GREEN BOND FRAMEWORK

INTRODUCTION

BMDG is a public company controlled directly and indirectly by the State of Minas Gerais, which holds 89.79% of the bank’s capital, followed by the Development Company of Minas Gerais – CODEMIG, with 9.79%, by Minas Gerais Participações with 0.94% and by the Department of Roads – DER with 0.01%.

The bank acts in the entire state of Minas Gerais that consists of 853 municipalities and around 20 million inhabitants with a territorial area similar to France. BDMG has 21,064 clients (June/18) and a credit portfolio of approximately R$ 6.8 billion (May/18) and acts in the financing of the private and public sectors. The bank has four strategic pillars: (i) sustainability; (ii) innovation; (iii) regional and social development and (iv) agribusiness.

BDMG recognizes sustainability on the basis of the dimensions of environmental preservation, economic development and social inclusion and works for the creation of sustainable development solutions. The Sustainability Program is based on the financing of public water and sewage service providers, municipalities and companies that propose energy efficiency, renewable energy, waste management, forest conservation, sustainable agriculture and urban mobility projects.

Since 2015, BDMG has highlighted the importance of fostering environmental sustainability in its strategic guidelines, which include: the restructuring of the state’s productive economy, acting in development projects to reduce regional and social inequalities, incentive to socioeconomic and environmental sustainability, generation of more abundant and higher quality employment opportunities, and also operations through partnerships in the state’s policies.

BDMG has a Social-Environmental Responsibility Policy (PRSA) with guidelines that include, among other items: (i) the alignment of its role to the state and national environment policy; (ii) the prioritization of service to enterprises with positive socio-environmental externalities - with emphasis on reducing the generation and solid waste and its reuse; energy efficiency; renewable energy; rational use of water and other natural resources; improvement of climate conditions by reducing emissions and/or increasing the sequestration of greenhouse gases; reducing pollution of water, soil or air; preservation of forests; recovery and protection of watersheds and recovery of degraded areas - and (iii) exclusion of financing for projects with high environmental and social impact, as presented in item II (d) in this document.

The bank has a history of several years of international funding in an attempt to diversify and maximize the use of the available funds to meet its strategy. IDB, AFD, Banco de Tokyo and CAF are among the multilateral organizations and international banks, through which the Bank has already raised resources. With this and other funds sources from national entities, state funds and its own funds, the bank seeks to act in line with the State’s strategy contributing to the economic, social and sustainable development of Minas Gerais.

Projects financed through green bond proceeds will allow BDMG to support the Minas Gerais State’s strategy of incorporating the sustainable development goals announced in 2015. Projects should contribute to the following Sustainable Development Goals:
• Goal 6: Clean Water and Sanitation – ensure availability and sustainable management of water and sanitation for all.
• Goal 7: Affordable and Clean Energy – ensure access to affordable, reliable, sustainable and modern energy for all
• Goal 9: Industry, Innovation and Infrastructure – build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
• Goal 12: Responsible Consumption and Production – ensure sustainable consumption and production patterns.
• Goal 15: Life on Land – protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss
In addition, this Green Bond Framework is aligned with the institution’s Sustainability Program, a central part of the bank’s long-term strategy, and seeks to respond to the following elements:

- The need to generate value through sustainable economic models of development;
- The opportunity to work in new markets, increasing the standards of competitiveness and productivity of Minas Gerais’ companies;
- The opportunity to develop a market with consumers interested in responsible consumption, buying sustainable products;
- The possibility of raising the standards of sustainability incorporated in the development projects of the cities of Minas Gerais.

Funds raised by Green Bond issuances will enable the bank to diversify its sources of funds to finance projects that promote sustainable development. The projects financed with these resources will be aligned with the Institution’s Sustainability Program and the strategic priorities of Minas Gerais. The other sections of this document will explain in detail the BDMG’s Green Bonds Framework, which is being developed in accordance with the Green Bond Principles\(^1\) and its guidelines: (i) Use of Proceeds; (ii) Process for Project Evaluation and Selection; (iii) Management of Proceeds; and (iv) Reporting.

I. USE OF PROCEEDS

The eligible projects for BDMG are public sector and private sector investments that generate social and environmental benefits due to optimization of natural resource use, improvement in waste management processes, electric power generation, urban mobility, biofuels, energy efficiency improvements and the incorporation of sustainable practices that include the exchange of technological systems based on the use of fossil fuels with others based on the use of clean technologies in all sectors of the Economy.

