly or through companies named by member-institutions, even with their controlling shareholders.

Paragraph 1 - When paying the debts of member-institutions, according to item I of the main clause, FGC has the right to subrogate itself for the respective credits and to reimburse itself for the amounts paid under the terms of Article 346, item III, of the Civil Code.

Paragraph 2 Operations referred to under item II of main clause will be contracted preferentially in order to promote:

I - the transfer of the equity control, the conversion, the merger, the consolidation, the spin-off or other forms of corporate reorganization in the interest of member-institutions; or

II – organized delisting from the market.

Article 4 – Operations under item II of article 3 shall be subject to the following provisions:

I - they cannot exceed the amount projected for the guaranteed financial instruments under the responsibility of each member-institution or member-institutions of the same conglomerate, in the occurrence of events provided for under item I of Article 3; and

II - they shall observe the following limits in relation to FGC's net equity, including the advances of contributions made by member-institutions, as shown in the monthly or annual balance sheet of FGC, less the amount of the Resolution Fund (FR) addressed by Article 5 of FGC's Regulation:

- a) up to 25% (twenty five per cent) for all operations carried out with each member-institution or with all member-institutions of the same financial conglomerate; and
- b) up to 50% (fifty per cent) for all operations addressed under this article.



Paragraph 1 - In view of the adverse economic situation recognized by the Central Bank of Brazil, and considering the purposes set forth under items II and III of Article 2, the Board of Directors may, exceptionally:

I – authorize that the risk limits set forth under item II of the main clause be exceeded; and

II – establish the charges of the operations referred to in this Article at levels lower than the basic interest rate.

Paragraph 2 - FGC shall keep the Central Bank of Brazil informed as to the negotiations regarding the operations addressed under item II of Article 3.

Article 5 - In accordance with the criteria, the limits, the diversification requirements, the operational format, and the contractual clauses established by the Board of Directors, FGC may invest funds up to the overall limit of 50% (fifty per cent) of its net equity, excluding the FR amount, added by the liabilities arising from the advance payment of ordinary contributions on the part of member-institutions, as shown in the monthly or annual balance sheet of FGC:

I - in the acquisition of credit rights from financial institutions and leasing companies;

II- in fixed income securities issued by member-institutions provided that they are guaranteed by credit rights constituted or to be constituted with funds from the respective investments; and

III - in corresponding asset transactions, under the provisions of Resolution 2,921, dated January 17, 2002.

Paragraph 1 - FGC may sell assets acquired as a result of operations referred to in items I, II, and III under the main clause of this article.

Paragraph 2 - Except for the events provided for under this statute, FGC is prohibited to use funds for the acquisition of real estate, or in variable



income securities, save when received in liquidation of credits owned by FGC, or upon authorization by the Board of Directors, to enable the operation referred to in item II of Article 3.

Paragraph 3 - The properties received in accordance with Paragraph 2 shall be sold as soon as market conditions allow, in compliance with the asset sale policy approved by the Board of Directors.

Paragraph 4 - Due to the adverse economic situation recognized by the Central Bank of Brazil, and considering the purposes set forth under items II and III of Article 2, the Board of Directors may, exceptionally, increase the limit established in the main clause up to seventy-five per cent (75%) of FGC's net equity, less the Resolution Fund amount.

Article 6 - The amount of funds used in the operations referred to under item II of article 3 and article 5 shall comply with the limit of 75% (seventy five per cent) of FGC's net equity, excluding the FR amount, added by liabilities arising from ordinary contributions paid in advance by member-institutions, as shown in the monthly or annual balance sheet of FGC.

Article 7 - FGC cannot refuse payment of guarantees rendered, under item I of article 3, based on default in the payment of contributions on the part of member-institutions.

Sole paragraph. If there are signs of adoption of procedures with the purpose of receiving a reimbursement over the individual limit established or signs of operations indicating possible fraud or attempt, by any means, to exceed the maximum coverage amounts, the payment of guarantees shall be suspended, and after due analysis through a FGC's internal procedure, it may be refused, being the interested parties responsible to demonstrate the correctness of the procedures.

Article 8 - FGC's legal domicile is in the city of São Paulo (SP), and its head office is located at Avenida Brigadeiro Faria Lima, 201, 12th. Floor, ZIP Code 05426-100, in the city of São Paulo.

Article 9 - FGC's term of duration is undetermined.

