



**BM&FBOVESPA S.A. – Bolsa de Valores,
Mercadorias e Futuros**
CNPJ nº 09.346.601/0001-25
NIRE 35.300.351.452
Public Company

CETIP S.A. – Mercados Organizados
CNPJ nº 09.358.105/0001-91
NIRE 33.300.285.601
Public Company

MATERIAL FACT

BM&FBOVESPA S.A. – BOLSA DE VALORES, MERCADORIAS E FUTUROS (“**BM&FBOVESPA**”) and **CETIP S.A. – MERCADOS ORGANIZADOS** (“**CETIP**” and, jointly, the “**Companies**”), in addition to the Material Facts released by the Companies on April 15, 2016 and on this date, hereby inform the following.

1. Completion of the Transaction

BM&FBOVESPA and CETIP inform that, on this date, all approvals from governmental agencies have been obtained (“**Conditions Precedent**”), as set forth in item 3.1 of the merger and justification agreement of the Transaction (“**Merger Agreement**”). Therefore, it is possible to complete all corporate acts approved by the general meetings of BM&FBOVESPA and CETIP, held on 05/20/2016, with respect to the merger of CETIP shares into Companhia São José Holding (“ **Holding**”), followed by the redemption of shares issued by the Holding and the merger of the Holding into BM&FBOVESPA (“**Transaction**”).

In light of the implementation of the last Condition Precedent on this date, the completion of the Transaction will occur on 03/29/2017, and CETIP shares will be traded until and including such date (“**Transaction Completion Date**”).

2. Organizational Structure and New Leadership

We inform the new organizational structure and leadership as of the Transaction Completion Date, 03/29/2017.

2.1. Period until the end of the current term of office of the management on 04/30/2017

The company resulting from the business combination between BM&FBOVESPA and CETIP will initially have the following Executive Board.

- Edemir Pinto, Chief Executive Officer;
- Gilson Finkelsztain, Chief Integration Officer¹;
- Cícero Augusto Vieira Neto, Chief Operating Officer;
- Daniel Sonder, Chief Financial Officer;

¹ The election of Gilson Finkelsztain as Chief Integration Officer will be implemented on this date and be effective as of the completion of the Transaction on 03/29/2017.

- José Ribeiro de Andrade, Chief Product and Client Officer;
- Roberto Dagnoni, Chief Financing Unit Officer²;
- Rodrigo Antonio Nardoni Gonçalves, Chief Information Officer; and
- Luís Otávio Saliba Furtado, Co-Chief Information Officer.

The current management of CETIP will join the management of the combined company and report to the Executive Board as mentioned above, and will cumulate their current positions in CETIP while it remains as a wholly-owned subsidiary of BM&FBOVESPA.

2.2. Period after the end of the current term of office of the management on 04/30/2017

After having conducted a process of evaluation of potential successors through the Governance and Nomination Committee of the Board of Directors of BM&FBOVESPA, which counted on the inputs of Chief Executive Officer Edemir Pinto, and based on their joint recommendation, the Board of Directors approved on 03/22/2017 the election of Gilson Finkelsztain as future Chief Executive Officer of the company resulting from the business combination between BM&FBOVESPA and CETIP, as of 01/05/2017.

On that same day, the Board of Directors of BM&FBOVESPA approved the election of the Executive Board described on item 2.1. to those same offices starting on the same day³.

3. The creation of a world-class company with systemic relevance in the market

The completion of the Transaction, with the combination of CETIP's and BM&FBOVESPA's talents and strengths will represent a milestone without precedents in the Brazilian financial and capital markets, with the creation of a world-class market infrastructure company of major systemic relevance, which is prepared to compete in a global market that gets more sophisticated and challenging each day, enhancing the safety, resiliency and efficiency of the Brazilian market.

Chief Executive Officer of BM&FBOVESPA Edemir Pinto said: "The completion of the business combination represents the most significant strategic step of our company. Our goal is to serve even better our clients and regulators in Brazil and globally, based on the values that were the pillars of the success of the two companies so far: operational and technological excellence, credibility, transparency and a desire to develop the financial and capital markets."

Chief Executive Officer of CETIP Gilson Finkelsztain said: "The enthusiasm of both companies with the combination has grown even more during the period in which we have undertaken certain activities in preparation for the integration. We are confident that this union of talents and track records of good execution will be extremely successful. We want to be recognized as a united team, motivated by results, and permanently focused on the ambition of meeting and exceeding the expectations of our clients."

Chairman of the Board of Directors of BM&FBOVESPA Pedro Parente said: "The Board of Directors is very proud to see this combination materialize, as we always saw this as a unique opportunity to create value for our shareholders and the market. With the opportunity of adding new members to our board, who have in-depth knowledge about securities registration, over-the-counter derivatives and the financing business, we reinforce our commitment to having in the Board of Directors the experience and knowledge necessary to think strategically about the opportunities and challenges of the new company in the long term. We completely trust the leadership team that will take the new company

² The election of Roberto Dagnoni as Chief Financing Unit Officer will be implemented on this date and be effective as of the completion of the Transaction on 03/29/2017.