The basis for any issuance of the Bank’s green bonds will be constituted by projects in BDMG’s current green portfolio or new projects that become part of the institution’s sustainability pipeline. Projects should fit into one or more of the following categories.

a) Pollution prevention and control

The main objectives in this category are to provide adequate treatment of solid urban waste in the municipalities of Minas Gerais, eliminating dumps and irregular landfills, providing a better use of the generated waste, and supporting the construction, installation and operation of control and monitoring systems of productive processes that prevent and mitigate the negative effects of productive activities on the environment, such as: effluent treatment, industrial waste treatment and final disposal, systems for pollution control and reduction, characterized by:

- Recycling
- Composting
- Co-processing of urban solid waste
- Biological Mechanic Treatment

This category also includes waste-to-energy projects that consider burning of methane emitted in the decomposition of the organic matter in anaerobic conditions and excludes landfills without these technologies.

b) Water and effluent management

The main objective in this category is to finance projects that contribute to the universal spreading of the collection and treatment of water and urban sewage by means of complementary investments in public and private service providers and their suppliers that notably contribute to the improvement of the access and quality of the service. It also includes projects of this type carried out by municipalities.

Projects include:

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\(^1\) Available at: https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/
• Treatment of residual waters, sewage and rainwater;
• Infrastructure for the collection and treatment of drinking water;
• Reuse of rainwater.

c) Renewable Energy

In this category, the goal is to support:
• Centralized generation and transmission (greater than 5 MW) and distributed (up to 5 MW) solar energy projects located in the State of Minas Gerais.
• Power generation projects from agricultural residual biomass, sugarcane bagasse co-generation, biogas from industrial and agricultural residues originated from crops that don’t reduce the carbon and biomass storage in the soil
• Small “run-of-the-river” hydroelectric power plants with up to 30 MW of power.

The projects can be built and operated by public and private companies and represent both the replacement of fossil fuel with clean energy and the addition of new energy into the electrical system. The financing may include projects for power generation units, industrial unit adaptations for the construction and installation of plants, storage systems acquisition, power transmission systems and their connection to the electrical system, technologies that allow the integration of energy systems and performance monitoring.

d) Biofuels

In this category, the goal is to support projects that result in increased production of sustainable biofuels, fully compliant with the Brazilian Forest Code, that do not compete with food production neither deplete existing terrestrial carbon pools, including:
• sugarcane ethanol originated from plantations with mechanized harvest and that do not employ pre-harvest burning practices; in addition, it will be required BONSUCRO certification for producers with over R$250 million in revenues and investments of over R$10 million;
• biodiesel originated from certified soy crops (RTRS).

e) Energy Efficiency

The resources invested in this category will be used for projects that reduce energy consumption by at least 20% and increase productivity and efficiency of processes, such as: switching equipment to more efficient ones (LED lamps, high efficiency motors, refrigeration systems), investments that are proven to reduce energy consumption in production processes, cogeneration projects that increase the efficiency of the use of heated steam generated in the production process.

f) Clean Transportation

In this category, the goal is to finance the modernization of transportation systems for the reduction of GHG emissions, such as:
• Acquisition of any type of hybrid and electric vehicles for passenger (buses) or cargo transportation;
• Acquisition of lightweight electric vehicles;
• Recharge infrastructure for renewable fuel or electric charges for hybrid and electric vehicles
• Infrastructure for mass transit transportation including train, subway, electric bus and BRT Standard Bronze, Silver or Gold from the Institute for Transportation and Development Policy².

g) Natural Resources Management

The resources used in this category will be allocated to:

² Available at: https://www.itdp.org/library/standards-and-guides/the-bus-rapid-transit-standard/about-the-brt-standard/
Native species reforestation projects with FSC certification;
Preservation of native forests;
Recovery of degraded areas;
Preservation, conservation or restoration of the flora and fauna of the region surrounding the project
devlocation;
Forest restoration in preservation areas;
Regularization of statutory reserve liabilities in rural properties.

This category also includes projects related to sustainable and low carbon agriculture, involving technologies of:

- Crop-Livestock-Forest Integration;
- Agroforestry Systems;
- No-Till Farming Systems;
- Biological Nitrogen Fixation.