**CAPÍTULO II –
Revenues and
Equity**

Article 10 – FGC's revenues comprise:

I - ordinary and special contributions from member-institutions;

II - fees on services resulting from the issuance of checks without provisions of funds;

III - recovery of credit rights in which FGC has subrogated itself, due to the payment of debts of member-institutions related to credits guaranteed;

IV - net income from services rendered by FGC and earnings from investment of its funds;

V - remuneration and charges corresponding to the receipt of amounts due as a result of operations referred to under articles 4 and 5; and

VI - receipts from other sources.

Paragraph 1 – The member-institutions' accountability is limited to the contributions they are obliged to pay, in compliance with the conditions set forth under FGC's Regulation, not being secondarily liable for FGC's social obligations.

Paragraph 2 - Whenever the circumstances indicate that FGC's equity needs additional funds to comply with its obligations, funds arising from the sources below shall be used, with due regard to the prevailing laws:

I - extraordinary contributions from member-institutions, as set forth under item II of Article 33;

II - payment in advance, by member-institutions, of twelve to sixty ordinary monthly contributions;

III - credit operations with private, official or multilateral institutions; and



IV – issue of negotiable instruments; e

V - other sources of funds, as proposed by FGC's management and upon prior authorization by the Central Bank of Brazil.

CHAPTER III – Associated Institutions

Article 11 – FGC's member-institutions are Caixa Econômica Federal (Brazilian federal savings bank), multiple banks, commercial banks, investment banks, development banks, savings banks, finance and investment companies, building societies, mortgage companies, and savings and loan associations operating in Brazil.

Sole paragraph. The association with FGC implies that the member-institution authorizes, pursuant to item V of Paragraph 3, Article 1, of Supplementary Law no. 105, of January 10, 2001, that the following information about itself may be shared between FGC and the Central Bank of Brazil, including any information protected by legal secrecy, except if it allows the identification of the holders of operations carried out with the member-institutions:

I – financial information included in periodical statements and forms sent to the Central Bank of Brazil, so that FGC may monitor the risk of member-institutions and to calculate the sufficiency of FGC's liquidity; and

II – in the event of a request regarding the operations mentioned in item II of Article 3, any other information about the requesting institution, needed to assess the operation feasibility.

"Article 12. The Board of Directors may exclude from FGC's membership, for cause, any institution that:

I – is subject to an intervention or extrajudicial liquidation;

II – changes its corporate purpose and is no longer classified as one of the institutions referred to in Article 11; or

III – has its operation permit cancelled or revoked by the Central Bank of



Brazil.

Paragraph 1 – Should any of the assumptions mentioned in the main clause above occur, FGC shall notify the member-institution so that, within fifteen days, the institution offers its defense against its exclusion from the membership, presenting the facts and documents it deems appropriate.

Paragraph 2 – After the period referred to in Paragraph 1, with or without the presentation of a defense, the Board of Directors shall decide on the exclusion of the member-institution within thirty (30) days.

Paragraph 3 – If the Board of Directors decide to exclude the member-institution, the decision may be appealed to the Shareholders' Meeting, in accordance with Paragraph 2, without suspensive effect, within fifteen days after the date of notification of the decision.

"Article 13 – A member-institution may leave FGC's membership at any time, provided it gives evidence that:

II – it has changed its corporate purpose and is no longer classified as one of the institutions referred to in Article 11; or

II – it does not maintain balances of operations covered by the ordinary or special guarantees provided by FGC.

Article 14 – The duties of member-institutions are:

I - comply and enforce compliance with the Statute and Internal Regulation;

II - attend and vote in the Shareholders' Meetings;

III - pay the contributions on time, in accordance with the criteria established; and



IV – make available to FGC:

- a) up to April 30 and September 30 of each year, and whenever requested, a copy of the half-yearly financial statements and of the independent audit reports; and
- b) the consolidated information, for statistical purposes, on the financial instruments covered by FGC's guarantee, prepared in accordance with the prevailing regulation; and

V – disclose to all of its clients holding financial instruments covered by FGC's guarantee, in June of each year, in a broad and comprehensive manner, by printed mail or electronic communication, a message informing that the balances of the respective deposits or investments are guaranteed by FGC, up to the limit set forth in its Regulation.

Sole paragraph. The wording of the message to be disclosed in accordance with item V of the main clause:

I – shall not exceed two hundred words;

II – shall be provided by FGC to the member-institutions by the end of April of each year; and

III – may be written in the body of other messages sent by the member-institution to its clients, provided it is highlighted and has a font not smaller than the rest of the text.

