M&A AND PRIVATE EQUITY

BRAZILIAN CAPITAL ABROAD

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Individuals and legal entities resident, domiciled or with headquarters in Brazil, as provided for in tax law, must report to the Central Bank of Brazil, on an annual basis, the assets and amounts held by them outside the country. The reporting is mandatory to those holding assets abroad (assets and rights, including corporate interests in companies, fixed-income securities, shares, real properties, deposits, loans, investments, among others) amounting to or exceeding the equivalent to US$100,000 (one hundred thousand US Dollars), on December 31, 2017.

Furthermore, the individuals and legal entities mentioned above must also deliver to the Central Bank of Brazil an additional quarterly report relating to assets held abroad on March 31, June 30 and September 30 of each year, in case the total amount of such assets amounts to or exceeds the equivalent to US$100,000,000 (one hundred million US Dollars).

The report referring to December 31, 2017 must be delivered by means of the Brazilian Capital Abroad (CBE) reporting form available in the internet website of the Central Bank of Brazil at: www.bcb.gov.br, from February 15th, 2018 through 6PM of April 5th, 2018.

The manual containing detailed information about the content and requirements of the reporting is also available in the website of the Central Bank of Brazil.

The late delivery, lack of reporting, or the submission of false, inaccurate or incomplete information subjects the violator to the imposition of a fine by the Central Bank of Brazil of up to R$250,000 (two hundred and fifty thousand Brazilian Reais).

(CMN Resolution 3,854, of May 27, 2010, BCB Circular 3,624, of February 6, 2013, BCB Circular 3,830, of March 29, 2017 and BCB Circular 3,857, of November 14, 2017).