II. Process for Project Evaluation and Selection

a. Green Bonds Committee for Project Selection and Approval

The Framework committee for projects financed through green bonds proceeds is headed by an Executive
Director from BDMG and consists of representatives, such as Senior Managers, Managers and Senior Analysts
nominated by Executive Officers, from the following areas of BDMG: Credit Management, Strategic Planning,
Structured Operations, Information Technology, Risks and Products. The operations will be evaluated by the
Committee with the purpose of deliberating on:

a) The conditions of the credit operation with regard to the borrower’s financial capacity, proposed guarantees
and risk;

b) The positive environmental impacts of the project;

c) Alignment of projects with the eligibility and exclusion criteria;

d) Alignment of the projects with the BDMG’s Social-Environmental Responsibility Policy.

b. Portfolio Categorization

BDMG has a portfolio of projects that covers several items highlighted in the topic I - Use of Proceeds, which
consists of lines of credit supported by on-lending resources from other institutions or funds raised directly by
the Bank. The financing lines with which the Bank currently works and others that may arise can finance
projects that compose its portfolio of green projects, provided that they meet the eligibility, categorization
and evaluation criteria established in this document.

The proceeds from the issuance of green bonds will be allocated to (i) projects that will be financed by BDMG
after any issuance or (ii) for reimbursement of projects originated before any issuance. In this case, the
contract balance will be considered for this purpose. New projects may also be financed with green bond
issuances up to the total amount of the financing.

c. Environmental and Social Risk Management

The Bank’s Social and Environmental Risk Management is in compliance with the requirements of Central Bank
of Brazil’s Resolution 4327/2014 and aims to identify, measure, mitigate and monitor the direct and indirect
risks related to social and environmental issues of the Bank’s processes, products and businesses. In this
context, BDMG uses classification and management systems, in routine procedures, to ensure the
identification, classification, monitoring, mitigation and control of socio-environmental risk in its activities and
operations. For this purpose, evaluation questionnaires are used for socioenvironmental risk classification,
which is based on the economic sector and the company revenues.

The socio-environmental risk classifications are defined in three levels: (A) companies with activities
intrinsically related to significant environmental impacts or regional reach risks and with high revenues (above
R$ 250 million); (B) companies with activities intrinsically related to significant environmental impacts or
regional reach risks and with lower revenues (between R$ 30 million and R$ 250 million); and (C) small
businesses (up to R$ 30 million in revenues), operations with municipalities and other companies not classified as A or B, that is, those with revenues above R$ 30 million, but that carry out risky activities.

Companies with a minimum revenue of R$ 30 million are requested to fill out the socio-environmental questionnaire. A company with a revenue of up to R$ 30 million is considered low risk, and it is not required to fill out the environmental questionnaire, however the environmental conformity related to environmental licensing is required. The questionnaire is valid for one year and consists of a credit analysis document required at the time of the use of the credit limit. It should be renewed in case of new credit or new investment, in the case of interest in companies.

All of the financing contracts and direct interest in companies incorporate specific clauses for social and environmental issues. The monitoring of the contractual covenants is done at the moment of the credit release and during the term of the contract.

Projects from all risk categories may be eligible to make use of the green bond proceeds. Projects classified with risk class C will automatically be eligible if they fall within one of the categories of section I, while Category A and B projects will have to be evaluated individually by the Green Bonds Committee.

d. Exclusion Criteria

Projects or credit operations that fall into one or more exclusion criteria described below cannot be financed with funds raised through the green bonds issued by BDMG:

- Transactions exclusively for working capital or debt replacement;
- Projects that have previously been financed by BDMG with resources from on-lending from Development Banks and Multilateral Agencies;
- Projects with first disbursement before 48 months prior to issuance;
- Projects whose financing maturity is in the same year of issuance;
- Fossil Fuel Projects & Fossil Fuel Energy Generation;
- Construction of new large hydro projects (>30 MW);
- Energy generation from biomass sources that deplete existing terrestrial carbon pools.

In addition, according to the Bank's Social and Environmental Responsibility Policy, the following cannot be financed:

- Mining activities that incorporate artisanal mining3;
- Weapons trade;
- Gambling;
- Pastures and crops in environmental preservation areas;
- Sawing, exploitation and commercialization of native wood;
- Activities that contaminate the environment or are potentially formative of environmental liabilities that are irreparable by mitigating technologies or practices.

Furthermore, the Bank has a list of activities that are excluded from funding, listed in its Policy and presented in the Annex.

e. Green Portfolio

BDMG has hired a specialized consulting firm to perform a preliminary analysis of the potential environmental impacts of the granted loans. The goal of this analysis was to indicate risks and opportunities associated to the consideration of the different credit operations as a basis for the issuance of Green Bonds by the BDMG.