**CHAPTER IV – FGC's
Bodies and
Shareholders'
Meetings**

Article 15 – FGC comprises the following bodies:

I – the Shareholders' Meeting;

II – the Board of Directors;

III – the Advisory Council;



IV – the Executive Board; and

V – the Fiscal Council.

Sole paragraph. The members of FGC's bodies are not secondarily or severally liable for FGC's social obligations, pursuant to item V of Article 46 of the Brazilian Civil Code.

Article 16 - The Shareholders' Meeting, the highest decision-making body of FGC, is composed of all member-institutions, which are entitled to exercise voting rights, observing the following rules:

I - a member-institution can only vote if it has paid all due contributions to FGC; and

II - the right to vote of each member shall correspond to the sum of voting units it possesses.

Paragraph 1 - Every real paid in the last ordinary contribution made to FGC before the respective Shareholders' Meeting, discarding the cents portion, shall grant one voting unit to the member-institution.

Paragraph 2 - The voting right of member-institutions belonging to the same financial conglomerate shall take into consideration the amount of the ordinary contribution effectively disbursed to FGC by the group of institutions; however, the member-institution designated, in writing, by the conglomerate leader institution is allowed to exercise the voting right relative to the voting units of all the conglomerate.

Article 17 – Up to April 30 of each year, member-institutions shall meet at the Shareholders' Meeting to:

I – analyze the management accounts and examine, discuss and vote on the financial statements, based on the expert opinions of the independent auditors and the Fiscal Council;



II - elect the members of the Board of Directors, the Fiscal Council, and the Advisory Council;

III – appoint the Chairman and the Vice-Chairman of the Board of Directors; and

IV - establish the overall limit of compensation for the Board of Directors, the Executive Board and the Fiscal Council, to be distributed among their members as per resolution of the Board of Directors.

Article 18 - The Extraordinary Shareholders' Meeting may be called to resolve on other matters of interest to FGC, including to elect members to the Advisory Council, the Board of Directors and Fiscal Council administrators in the event of vacancy of positions, in which case the elected persons shall hold their position for the remaining period of term of office of the vacated positions.

Article 19 - The Shareholders' Meeting shall be called with a minimum of ten days' notice, by means of a publication in Federal Official Gazette (DOU), displaying the agenda, and it shall remain on FGC's internet site during the whole period between the call and the meeting:

I - by the Board of Directors' Chairman, by his own initiative or at the request of two or more of its directors;

II – by two or more directors who signed the request made to the Board of Directors' Chairman referred to in item I, in the event that the latter does not order the publication of the calling notice within ten days from the receipt of said request; or

III - by initiative of member-institutions which jointly represent a minimum of 1/5 (one-fifth) of the total voting units, in accordance with the criteria set forth in Article 16.

Article 20 - The Shareholders' Meeting shall be installed and presided over by the Chairman of the Board of Directors, who shall invite one of the directors to serve as secretary of the Meeting.



Sole paragraph. In the absence of the Board of Directors' Chairman, the Shareholders' Meeting shall be installed by any one of the directors, being the responsibility of member-institutions present to elect the Chairman of the Meeting.

Article 21 - The Shareholders' Meeting shall be installed with any number of member-institutions present and their decisions shall be made by a simple majority of voting units attending the Meeting, in accordance with the criteria set forth under Article 16 of this statute.

Article 22 - Decisions referring to the reform of the Statute or Regulation of FGC, or the election or dismissal of members of the Board of Directors, shall be based on the following quorums:

I - installation on a first call with the presence of a minimum of 50% (fifty per cent) plus one voting unit of the member-institutions, and, in the following calls, until reaching the minimum of 1/3 (one-third) of the voting units of the member-institutions;

II – decision upon a minimum of 2/3 (two-thirds) of the voting units of member-institutions attending the Meeting.

Paragraph 1 - After approval of the reform of the Statute or Regulation by the Shareholders' Meeting, the respective proposal shall be forwarded to the Central Bank of Brazil, for review of and submission to the National Monetary Council.

Paragraph 2 - A member-institution may be represented by another by proxy with specific powers for each session of the Shareholders' Meeting.

Article 23 - For the removal of directors or Executive Board officers, a quorum of 2/3 (two-thirds) of the member-institutions' voting units is necessary.

