

Bank of America Merrill Lynch Policies for Managing Conflicts of Interest in Connection with Research

1 Introduction

This document, which is made available in compliance with the requirements of Rule 483 of the Brazil Comissão de Valores Mobiliários (CVM), summarizes certain policies (together, the “Policy”) adopted by Bank of America Merrill Lynch (the “Firm”) for the purpose of ensuring that research produced by its Research Analysts is impartial, independent, fair, clear and not misleading. In particular it identifies policies intended to promote the integrity of research prepared by the Global Research Group (the “Research Department”) including those designed to ensure the identification and avoidance, management or disclosure of conflicts of interest in connection with the production of research. The production and filing of research in individual jurisdictions may also be subject to additional local regulations and restrictions.

Throughout this document references to “**Investment Banking**” include the Firm’s Investment Banking, Equity Capital Markets and Debt Origination departments. “**Research Department**” includes all Equity and Fixed Income Research.

2 Production, Purpose, Content and Objectivity of Research

All reports prepared by analysts residing and domiciled in Brazil must be authored by at least one APIMEC-accredited Research Analyst (or accredited by other entity approved by the CVM). The named accredited Research Analyst listed in the author block of a Research Report that discusses equity or credit securities is responsible for ensuring that the report complies with applicable Brazilian regulatory requirements. Banco Merrill Lynch de Investimentos SA must ensure that the Research Reports produced by Research Analysts residing and domiciled (and not APIMEC accredited) in other jurisdictions that it distributes in Brazil complies with the disclosure requirements imposed by local regulation.

Relevant Research Reports must be provided to APIMEC pursuant to Article 19 of Rule 483 and records of Research Reports maintained in accordance with law.

All research published by the Research Department is required to be impartial and to be produced in conditions where conflicts that might impact on the objectivity of the research are properly managed. Research opinions must reflect, at any given time, the Research Analyst’s independent and objective assessment of the prospects of a company and the appreciation potential of its securities. To protect the interests of investor clients and the Firm, all opinions and investment recommendations communicated to the public must have a reasonable basis and be supported by current financial, quantitative, economic or technical data. In addition, the Firm must be able to substantiate all claims contained in Global Research communications. Accordingly, Research Analysts must ensure that the appropriate research methodology is employed in reaching estimates and conclusions. To fulfill this requirement, any Research Report containing such statement or recommendation must include or offer to provide the supporting facts on which the statement or recommendation is based. Research Analysts are required to follow securities under their coverage on a regular basis and to keep current their investment recommendations and views.

Analysts principally responsible for the analysis of a security or issuer certify in Research Reports as to the veracity and independence of their views expressed in such Research Reports. This certification is required to be included in every Research Report containing analysis of a security or issuer.

Research Analysts are required to observe high standards of integrity and ethical behavior and to act at all times in the interests of investing clients of the Firm.

Research Analysts are required to report to Research Management and/or the Legal and Compliance Department any attempt to influence the Research Analyst's view.

No other employee of the Firm may produce outside of the Research Department anything that could reasonably be regarded by clients as research, without approval from compliance.

3 Identification of Conflicts

The CVM and other local regulatory bodies' principles-based approach requires that firms are responsible for identifying and managing any conflicts of interest arising in their business that may give the appearance that research produced by the Firm's Research Analysts is not impartial. The Firm has policies and procedures in this regard including the following:

- (a) all Firm's Research Analysts and other people involved in the production of a Research Report must observe the Firm's internal guidance and training on the identification of possible issues of conflicts of interest as and when they arise;
- (b) the Research Analysts and other people involved in the production of a Research Report must observe escalation procedures to ensure that issues identified are referred to and considered at the appropriate level within the Firm;
- (c) the Firm's Control Room will monitor any potential conflicts of interest arising in connection with the publication of research in the period before, during and after Investment Banking transactions;
- (d) there should be observed the editorial guidelines and procedures for supervisory and compliance review of all research prior to its publication designed to ensure the standards and policies of the Firm are upheld;
- (e) the Research Department's Research Recommendation Committee is required to approve all investment ratings changes.