In July/2018, when analyzing the remaining balance related to all credit operations financed with own bank resources, the consultancy identified a green portfolio of approximately R$ 207.56 million. They also observed that projects in BDMG’s green portfolio are in its majority aligned with the Sustainable Development Goals, the Green Bond Principles and the Climate Bonds Taxonomy project categories.

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3 Artisanal mining or small-scale mining is a low technology mining activity executed by independent miners working with hand tools or own small machinery.
### Category

<table>
<thead>
<tr>
<th>Category</th>
<th># Clients</th>
<th># Operations</th>
<th>Remaining Balance of Credit Operations with BDMG’s own Resources (BRL million)</th>
<th>Participation in the Green Portfolio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water and Effluent Management</td>
<td>35</td>
<td>40</td>
<td>101.56</td>
<td>48.93%</td>
</tr>
<tr>
<td>Pollution Prevention and Control</td>
<td>21</td>
<td>29</td>
<td>65.29</td>
<td>31.46%</td>
</tr>
<tr>
<td>Renewable Energy (including Biofuels)</td>
<td>3</td>
<td>15</td>
<td>40.00</td>
<td>19.27%</td>
</tr>
<tr>
<td>Natural Resources Management</td>
<td>4</td>
<td>5</td>
<td>0.71</td>
<td>0.34%</td>
</tr>
<tr>
<td><strong>BDMG’s Own Resources (Total)</strong></td>
<td><strong>67</strong></td>
<td><strong>98</strong></td>
<td><strong>207.56</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Furthermore, BDMG’s projects pipeline includes additional financing of R$ 49 million for pollution prevention and control (recycling activities) and of R$ 74.9 for renewable energy (11 solar power operations), totaling R$ 123.9 million regarding operations under analysis.

BDMG is developing an auditable measurement system to monitor the environmental benefits of the loans granted by the bank. The Bank also has a Carbon Accounting Tool, developed in a technical cooperation agreement signed between the French Development Agency - AFD and BDMG, and already applied in financed projects by the Bank with funding from the Agency.

### III. Management of Proceeds

Funds raised from the green bonds issued by BDMG will be managed by the Bank's Financial Management department to finance new or existing projects. Until the actual disbursement, the funds will be kept in the Bank's cash account or in high liquidity and low risk instruments and, in any case, will not be used in investments that are not considered to be aligned with the green bonds’ goals. We reiterate that resources obtained from any green bond issuance will be used exclusively to finance projects that meet the eligibility criteria described in this document. In addition, the allocation of the resources used will be reviewed by annual external audit.

BDMG has a robust internal accounting function as it is used to on-lend resources from several tier-2 banks, such as BNDES and AFD, as well as federal and state funds. The Green Bond will be registered as a new “source” in the accounting system and properly tracked.

### IV. Reporting

a. Allocation Reporting

BDMG will annually disclose the use of proceeds of issued green bonds, indicating the number of beneficiaries, the average value of the loans, the disbursement amount for each green category that composes the portfolio and the regional distribution of resources in Minas Gerais, through an Annual Report, which should be published in the following media: BDMG website (www.bdmg.mg.gov.br).

The report will also demonstrate whether resources have been allocated to existing projects in the green portfolio at the date of issuance or in projects contracted at a later date. The reported values and allocations will be validated by external audit.

b. Impact Report

BDMG will also report annually overall aggregated impacts per use of proceeds category, presenting selected indicators and relevant cases in terms of the application of resources and positive impacts on the environment. The impact and outcome indicators to be reported are listed below.