CHAPTER V – Management of FGC

Article 24 - FGC shall be managed by the Board of Directors and the Executive Board, in accordance with the following procedures for the election of directors:



I - the election shall be made by voting on slates, containing the name of the candidates to the sitting or alternate positions of the Board of Directors for all offices in question, being necessary for the slates to be registered with the electoral board soon after the Shareholders' Meeting discloses the number of offices to be elected; ([Wording as per Resolution 4,700, of November 27, 2018.](#))

II - the name of each candidate for a sitting or alternate position on the Board of Directors shall be included in one slate only;

III - each member-institution shall submit one slate only;

IV - the winner slate shall be the one that receives the largest number of votes from member-institutions, in accordance with the quorums set forth under Article 22; and

V - in the event of a tie vote, a new Shareholders' Meeting shall be called and establish the new period for the submission of slates.

Sole paragraph. ([Revoked by Resolution 4,700, of November 27, 2018.](#))

Paragraph 1 - The following are requirements for becoming a member of the Board of Directors:

I – have untarnished reputation;

II – not to be prevented by special law nor convicted for crime of bankruptcy, tax evasion, malfeasance, bribery, corruption, embezzlement, crime against the economy, public faith, property or the National Financial System, or convicted under criminal sentence that prohibits, even if temporarily, the holding of public office;

III – not to be declared disqualified or suspended in relation to holding positions of member of Audit Board, Board of Directors, Executive Board or managing partner of financial institutions, other institutions authorized to operate by the Brazilian Central Bank or supplementary pension entities, insurance companies, capitalization companies, publicly-held companies or entities supervised by the Securities and Exchange Commission of Brazil;

IV – not to be liable for, nor any company of which they are a controlling shareholder or manager, violation of net, certain and enforceable pecuniary obligations;

V – not to be adjudicated bankrupt or insolvent; and

VI – not to have controlled or managed, within the two years preceding the election, any firm or company that was the subject of declaration of insolvency, extrajudicial liquidation, intervention, special regime of temporary management, bankruptcy or court-supervised reorganization.

[\(Paragraph 1 included by Resolution 4,700, of 11/27/2018.\)](#)

Paragraph 2 - To evaluate compliance with the requirement of Item I, Paragraph 1, the following situations must be taken into account:

I – criminal case in connection with the crimes mentioned in item II of Paragraph 1, in which the person applying to the position, or any company of which they are or have been controlling shareholder or manager at the time of the events, is the defendant;

II – lawsuit in connection with the National Financial System, Brazilian Payment System, Securities Distribution System, National System of Insurance, Capitalization, Reinsurance and Open Supplementary Pension Fund, or Closed Supplementary Pension Fund System;

III – disqualification for the holding of public office by agencies of internal or external control in connection with the federal, state or municipal government;

IV – punishment for serious violation related to noncompliance with the Code of Ethics, Code of Conduct or any other similar corporate normative instruments in the institutions where they have worked; and

V – other similar situations, events or circumstances deemed relevant by the General Meeting.

[\(Paragraph 2 included by Resolution 4,700, of 11/27/2018.\)](#)

Paragraph 3 – In compliance with the provision under Paragraph 1, candidates to serve as members of the Board of Directors must:

I – have held, for at least two years, a management or senior advisory position in member institutions or regulatory bodies of the National Financial System, Brazilian Payment System, Securities Distribution System, National System of Insurance, Capitalization, Reinsurance and Open Supplementary Pension Fund, or Closed Supplementary Pension Fund System; or [\(Wording as per Resolution 4,722, of 5/30/2019.\)](#)

II – have notorious knowledge of the financial market, the National Financial System and its safety net.

[\(Paragraph 3 included by Resolution 4,700, of 11/27/2018.\)](#)

Paragraph 4 – In order to ensure the practices of governance and management segregation, including those addressed by items I and II of Article 25, the candidates to the Board of Directors shall have their names submitted prior to the Shareholders’ Meeting that will elect them and be assessed by an institution or company, to be hired by FGC, of notorious specialization, experience and reputation in recruiting and selecting individuals for positions of this type in the country or abroad.