Furthermore, the Firm has in place policies to regulate the flow of information between and within business groups. Such policies include:

- (i) Investment Banking employees are physically restricted from general access to the Research Department;
- (ii) Any research Report must be produced within the Research Department and so away from Investment Banking, Sales and Trading and other Firm business groups;
- (iii) the Firm and its employees must observe "Informational barriers" and other information barriers to stop and control the flow of information between the Research Department and other parts of the business); and
- (iv) the Firm must monitor and surveil its systems and procedures to ensure proper functioning of Chinese Walls and information barriers.

4 Supervision and Remuneration of Research Analysts

The Firm has created certain senior positions within the Global Research Department who are responsible for the execution of the many supervisory duties related to the Research Department's day-to-day operations. The primary supervisory duty of Research Supervisory Personnel in the Research Department is to ensure that each associate subject to his/her supervision conducts Research activities in full compliance with applicable legal and regulatory requirements and the Firm's policies and procedures. Supervisory personnel effectuate their duties in a number of ways, including, but not limited to, the following: the use of various supervisory and surveillance tools (such as electronic communication review); exception reports; standard review routines; general interactions and meetings with staff and support staff; periodic and annual training; and other specific and general observations.

Research Analysts are compensated only for those activities and services that are intended to benefit the Firm's investor clients. Research Management has the exclusive responsibility for determining Research Analysts' compensation.

Research Analysts are not supervised by, and do not report to, Investment Banking or Sales and Trading personnel. Furthermore, Investment Banking personnel may not have any input into the evaluation and compensation of Research Analysts. Research Management are prohibited from soliciting or receiving views or otherwise asking Investment Banking personnel to approve Research Analysts' compensation. In addition, Research Management may not consider a Research Analyst's contribution to Investment Banking or other Firm equity or debt origination businesses or revenues in determining, reviewing or approving Research Analysts' compensation.

5 Restrictions on Research Analysts' Activities

Research Analysts are restricted from activities that could prejudice, or appear to prejudice, the independence of their research but are otherwise free to use their expertise for the benefit of the Firm's investor clients.

Research employees are not permitted to participate in solicitations for Investment Banking business including participating in sales pitches or otherwise participate in activities that could reasonably be considered a solicitation of Investment Banking business.

No Research employee may participate in a road show or other client marketing event (including conference calls) related to an Investment Banking transaction that is sponsored or attended by the issuer or Investment Banking personnel.

Research employees are able to organize and participate in meetings with investor clients including participating in investor education meetings in connection with offerings of securities underwritten by the Firm provided that no member of Investment Banking may participate in any such meeting.

Research Analysts are permitted to interact with Investment Banking, Sales and Trading and other divisions of the Firm provided that certain communications between Research employees and Investment Banking personnel that may present a conflict of interest have to be pre-approved by Compliance and, in the discretion of Compliance, may require to be chaperoned.

Research Analysts are also otherwise restricted from roles which could prejudice, or appear to prejudice, the independence of their research or conflict with their duties to the recipients of their research. Research Analysts are not permitted to serve as officers or directors of companies under their coverage.

6 Inducements and Inappropriate Influences

No employee of the Firm may promise, imply, communicate or offer a favorable or specific research rating or price objective in exchange for the awarding of an Investment Banking transaction or as consideration or inducement for the receipt of compensation or other business.

No Research employee may change any research recommendation as a result of the subject company's decision not to retain the Firm for Investment Banking or other services.

Research employees may not accept or receive compensation, gratuities or any other form of remuneration to make a specific recommendation or express a particular view in a research report or public appearance.

The lead Research Analyst (or the Apimec-accredited Research Analyst) is required to certify in each research report that:

- (a) the views expressed in the report accurately reflect his or her personal views about any and all of the investments or issuers to which the report related; and
- (b) no part of the Research Analyst's remuneration was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the research report.

7 Timing and Dissemination of Research reports

Research reports and other commentary are required to be simultaneously disseminated to the sales force and clients. The timing and content of pending research reports, recommendations, estimates and price objectives and decisions to issue research reports or comments may not be disclosed by any means to anyone, either inside or outside of the Firm, until the information is disseminated in the appropriately prescribed manner. Draft research reports (other than pre-deal research reports in jurisdictions where such pre-deal research is permissible) are not provided to, nor reviewed by, the company or by Investment

Banking or Sales and Trading personnel but Research Analysts are permitted to check individual facts with companies before publication.