<table>
<thead>
<tr>
<th>GBP Categories</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Efficiency</td>
<td>• Lower energy consumption per production unit after project implementation</td>
</tr>
<tr>
<td></td>
<td>• GHG avoided</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>• MWh generated by the project</td>
</tr>
<tr>
<td></td>
<td>• GHG avoided</td>
</tr>
<tr>
<td>Biofuels</td>
<td>• Biofuel production per harvest or per year</td>
</tr>
<tr>
<td>Category</td>
<td>Measurable Indicators</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Water and effluent management</td>
<td>- GHG avoided</td>
</tr>
<tr>
<td>Natural resources sustainable management and land use - Reforestation</td>
<td>- Volume of treated water</td>
</tr>
<tr>
<td></td>
<td>- Increase in population with access to water and sanitation</td>
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<tr>
<td></td>
<td>- Planted/cultivated forest area directly attributed to granted credit</td>
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<tr>
<td></td>
<td>- CO2 capture</td>
</tr>
<tr>
<td>Pollution Prevention and Control</td>
<td>- Mass/volume of properly disposed waste after project implementation</td>
</tr>
<tr>
<td></td>
<td>- Contaminants and/or GHG reduction</td>
</tr>
<tr>
<td>Clean Transportation - vehicles</td>
<td>- Avoided fossil fuel consumption</td>
</tr>
<tr>
<td></td>
<td>- Pollutants/GHGs emission or travel time reduction confirmation after project implementation</td>
</tr>
<tr>
<td>Clean transportation - Infrastructure</td>
<td>- Avoided fossil fuel consumption</td>
</tr>
<tr>
<td></td>
<td>- Pollutants/GHGs emission or travel time reduction confirmation after project implementation</td>
</tr>
<tr>
<td>Agriculture and cattle farming</td>
<td>- Proven GHG reduction after project implementation</td>
</tr>
<tr>
<td></td>
<td>- Other proven positive environmental impacts after project implementation</td>
</tr>
</tbody>
</table>

ANNEX – Legal Restrictions, Impediments and Non-financeable Items

I. Legal Restrictions:

1. Legal restrictions that make it impossible to grant credit and provide guarantees to certain bidders, and BDMG cannot compromise on them. Only the changes in the respective legislation may create, extinguish, extend or reduce legal restrictions to credit concession.

2. According to the MNI - Operational Standards of Financial and Similar Institutions Manual, of the Central Bank of Brazil, BDMG is prohibited:
   2.1. To finance allotment of land and construction of real estate for resale or incorporation, except for the deployment of industrial districts (article 15, VI of Res. CMN 394);
   2.2. To grant loans or advances, directly or indirectly, in the cases of article 17 of Law No. 7492, dated 06/16/1986, such as (Res. CMN 1996, article 1, 2):
      a) To companies or entities directly or indirectly controlled (Res 1996 art.1º I / III) by the state government, its municipalities, foundations, public companies and mixed-economy companies (CMN 1996, article 1, II);
      b) Individuals who are members of the statutory bodies of any of the entities mentioned in the previous item, including the BDMG (Res. CMN 1996, article 2, I) and the company whose control is exercised by these persons, directly or indirectly (Res., article 2, III);
      c) To the spouse, ascendants or descendants, to relatives in the collateral line up to the second degree, consanguineous or related, of the persons mentioned in the previous item (Res. CMN 1996, article 2, II);
   2.3. To carry out operations that do not comply with the principles of selectivity, guarantee, liquidity and risk diversification (CMN Resolution 1559, IX, a, CMN 2488, article 1, CMN 3258, article 1);
   2.4. Grant credit or advance without the constitution of an adequate bond, representative of the debt (Res. CMN 1559, IX, b; Res. CMN 2488, article 1; Res. CMN 3258, article 1);
   2.5. Apply or promote the placement abroad, by any means, of resources collected in the Country (Bacen Circular 24);
3. To grant loans, credit or financing for new investments to be made in fixed assets of companies whose majority of voting capital belongs to persons not resident in Brazil, except for: (Decree 2233 of 1997 and Law 4131 of 03.09.1962):
   3.1. Public infrastructure services of the following segments:
      a) Exploration of energy sources, generation, transmission and distribution;
      b) Any form of energy;
      c) Any form of telephony;
      d) Ports and transport systems, including cargo and passengers;
      e) Environmental sanitation;
   3.2. Industrial complexes of the following segments:
      a) Chemical-petrochemical, including the basic chemical industries, petrochemical, fine chemicals and fertilizers;
      b) Mineral-metallurgical;
c) Automotive, including the automobile and auto parts industries;
d) Agroindustrial and forestry, ranging from input suppliers to processors and distributors of agricultural products, food, beverages and wood panels, paper and pulp;
e) Capital goods, including equipment and components supplying industries;
f) Electronic, including the industries of electronic components, telecommunications equipment and automation, as well as the manufacture and distribution of consumer and computer electronics (Decree No. 5688, of 2006).
3.3. Tourism Complex (Included by Decree No. 5688, of 2006);
3.4. Leasing of capital goods (Included by Decree No. 5,768, of 2006);
3.5. On-lending arising from loans' funds, credit and financing obtained abroad, according to §2 of art. 35 of Decree 55,762 / 65.
4. In Public Sector Operations, BDMG is prohibited:
4.1. To grant credit to organs and entities of the public sector that are in default with financial institutions and other institutions authorized to operate by the Central Bank of Brazil; that present pending registration in the Registry System of Operations with the Public Sector - CADIP; that do not meet the legal limit of indebtedness established by the Federal Senate (Resolution CMN 2827 of 2001 and Resolutions 40 and 43 of 2001 of the Federal Senate);
4.2. To grant credit that imports in any transference, of any direct or indirect responsibility for the payment of the debt to entities of the public sector (Resolution CMN 2827 of 2001);
4.3. To grant credit to the controlling entity - State of Minas Gerais (Complementary Law 101 of 2000);
4.4. To grant credit to the other entities of the Federation, including its entities of the indirect administration, even if in the form of novation, refinancing or postponement of previously contracted debt, that are allocated to (Complementary Law 101 of 2000):
   a) Financing of current expenses, directly or indirectly;
   b) Refinance debt non-contracted with other financial institutions
5. According to the Federal Constitution and the Constitution of the State of Minas Gerais, as a public company, BDMG is prohibited:
5.1. To enter into contracts with individuals holding mandates from State Deputies, Federal Deputies and Senators;
5.2. To enter into a financing agreement with legal entities that have Senators, Federal Representatives and State Representatives as owners, controllers or directors, when the source of funds is State Fund or other legal entity of the Public Law.
6. To grant credit to persons prevented from operating with the National Financial System, informed by the Central Bank through Sisbacen.