[\(Paragraph 4 included by Resolution 4,700, of 11/27/2018.\)](#)

Article 25 – The Board of Directors shall comprise five to nine sitting members and an equal number of alternates, natural persons residing in the country, in compliance with following provisions:

I - there shall not be allowed the participation of controllers, administrators or employees of financial institutions; of administrators of third-party funds; of other institutions authorized to operate by the Central Bank of Brazil; or of companies belonging to the respective conglomerates; as well as of employees of these institutions or companies who may be formally under license or temporarily away from their jobs;

II - there shall not be allowed the participation of administrators or employees of professional associations representing financial institutions or of other institutions authorized to operate by the Central Bank of Brazil, as well as of employees of these associations who may be formally under license or on temporary leave; and

III - in the event of resignation or impediment of a director, the Board of Directors shall appoint one of the alternates to fill the vacancy until the end of the respective term of office.

Article 26 – The term in office of the directors shall be of three years, with two re-elections allowed, provided that the consecutive years in office do not exceed six years.

Paragraph 1 – The term of office of the Board of Directors shall extend until the newly elected directors take office.



Paragraph 2 – Directors are not required to provide guarantee of office.

Paragraph 3 – At least the term in office of one director shall not coincide with that of others.

Article 27 – The Board of Directors shall declare vacant the position of a director who, without just cause, fails to attend three consecutive meetings.

Article 28 – The Board of Directors shall meet at the call of the Chairman, by his own initiative or at the request of two or more directors.

Paragraph 1 – If within seven days of the receipt of the request for call the Chairman does not issue the respective notice, the directors who have requested the meeting, under the main clause, may issue it.

Paragraph 2 – The call notice shall indicate the agenda and be delivered, with a receipt of delivery, to the directors with at least ten days prior to the date of the meeting.

Paragraph 3 – The advance notice mentioned under Paragraph 2 above shall be waived when the meeting is attended by all directors of the Board or their representatives, or by means of a written statement of all directors informing that they do agree with the meeting session.

Paragraph 4 – The meeting of the Board of Directors can only be held with the attendance or representation of the absolute majority of its members and the resolutions shall be taken by a majority of votes. In the event of a tie, the casting vote shall be exercised by the Chairman.

Paragraph 5 – The minutes of the Board of Directors' meetings shall be drawn up in the Company's records and be signed by all attending the meeting.

Article 29 – FGC shall have an Advisory Council, without executive functions, formed by no more than six sitting members and six alternates,



elected by the Shareholders' Meeting, based on the nomination made by the Board of Directors, with a term of office of three years and re-election allowed.

Paragraph 1 – The Advisory Council shall meet whenever called by the Board of Directors, when the latter decides to consult it on:

I - ideas, suggestions and proposals for creating policies, guidelines and strategies regarding FGC's conduct in the performance of its purposes;

II - operations and businesses in which FGC may be called to participate and which require an adequate evaluation of repercussion on the financial market; and

III - other matters within FGC's scope of action, which may reflect upon the soundness and stability of the National Financial System.

Paragraph 2 - Members of the Advisory Council shall be individuals with renowned knowledge and experience in business, operations and activities carried out in the financial system, and the restrictions provided for under items I and II of Article 25 shall not be applicable to them.

Paragraph 3 - Meetings of the Advisory Council shall be:

I – called by the Board of Directors on its own initiative and may be held via telephone or electronic devices, and the minutes of the meetings shall be kept in a specific file; and

II – instated with the attendance of the majority of its members.

Paragraph 4 – Members of the Advisory Council shall sign a confidentiality commitment letter addressed to the Central Bank of Brazil, and such commitment shall be extended to those that the director may need to consult to formulate his qualified opinion.



Paragraph 5 – The members of the Advisory Council shall not be remunerated for their time in office.

Article 30 - The Executive Board, formed by two to five officers, one of them being the Executive Officer and the others without any specific designation, shall be elected by the Board of Directors for a three-year term of office, with re-election allowed. ([Wording as per Resolution 4,700, of 11/27/2018.](#))

I - ([Revoked by Resolution 4,700, of 11/27/2018.](#))

II - ([Revoked by Resolution 4,700, of 11/27/2018.](#))

Paragraph 1 - The provisions of paragraphs 1 to 3 of Article 24 and paragraphs I to II of Article 25 apply to the members of the Executive Board, and the Board of Directors is responsible for evaluating what is envisaged in item V, Paragraph 2, of Article 24, as the case may be. ([Included by Resolution 4,700, of 11/27/2018.](#))

Paragraph 2 - The management term of the Executive Board shall endure until investiture of the new officers elected. ([Included by Resolution 4,700, of 11/27/2018.](#))

Paragraph 3 - The candidates to the Executive Board must have their names evaluated and submitted to the Board of Directors by an institution or company with notorious specialization, experience and reputation in recruitment and selection of candidates for positions of this nature in Brazil or abroad, to be hired at FGC's expense. ([Included by Resolution 4,722, of 5/30/2019.](#))

Article 31 - Members elected to the Board of Directors and the Executive Board shall have their names submitted to the Central Bank of Brazil, which shall approve them if they meet the requirements set forth in the current regulation for the exercise of positions in statutory bodies of financial institutions and other institutions authorized to operate by the Central Bank of Brazil.