³ Exception made to Luís Otávio Saliba Furtado, who will leave the company with the end of his term of office in 04/30/2017, as informed on the Board of Directors of BM&FBOVESPA meeting of 05/12/2016.

forward, and who along with all the employees, will have the mission to integrate it with excellence starting today."

4. Implementation of the Completion

4.1. Definition of CETIP's Shareholder Base and Delivery of Shares

CETIP's shareholders at the end of the trading session of the Transaction Completion Date ("**CETIP's Shareholders**"), which is the last day in which CETIP shares will be traded, will receive, for each common share issued by CETIP and held by them, 1 common share and 3 redeemable preferred shares issued by Holding. The redeemable preferred shares issued will be redeemed by Holding right after their issuance and will be paid until 05/02/2017, subject to item 4.2 below.

Subsequently, CETIP's Shareholders (who by that moment will already be shareholders of Holding) will receive, for each common share held in Holding, approximately 0.93849080 common share issued by BM&FBOVESPA, as set forth in the Merger Agreement. The final exchange ratio will be duly certified and ratified by the Board of Directors of BM&FBOVESPA and disclosed to the market on 03/28/2017.

4.2. Payment of the Redemption

The redemption amount to be paid for each three preferred shares issued by Holding and redeemed ("**Redemption Amount**"), without considering inflation adjustments between the date hereof and the work day before the Transaction Completion Date, will be approximately of R\$31.83525013. The Redemption Amount, adjusted by the CDI interbank rate verified between the date hereof and the work day before the Transaction Completion Date, will be certified and ratified by the Board of Directors of BM&FBOVESPA and disclosed to the market on 03/28/2017, and will be paid to CETIP's Shareholders until 05/02/2017.

According to the Merger Agreement, the Redemption Amount will be adjusted by the CDI interbank rate verified between the work day before the Completion Date and the Financial Settlement.

4.3. BM&FBOVESPA Share Fractions issued as a result of the Merger of Holding

The BM&FBOVESPA share fractions resulting from the merger of Holding will be grouped in whole numbers, in order to be subsequently sold in the cash market managed by BM&FBOVESPA after the completion of the Transaction.

The amounts resulting from such sale will be made available net of fees to the former shareholders of CETIP who held the relevant fractions, proportionally to their participation in each share that was sold.

5. Approvals and commitments undertaken before the regulators

5.1. Brazilian Securities and Exchange Commission ("CVM**")**

The approval of the Transaction by CVM, obtained on 03/22/2017, pursuant to items II and III of article 117, of CVM Ruling no. 461 of October 23, 2007 ("**CVM Ruling 461**") was granted upon commitments the Companies have undertaken, in order to take measures to enable (i) the provision of clearing and settlement services for transactions in the cash equity market ("**CCP**"); and (ii) the provision of central depository services in relation to equity securities ("**CSD**"), both necessary in the event of the establishment of another financial market infrastructure ("**FMI**") in the Brazilian cash equity market.

Among the measures mentioned above, it is important to point out that the Companies have undertaken the following commitments:

a. Access Rules and Commercial Policy

Commitment to hold a public hearing concerning the access rules and commercial policy related to CCP services and CSD services, with the purpose of collecting opinions from the interested parties with respect to such rules, which will be later submitted to approval by the relevant regulatory agencies (CVM and Brazilian Central Bank).

b. Business Units

Commitment to deliver to CVM income statements of their business units ("**Managerial Income Statements**") related to the following activities: trading ("**Trading Unit**"), clearing and settlement ("**CCP Unit**") and central depository ("**CSD Unit**" and, jointly with the Trading Unit and the CCP Unit, the "**Business Units**"), with respect to the cash equity market.

c. Rebalancing

Commitment to implement, upon the approval of the access rules mentioned above by the relevant regulatory agencies, a rebalancing of prices related to the Trading Unit, CCP Unit and CSD Unit, concerning services and activities related to the cash equity market, in alignment with the structure of costs and revenues associated with the Business Units, as verified on the Managerial Income Statements related to the fiscal year ended on 12/31/2016 ("**Rebalancing**").

