

ACT No. 13.467 OF DECEMBER 23, 2015

Authorizes the Executive Branch to establish Empresa Baiana de Ativos S.A. - BAHIAINVESTE and makes other provisions.

I, THE GOVERNOR OF THE STATE OF BAHIA, make it known that the Legislative Assembly decrees and I sanction the following Act:

CHAPTER I INSTITUTION AND PURPOSE

Art. 1 - The Executive Branch is hereby authorized to establish the government-controlled company, as a legal entity governed by private law, named Empresa Baiana de Ativos S.A. - BAHIAINVESTE, with its own equity and revenues, with managerial, equity, budget and financial autonomies, being governed by the appropriate legal regime applicable to Brazilian Stock Corporations, subject to the provisions of this Act.

Paragraph 1 - BAHIAINVESTE shall have its registered office and venue in the city of Salvador, State of Bahia.

Paragraph 2 - BAHIAINVESTE shall be part of the indirect Public Administration, and linked to the State Department for Economic Development - SDE.

Paragraph 3 - BAHIAINVESTE shall have undetermined duration.

Art. 2 - BAHIAINVESTE's purposes shall include, but are not limited, to:

I - exploiting and disposing of assets in its equity;

II - structuring and implementing transactions aimed at raising funds with the financial or stock market, whether or not backed by its own assets, to allow investments considered strategic by the State of Bahia;

III - assisting the State to raise funds, being authorized, for this purpose, to place in the market bonds issued by itself, receive, acquire, dispose of and give as collateral the assets, credits, instruments and securities of BAHIAINVESTE;

IV - advising the State of Bahia in cooperation with the state financial system in matters relating to the State's equity interest, including its State Funds;

V - identifying and articulating opportunities for an efficient exploitation of the assets of the State of Bahia;

VI - investing in enterprises considered strategic by the State of Bahia.

Art. 3 - BAHIAINVESTE's equity interests shall observe the following conditions:

I - no absolute majority interest in the voting capital;

II - the company shall not be directly or indirectly controlled by a Federal Unit;

III - the company shall be organized as a Brazilian Corporation;

IV - company's purpose shall be the implementation of structural or priority projects of the State of Bahia.

Art. 4 - To achieve its purposes, BAHIAINVESTE may:

I - execute technical cooperation contracts or agreements with the Direct or Indirect Administration, including public consortiums, and with private organizations;

II - exploit, encumber, and sale assets in its equity;

III - provide guarantees in rem and personal guarantees and take insurances, in furtherance of its purposes pursuant to the legislation and its bylaws;

IV - borrow money and issue bonds, in accordance with the legislation in force;

V - participate in or establish investment funds, including investment funds in emerging companies, special purpose entities, issue bonds, and in other forms of investments or enterprises that the State considers strategic, and may receive at any time assets for carrying out its purpose;

VI - raise funds or structure transactions or funds allowing the discharge, refunding, reducing the amount or decreasing the charges of the State's public debt;

VII - prepare technical studies on the economic-financial feasibility in projects the State is interested in;

VIII - create investment and equity funds, in accordance with the standards and rules of CVM, to be administered by financial institutions with documented experience in project structuring and investment fund management;

IX - create funds securing financial obligations in infrastructure projects, at such amounts and predetermined conditions and provided that the projects ultimately supported shall have risk rating consistent with the market practices for similar projects, in a rating granted by at least two (2) private world-class risk rating agencies.

Art. 5 - BAHIAINVESTE shall be subject to inspection by the internal control system of each Branch and of the State Accounting Court.

CHAPTER II EQUITY

Art. 6 - BAHIAINVESTE shall operate under the authorized capital regime, which shall be composed of ordinary or registered shares, without par value, which the State may pay in full in cash or in assets and rights valued in accordance with the appropriate legislation.

Paragraph 1 - Other entities of the State Administration may hold interest in BAHIAINVESTE, provided that the State holds at least the majority direct voting interest.