Paragraph 1 - Once the respective names are approved, the directors and members of the Executive Board shall take office after signing the investiture instrument, the statement of awareness of and agreement with FGC's Code of Conduct and Ethics, and the confidentiality commitment



letter addressed to the Central Bank of Brazil, which shall comply with the provisions under Paragraph 7.

Paragraph 2 – The directors and members of the Executive Board shall be subject to a period of 44 months after the end of their term of office.

Paragraph 3 – The directors and Executive Board officers, during the exercise of their terms of office and quarantine referred to in Paragraph 2, are prohibited to perform any paid activity for financial institutions, administrators of third-party funds, and other institutions authorized to operate by the Central Bank of Brazil, for companies belonging to the respective conglomerates or for professional associations representing financial institutions, or other institutions authorized to operate by the Central Bank of Brazil.

Paragraph 4 - Directors and Executive Board officers shall continue to receive remuneration attributed to the position during the quarantine referred to in Paragraph 2.

Paragraph 5 - The directors and members of the Executive Board of FGC are prohibited from participating directly or indirectly in any process for the acquisition of assets sold by FGC or its current or former member-institutions, or companies that belong to their respective conglomerates, in the following situations:

I - during the circumstances described under letter “a” of item I of Article 3, with such prohibition being also valid for their spouses, partners, or family members up to the third degree of consanguinity.

II – during the operations referred to under item II of Article 3, with such prohibition being also valid for their spouses, partners, or dependents included in the annual income tax return of the persons addressed in the main clause.

Paragraph 6 – The prohibition mentioned in Paragraph 5 shall be maintained for the quarantine referred to in Paragraph 2.



Paragraph 7 – The directors and members of the Executive Board with access to confidential information, including the information received as a result of the provisions of the sole paragraph of Article 11, shall keep the secrecy of such information, and they may be held civilly and criminally liable in the event of an improper disclosure.

Article 32 - The members of the Advisory Council shall take office at the first ordinary meeting of the Board of Directors that occurs after the Shareholders' Meeting that elected them, and they shall take office after signing the investiture instrument and the confidentiality commitment letter referred to under Paragraph 4 of Article 29.

Article 33 - The responsibilities of the Board of Directors are:

I - to establish the percentage of ordinary contributions to be paid by member-institutions to FGC, submitting to the Central Bank of Brazil a specific request, duly substantiated, for review of and submission to the prior authorization of the National Monetary Council;

II - to establish the conditions for the extraordinary contributions that shall be made by member-institutions for paying the guarantee to be rendered by FGC in the event referred to under Article 10, Paragraph 2, item I, observing that these contributions cannot exceed 50% (fifty per cent) of the current rate used for the ordinary contributions;

III - to establish the overall direction of FGC's services, especially the standards and policies to be followed in the fulfillment of its social purposes and in the use of its funds, defining the requirements of risk portfolio composition and diversification, being allowed to hire third parties to administrate it, in accordance with the provisions under Article 5 herein;

IV - to approve the Internal Bylaws and establish responsibilities for taking decisions and carrying out actions within the scope of FGC;

V – to oversee and conduct, in the name of its chairman, the recruiting and selection of the names of candidates to the Board of Directors and the Fiscal



Council, for approval by the Shareholders' Meeting;

VI – to forward to the Shareholders' Meeting the names of candidates to the Advisory Council;

VII – to elect members to the Executive Board;

VIII - to approve FGC's expenditure budget and investment budget;

IX - to approve the level of compensation for directors and members of the Executive Board and the Fiscal Council, observing the overall limit established by the Shareholders' Meeting;

X – to decide on the actions and operations that, in accordance with this Statute and the Internal Bylaws, fall under its responsibilities, including the sale of fixed assets items;

XI – to decide on the engagement of independent auditors;

XII - to appoint the Chairman of the Advisory Council;

