

January 22, 2018

EMTA BRL Exchange Rate Divergence Procedures

NOTICE REQUIREMENTS:

Only EMTA members that are recognized market makers active in the BRL/U.S. Dollar foreign exchange market will be eligible to submit notices to EMTA relating to the observation (or cessation, as the case may be) of Exchange Rate Divergence (defined below).

A notice may be submitted when an eligible EMTA member determines, in its reasonable and independent judgement that Exchange Rate Divergence is observed (or has ceased, as the case may be).

Exchange Rate Divergence means that the BRL PTAX (BRL09) rate (following a split of the exchange rates in Brazil or otherwise) no longer reflects the then-prevailing Brazilian Reais / U.S. Dollar spot rate for standard-size wholesale financial transactions involving the exchange of Brazilian Reais for U.S. Dollars delivered outside of Brazil. In making an assessment regarding its observation of possible Exchange Rate Divergence, market makers may take into consideration, among other factors, foreign exchange transactions involving the payments of external obligations by Brazilian entities and the remittance abroad of profits and/or dividends from Brazil from time to time.

All notices must be in writing, in substantially the form of Notice A (Notice of Exchange Rate Divergence) or Notice B (Notice of Cessation of Exchange Rate Divergence) attached hereto, and sent to EMTA by email (attn.: Leslie Payton Jacobs (lpjacobs@emta.org)) by not later than 6:00 p.m., São Paulo time, on the Brazil Business Day on which Exchange Rate Divergence is observed by such EMTA member (or ceases to be observed, as the case may be) (“Qualifying Notices”).

The occurrence (or cessation, as the case may be) of Exchange Rate Divergence will be notified by EMTA to its members (which may include publication on the EMTA website or otherwise) when, on any given Brazil Business Day, Qualifying Notices have been received by EMTA from not less than 7 unaffiliated EMTA members that are recognized market makers active in the BRL/U.S. Dollar foreign exchange market (no less than 4 of which shall be active participants in the onshore BRL/USD spot market) by not later than 6:00 p.m., São Paulo time, on the Brazil Business Day on which Exchange Rate Divergence is observed (or has ceased, as the case may be). For purposes hereof, “unaffiliated EMTA members” means EMTA members that are not within the same business group, under common control, or are related corporate entities and “EMTA members” are EMTA members in good standing at the time of the submission of the notice.

Qualifying Notices in the form of Notice A will be deemed valid as of the Brazil Business Day received by EMTA and for each Brazil Business Day thereafter, unless and until affirmatively revoked in writing by the relevant market maker by the submission of a Qualifying Notice in the form of Notice B. Qualifying Notices in the form of Notice B will be deemed valid as of the Brazil Business Day received by EMTA. A market maker may submit either a Notice of Exchange Rate Divergence or a Notice of Cessation of Exchange Rate Divergence, or both.

EMTA PUBLICATION:

Once EMTA has received Qualifying Notices from the required number of market makers, the EMTA membership will be notified (through a notice published on the EMTA website or otherwise) that Exchange Rate Divergence is deemed to have commenced and the date on which it has been deemed to have commenced.

EMTA will use best efforts to publish notices on its website of receipt of Qualifying Notices no later than the next Brazil Business Day after receipt thereof, which next Brazil Business Day will be deemed to be the first (or last, as the case may be) day of Exchange Rate Divergence.

EMTA will continue to publish / maintain notice of a continuing Exchange Rate Divergence for the benefit of its membership until it receives a sufficient number of Qualifying Notices in the form of Notice B that Exchange Rate Divergence is no longer observed. At such point, the EMTA membership will be notified (through a notice published on the EMTA website or otherwise) that it has received the required number of Qualifying Notices in the form of Notice B that Exchange Rate Divergence is no longer observed, and thus is deemed to have ceased. Receipt of the required number of Qualifying Notices in the form of Notice B on any given Brazil Business Day will be deemed to supersede outstanding Qualifying Notices in the form of Notice A.

These Procedures may be amended by EMTA, in its sole discretion from time to time. In the event of any conflict between these Procedures, as amended from time to time, and the then-recommended EMTA Template Terms for BRL/USD Non-Deliverable FX Forward and Currency Option Transactions, the Template Terms will prevail.

Notice A

NOTICE OF COMMENCEMENT OF EXCHANGE RATE DIVERGENCE

To: EMTA, Inc.

From: Name of EMTA Member and Name of Sender

Date of Notice: _____

We confirm that that (i) we are an EMTA member in good standing, (ii) a recognized market maker in the BRL/USD foreign exchange market and that, (iii) in our reasonable and independent judgement, an Exchange Rate Divergence has been observed, commencing on and as of the date first set forth above.

Notice B

NOTICE OF CESSATION OF EXCHANGE RATE DIVERGENCE

To: EMTA, Inc.

From: Name of EMTA Member and Name of Sender

Date of Notice: _____

We confirm that (i) we are an EMTA member in good standing, (ii) a recognized market maker in the BRL/USD foreign exchange market and that, (ii) in our reasonable and independent judgement, an Exchange Rate Divergence is no longer observable on and as of the date first set forth above.