II. Impediments:
7. There are circumstantial restrictions due to technical, market, ethical, behavioral, economic or financial factors, among others, that are relevant to decision making and do not recommend the granting of credit or the provision or acceptance of guarantees.
7.1. In the FAHMEMG operations, created by Law No. 17,949 / 2008, in which the BDMG acts as a representative of the State Fund, in relation to impediments, only those that have the regulation of the Fund will be observed.
8. The following are considered to be impediments to the granting of credit, leasing, and the provision of guarantee by BDMG:
8.1. Deferred debt, including those related to State assets managed by BDMG, pending liquidation or regularization with BDMG for more than 5 business days, with the responsibility being of the proponent of the credit, member of its Economic Group or the guarantors of the operation;
8.2. Judicial or extrajudicial recovery process or bankruptcy against the proponent of the credit, members of his economic group or guarantors of the operation;
8.3. Conviction for the crime of practice of bankruptcy or against the popular economy, or any other that legally prevents the exercise of economic activity, from credit bidders, from members of its economic group, or from guarantors of the operation;
8.4. Registration of the proponent, members of his economic group or guarantors of the operation in the list of employers who adopt slave and child labor, published by the Ministry of Labor and Employment;
8.5. Relevant registration details of the tenderer, members of his economic group or guarantors of the operation whose justification has not been accepted by the Department responsible for credit analysis;
8.6. Term of office of Senator, Federal Deputy and Minister of State:
   a) By the credit proposer,
   b) By a participant from the company proposing the credit or member of its economic group;
c) By a participant of the guarantor companies of the operation;
d) By individuals guaranteeing the operation

8.7. State Representative office term, position of Secretary of State, member of the Board of Directors and Executives of Public Companies, all by the State of Minas Gerais:
a) By the credit proposer;
b) By a participant from the company proposing the credit or member of its economic group;
c) By a participant of the guarantor companies of the operation;
d) By individuals guaranteeing the operation

8.8. Suspicion informed by BDMG to the BACEN of the practice of the money laundering crime by the proponent of the credit, by members of his economic group or by guarantors of the operation.

III. Non-financeable items:
9. BDMG will not fund the following items or activities:
9.1. Activities foreseen as non-fundable by resource providers;
9.2. Mining activities incorporating rudimentary mining;
9.3. Broadcasting and television services companies as well as companies that are in the same economic group;
9.4. Newspaper and magazine publishing companies as well as companies that are in the same economic group;
9.5. Weapons trade;
9.6. Pastures and crops in environmental preservation areas;
9.7. Sawing, exploitation and commercialization of native wood;
9.8. Activities that contaminate the environment or are potentially formative of environmental liabilities that are irreparable incorrigible by mitigating technologies or practices;
9.9. Developments related to gambling games and activities alike.