Paragraph 2 - The Executive Branch is authorized to subscribe and pay all capital of BAHIAINVESTE with the following assets and rights, pursuant to the main section of this article:

I - movable and immovable assets acquired by it and by those transferred or given to it by the State, by other legal entities governed by public or private law, or by individuals;

II - ordinary or registered shares held by the State and its instrumentalities, in the stock of corporations, which are not required to ensure the performance of the respective controlling interest on unconditional basis;

III - government bonds issued under the applicable legislation;

IV - other assets and rights held directly or indirectly by the State, including federal resources whose transfer requires no specific legislative authorization.

Art. 7 - BAHIAINVESTE's capital shall be represented by ordinary registered shares, without par value, to be paid by the State of Bahia in legal currency with Treasury funds.

Sole paragraph - To comply with the provisions in this Act, the Executive Branch is hereby authorized to adapt the financial planning instruments and, pursuant to articles 40 through 43, 45 and 46 of Federal Act No. 4.320, of March 17, 1964, to open an additional credit amounting to one million reais (BRL 1,000,000) in the current budget, and reopen it through its balance for the next year.

Art. 8 - The Executive Branch is hereby authorized to proceed the opening of BAHIAINVESTE's capital stock, in accordance with the rules set out by the Securities Commission, provided that the absolute majority of the respective voting interest is held on unconditional basis.

Art. 9 - The company, for achieving its corporate purpose, shall not receive from the State financial funds for paying expenses with personnel or overhead spending, and shall not act as a company depending on the Treasury, pursuant to Federal Supplementary Act No. 101, of May 4, 2000.

CHAPTER III STRUCTURE

Art. 10 - BAHIAINVESTE shall include the following bodies:

I - Board of Directors, including five (5) member;

II - Audit Committee, including three (3) members;

III - Executive Board, including up to three (3) members.

Paragraph 1 - The members of the Board of Director, of the Audit Committee, and of the Executive Board shall be appointed by the Government of the State.

Paragraph 2 - The members of the Executive Board may attend the meetings of the Board of Directors and of the Audit Committee, without voting right.

Paragraph 3 - The members of Councils shall remain liable for any damage arising from omissions to perform their duties and from acts performed with negligence or fraud, or in breach of the bylaws.

Art. 11 - The monitoring and technical control of BAHIAINVESTE's consultancy and legal advisement shall be a competence of the Attorney General Service of the State of Bahia.

Art. 12 - BAHIAINVESTE Bylaws shall describe the minimum requirements for holding office as a member of BAHIAINVESTE's Board of Directors, Audit Committee and Executive Board, considering their complexity and technical knowledge required for the duties.

CHAPTER IV CONTRACTING

Art. 13 - For acquiring goods and services, BAHIAINVESTE shall abide by the provisions of the Law of Bidding Processes and Administrative Contracts, and may prepare a special regulation, pursuant to art. 119 of Federal Act No. 8.666, of June 21, 1993, subject to the principles governing the Public Administration.

Paragraph 1 - The regulation referred to in this article, after approved by the Board of Directors and by an act of the Head of the Executive Branch of the State, shall be published in the official press.

Paragraph 2 - BAHIAINVESTE may retain specialized technical services for fulfilling its purposes.

CHAPTER V GENERAL AND TRANSITORY PROVISIONS

Art. 14 - An act by the Head of the Executive Branch shall approve the Bylaws of BAHIAINVESTE, which shall only be amended by the General Meeting of BAHIAINVESTE, upon approval thereof, after the Board of Directors is heard.

Art. 15 - The State of Bahia shall take the necessary actions to form BAHIAINVESTE within no later than one hundred-twenty (120) days.

Art. 16 - The accounting and financial statements of BAHIAINVESTE shall be submitted to legally qualified independent audit.

Art. 17 - BAHIAINVESTE's investment policy shall be regulated in a Decree by the State Executive Branch.

Art. 18 - BAHIAINVESTE may form a wholly-owned subsidiary for carrying out its purposes in accordance with the legislation and its bylaws.

Art. 19 - BAHIAINVESTE shall formally approve a policy on the disclosure of its information, risk management policy and policy on transactions with related parties, and implement the best corporate governance practices applicable to government-owned companies.

Art. 20 - This Act enter into force on the date of its publication.

PALACE OF THE GOVERNMENT OF THE STATE OF BAHIA, on December 23, 2015.

RUI COSTA
Governor

Bruno Dauster
Chief of Staff

Jorge Fontes Hereda
Secretary of Economic Development