

C.N. - 015

Communication for Regulation in-House Agency

São Paulo, March 9, 2010

CENP, in exercise of its powers and in accordance with the Standard Norms:

In face of the need to end a certain conceptual vagueness of the provisions in clause 6.5, "a" of the Standard Norms in relation to "in-house agencies", in verbs: "6.5 The 'standard agency discount' shall not be granted: a) directly to Advertiser or to Advertiser's 'Department of Advertising' or In-House Agencies that do not conform to the provisions of item 2.5 and sub items; and item 8.5 of the Standard Norms and considering that:

The Standard Norms were prepared founded on the constitutional rights of freedom of speech and free enterprise, and the principles of good faith, morality, transparency, free competition; aimed to ensure the ethics of good business practices in the relationships between Advertising Agencies, Advertisers and Media avoiding any form of unfair competition and behaviors that threaten the Economic Order under Laws No. 8884/94 and 8137 / 90; and the Advertising Agencies, Advertisers and Media have adhered to Standard Norms and its rules of commissioning service in the full exercise of its autonomy, committing in face of all parties the duties outlined by them; and determined as:

Art. 1º. In-house Agency is the Advertising Agency, with its own legal personality, linked by ownership to the Advertiser, individual or corporate entity to which it provides its services and may or may not serve other Client-Advertisers.

§ 1º. The In-House Agency is characterized by, for the purposes of Item 6.5 of the Standard Norms, but not exclusively to it, having the In-house Agency only as client the Owing Advertiser, individual or corporate entity, or rendering service to companies within the Group's Ownership where the advertiser belongs to, or having clients who directly or indirectly are part of the network of suppliers or dealers of the Group's Ownership that the owning advertiser belongs to.

§ 2º. The In-House Agency is also characterized by the prevalent service to owning advertiser and / or Ownership Group, although servicing other clients outside the network of suppliers or dealers, but whose advertising accounts, separately or together, do not justify the existence of the independent corporate structure of Agency. The existence of occasional clients, even with justifying potential does not mischaracterize the condition of In-House Agency.

§ 3º. The ownership structure mentioned in this article is characterized by capital control, actual control or that of right to exercise corporate leadership, directly or indirectly, according to Brazilian law, in particular, Law No. 8.884/94.

Art. 2º. The provisions of Item 6.5 of the Standard Norms, the In-House Agency has not itself the right to the enjoyment of "standard agency discount," and shall negotiate directly with the Media the terms of its

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compensation by rendering service as advertising agent, except for that which is outlined in art. 8.5, norm of restricted effectiveness to meet the actual situation of the national advertising market to date of the effective date of the Standard Norms.

Art. 3º CENP will, in exceptional cases, certify Advertising Agency of which involves the advertiser, individual or corporate entity, whenever it is shown evidence of compliance to the provisions of Item 2.5 and sub items of the Standard Norms, requiring proof of not being In-House Agency pursuant to Article 1, § 3 of this Communication and formal commitment to respect the standard norms.

Art. 4º In order to ensure respect for free competition and the ethical and legal committed assumed in the subscription of the Standard Norms, the certified Agencies controlled by Advertisers pursuant to § 3 of Article 1, which take action to capture clients among network of providers and dealers of its controller, will lose the right to the Certificate of Technical Qualification.

§ 1º. For purposes of this Communication for Regulations, it is assumed that the hypothesis described in the initial text of this article characterizes abuse of economic power, to give rise, by, among other practices, the use of subsidies or benefits, or unjustified discrimination, adverse effects on competition in terms of art. 173, § 4º of the Constitution of 1988 and Law No. 8.884/94.

§ 2º. In formal proceedings of the Ethics Committee, ensuring the full rights of defense, CENP may investigate and judge agencies that are under or undergoing the conditions set forth in this article.

Caio Barsotti
President

Note: The following text was freely translated into English and is valid for all legal purposes the original version in Portuguese.

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