XIII – to review the monthly balance sheet and express an opinion on the report and financial statements of FGC to be published;

XIV – to establish the format and conditions of operations set forth under item II of Article 3 herein, generally or specifically, in terms of deadlines, charges, guarantees, and other conditions;

XV – to authorize, as proposed by the Executive Board, the execution of the operations set forth under item II of Article 3 that are outside the decision-making authority of the Executive Board established under item IV;

XVI – to establish the criteria, limits, diversification requirements, operational format, and contractual clauses for operations provided for under Article 5 of this statute;



XVII – to decide on taking out insurance or other type of protection available in the market, in order to provide guarantee to the members of FGC's bodies referred to under items II, III, IV, and V of Article 15, against any claims made by third parties as a result of acts carried out during their terms of office, even if after the end of their term of office; and

XVIII – to decide on the cases not covered herein.

Sole Paragraph - Two thirds (2/3) of the sitting members of the Board of Directors is the quorum required to take a decision on the exceptions set forth in Paragraph 1 of Article 4 and Paragraph 4 of Article 5, and for determining the advance of the ordinary monthly contributions mentioned in item II of Paragraph 2 of Article 10.

Article 34 - The Executive Board's responsibilities, in addition to carrying out ordinary management acts, are:

I - the active and passive representation of FGC, in and out of court;

II - the management of FGC, in accordance with the Statute and Internal Bylaws;

III – the approval of operations set forth under item II of Article 3, in compliance with the powers of authority, the format and conditions laid down by the Board of Directors;

IV – the proposal to the Executive Board of the execution of the operations set forth under item II of Article 3 that are outside the decision-making authority of the Executive Board; and

V – the approval of operations set forth under Article 5, in accordance with the criteria established under the Internal Bylaws.

Sole paragraph. The representation in court for receiving citation or notice, rendering personal testimony or similar acts, shall fall upon the Executive Officer, who may appoint another officer or an attorney-in-fact with special



powers to act on his behalf.

Article 35 - FGC can only assume obligations through joint signatures:

I - of two officers; or

II - of one officer together with an attorney-in-fact with specific powers.

Sole paragraph. FGC's proxies shall be granted by two officers and shall contain the specification of powers conferred and the term of validity, except in the granting of proxies for legal purposes, which may be issued with an indeterminate term of validity.

CHAPTER VI – Fiscal Year and Financial Statements

Article 36 - FGC's fiscal year shall coincide with the calendar year.

Paragraph 1 - At the end of fiscal year, the Executive Board shall prepare the balance sheet and the income statement for the year, as well as a report on the activities and results for the period and the status of capital reserves at the end of the year, to be submitted to the Board of Directors for review.

Paragraph 2 - FGC's annual and half-yearly financial statements shall be examined by the independent auditors, published in Federal Official Gazette, and released on FGC's internet site.

Paragraph 3 - FGC shall prepare a report, to be published together with the half-yearly and annual financial statements, for presentation of the amounts and results on account of the Resolution Fund management.

Article 37 - FGC's income for the year shall be recorded in the capital reserves as set forth under the Internal Bylaws.

CHAPTER VII – Fiscal Council

Article 38 - FGC shall have a Fiscal Council composed of three sitting members and an equal number of alternates, elected by the Shareholders' Meeting.

Article 39 – The Fiscal Council shall be responsible for:

I – reviewing FGC's balance sheets and financial statements, as well as the management and independent auditors' reports and the report referred to in Paragraph 3 of Article 36, issuing a qualified opinion for examination of the Shareholders' Meeting;

II – to oversee FGC's accounting practices and the internal audit activities; and

III – to monitor risk management and internal controls.

Article 40 - The term of office of Fiscal Council members shall be up to three years, with re-election permitted.

Sole paragraph. The provisions under sole paragraph of Article 15 and items I and II of Article 25 are applicable to the Fiscal Council members.

CHAPTER VIII – Liquidation

Article 41 - FGC shall go into liquidation in the events provided for by law or resolution of the National Monetary Council, by means of a decision of the Shareholders' Meeting, being incumbent upon the Board of Directors to appoint the liquidator after consultation with the Central Bank of Brazil.

Article 42 - In the event of FGC's dissolution, its assets shall be allocated to a related entity that may retain its rights and obligations.

Note: Wording does not replace the publication in the Federal Official Gazette (DOU) and Sisbacen.

Note 2: This is a simple translation and should not be considered as an official or a certified translation into English.