Where the Firm has a significant role in an offering of securities, in addition to complying with any restrictions on the distribution of research reports imposed by applicable laws, the Firm's policy is in general to restrict publication of research relating to an issuer. The decision whether to impose such a restriction and, if so, the nature, timing and length of restriction appropriate is made by the Legal and Compliance Department in consultation with external legal advisers as to compliance with applicable regulation.

8 Coverage Decisions

Research Management has the exclusive authority to determine whether to initiate, continue or terminate coverage with respect to issuers and securities. In making coverage decisions the interest of the Firm's investor clients is paramount.

Decisions as to whether to initiate, continue or terminate coverage, reside solely with Research Management. The Firm has adopted a policy that neither the Firm nor any of its employees may, directly or indirectly, retaliate against, or threaten to retaliate against, any Research Analyst for the dissemination of a research report or other commentary because such research contains adverse, negative or otherwise unfavorable recommendations or opinions concerning an issuer, security or markets that may adversely affect the Firm's Investment Banking or business relations with the subject company or issuer.

With regard to the production of pre-deal research, the timing of publication will be dictated by the timetable for the transaction as well as the Firm's policy regarding the imposition of quiet periods prior to the commencement of the issuer's marketing of the transaction.

9 Disclosure of Interests

Research Management is responsible for maintaining the process by which disclosures as required by various regulatory requirements appear on all Research Reports and other Research products and are available for public appearances. In many instances, the disclosures regarding the Firm's relationship or other potential conflicts of interest with subject companies are based on the activities of other parts

of BofA Merrill Lynch or other parts of the Firm. Accordingly, the supervisory analysts group, on behalf of Research Management, receives information from the Global Control Room and many other sources to ensure that all relevant disclosures are included on the Research Reports.

Analysts are responsible for the accuracy of disclosures in Research Reports concerning their own (including Household Members) potential conflicts of interest and must update those disclosures on a real-time basis.

The Firm's Research reports must contain certain disclosures designed to disclose any facts or situations that may affect the report impartiality or that may be under a conflict of interest case, including:

- an explanation of the rating system used by the Firm;
- if the Firm has received compensation from the covered company for investment banking services in the past 12 months;
- if the Firm has received compensation from the covered company for non-investment banking services in the past 12 months;
- If the Firm expects to receive or intends to seek compensation for investment banking services from the company or an affiliate of the company within the next three months;
- if the company is or was, within the last 12 months, a securities business client (non-investment banking) of the Firm;
- significant holdings of the Firm, holdings (if any) of the Research Analyst or connected persons in the securities which are the subject of the research and all other material conflicts, or whether any of said persons are involved in the offering, acquisition or solicitation of any such securities;
- certain business relationships between the Firm and companies referred to in research reports;
- directorships or other material relationships of individual officers of the Firm with companies referred to in research reports;
- if the Firm acts as a market maker in the securities, of companies referred to in research reports.
- if the Research Analyst and/or a Household Member has a financial interest in the subject company;
- if the Research Analyst and/or a Household Member is an officer, director, advisory board member or, as determined in consultation with Research Legal/Compliance, other senior level employee of the subject company;
- if the Research Analyst has received compensation from the subject company within the past 12 months;¹ and
- any other actual, material conflict of interest of which the Research Analyst is aware (whether personal or pertaining to the Firm)

10 Research Analysts' personal interests and personal account dealing

All securities transactions and investments by Research employees must be pre-cleared by Compliance. Research employees are not permitted to engage in securities transactions in their sector of coverage or otherwise deal in a way where such transaction would constitute a conflict of interest with their production of research. In addition, Research Analysts are required upon hire to confirm that they have read, understood and agree to comply with the applicable investment policies and disclose all their investment accounts, outside business activities and/or private investments and then yearly thereafter review and update their disclosures, confirm the accuracy of their previous disclosures, and attest to their knowledge of various policies, including investment policies. Firm policy requires Research Analysts to keep their securities accounts at the Firm, unless otherwise approved. The Firm has a surveillance program of the securities accounts of its employees (including Research Analysts) held at the Firm.

¹ Although Firm policy prohibits the receipt of such compensation, this disclosure may be required in the case of a new Analyst who was not subject to a similar prohibition at his or her prior firm or who joined from the subject company.