The Rebalancing will not imply in changes to the total fee incurred by investors in the markets managed by BM&FBOVESPA for the use of services of the Business Units jointly considered. The change of fees resulting from the rebalancing is detailed below:

<i>Fees (bps)</i>	Current fees (before the rebalancing)		<i>Fees (bps)</i>	Fees after the Rebalancing	
	Institutional Investors	Other Investors		Institutional Investors	Other Investors
Negotiation	0.50	0.50	Negotiation	0.60	0.60
Post-negotiation (CCP and CSD)	2.00	2.75	CCP	1.48	2.06
			CSD	0.42	0.59
Total	2.50	3.25	Total	2.50	3.25

The Rebalancing will be implemented after the disclosure of the above mentioned access rules. The proposal described above is subject to adjustments depending on the results of the public hearing procedure described on item 5.1(a) above. Furthermore, the Rebalancing should not be implemented if the arbitration mechanism described on item 5.2(d) is triggered, in which case a price will be set for the transferring of securities within the CSD as a result of transactions cleared and settled by other FMI, subject to the regulatory agencies.

d. Self-regulation

Commitment to implement the relevant measures so that BM&FBOVESPA Supervisão de Mercado ("**BSM**") is able to provide self-regulation services to the new FMI. In this sense, BM&FBOVESPA agreed to:

- (i) ensure that BSM is able to provide services related to self-regulation activities to third parties, pursuant to CVM Ruling no. 461/07;
- (ii) maintain BSM as a legal entity segregated from BM&FBOVESPA;
- (iii) preserve the operation of the BSM Market Advisory Chamber (*Câmara Consultiva de Mercado para a BSM*), so as to ensure that such chamber acts as an effective communication channel between BSM and the participants of the markets managed by BM&FBOVESPA;
- (iv) in the event another FMI requests access to services provided by BSM, implement the separation of the physical facilities of BSM; and

- (v) promote changes in BSM with the purpose of complying with future regulations issued by CVM on “sole self-regulator organization model”, which will grant equitable treatment to all market infrastructure and its relevant participants, in accordance with the model proposed by CVM under the Competition WG's Report about Self-Regulation Organizations, approved by CVM on 07/19/2016, as long as this is carried out in conditions that preserve investment made by BM&FBOVESPA in BSM since its founding.

5.2. Administrative Council for Economic Defense (“CADE”)

As also disclosed by a Material Fact on this date, CADE analyzed, on 03/22/2017, the Merger Notification no. 08700.004860/2016-11, having approved the combination of activities of BM&FBOVESPA and CETIP.

The Transaction was approved upon the execution of a Settlement on Remedies Agreement (*Acordo em Controle de Concentração*) (“SRA”), whereby the Companies undertake the following commitments.

a. Access Rules

With the purpose of ensuring to other financial market infrastructures (“FMI”) that wish to operate in the Brazilian cash equity market the access to necessary services, the Companies have undertaken to enable (i) the provision of clearing and settlement services for transactions in the cash equity market (“CCP”); and (ii) the provision of central depository services in relation to equity securities (“CSD”) to other FMI. For this purpose, the relevant adjustments to BM&FBOVESPA's regulations and handbooks will be implemented, as applicable (“Access Rules”). The adjustments of such regulations and handbooks, subject to the approval of the relevant regulators, will be subject to the procedures mentioned in item 5.1 (a) above and 5.2 (d) below.

b. Equitable Treatment of FMI

The Companies will ensure that all participants of the central depository receive equitable treatment, agreeing to provide details about the increase of any operating or transactional costs associated to the mechanics of provision of CSD services.

c. Governance Mechanisms applicable to the Price of Products and Services

The Companies will ensure the preservation and improvement of the governance mechanisms applicable to the prices of products and services, in addition to the provisions of the Bylaws of BM&FBOVESPA approved in the Extraordinary General Meeting held on 05/20/2016, by means of:

- (i) the call of an extraordinary general meeting to deliberate on amendments to the Bylaws, namely: (a) increase in the scope of the Price Guidelines set forth in the Bylaws to contemplate any other products or services, as determined by the Products and Pricing Committee (“Committee”); and (b) increase in the attributions of the Committee; and
- (ii) a commitment that the Committee's composition will allow the representation of clients of different segments, classified as large, medium and small clients.

d. Conditions of Access to CSD Services

The Companies agreed to engage in a negotiation period of up to one hundred and twenty (120) days with any FMI interested in contracting the provision of CSD services, provided that in case

the negotiations do not succeed, the interested party will have the right to trigger the arbitration mechanism set forth in the SRA.

In this event, the arbitration panel will have the authority to decide on any aspect related to price and/or scope of Access Rules to CSD services, provided that these aspects have been the subject of effective negotiation between the parties during the negotiation period with a view to reaching an agreement that is commercially reasonable.

The commitments undertaken before CADE will be subject to monitoring by a trustee, which will be appointed by the Companies, according to the provisions of the SRA. The SRA will remain in force for a period of five (5) years.

5.3. Brazilian Central Bank

In compliance with item 3.1, (c) of the Merger Agreement, the Transaction has also been submitted to the analysis of the Brazilian Central Bank, which has informed that the transaction is not subject to its approval.

São Paulo, March 22, 2017

Daniel Sonder
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Investor Relations Officer of
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Willy Jordan
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