

THIS MATERIAL FACT IS NOT PART OF ANY OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY SECURITIES ISSUED BY BANCO BTG PACTUAL S.A., BTG PACTUAL PARTICIPATIONS, LTD. AND/OR ANY OF THEIR AFFILIATED ENTITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTION. NO PUBLIC OFFERING OF SECURITIES WAS OR WILL BE CARRIED OUT IN THE UNITED STATES OR IN ANY OTHER JURISDICTION AND, ACCORDINGLY, THE SECURITIES WERE NOT REGISTERED AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY OTHER APPLICABLE LEGISLATION.

BANCO BTG PACTUAL S.A.	BTG PACTUAL PARTICIPATIONS, LTD.
Publicly Held Company	Publicly Held Company
Corporate Taxpayer ID: 30.306.294/0001-45	Corporate Taxpayer ID: 15.073.274/0001-88

MATERIAL FACT

Banco BTG Pactual S.A. (“Banco”) and BTG Pactual Participations, Ltd. (“BTGP” and, together with Banco, the “Companies”), in accordance with CVM Instruction 358/02, and further to the Material Fact press release issued by the Companies on February 14, 2017, hereby inform their shareholders and the market in general, as follows:

Considering that BTGP received a demand from B3 S.A. – Brasil, Bolsa, Balcão (“B3”), as described in the Notice to the Market published on April 25, 2017, by virtue of the trading price of BTGP’s BBTG12 units having remained below R\$1.00 for 30 consecutive trading sessions, the Companies have analyzed potential structures to fulfil the applicable regulation and the B3’s determination, in accordance with item 5.2.f of the B3’s Issuer Listing and Admission of Securities to Trading Rules and the Issuer Manual, in such a way as to maintain the trading price of the BBTG12 units above the R\$1.00 threshold.

After reviewing the potential relevant impacts on the liquidity of the assets involved and operational difficulties related to the other alternatives that were analyzed, each of the Boards of Directors of the Companies approved, in meetings held on August 4, 2017 – in accordance with the rules set forth in the respective bylaws and in accordance with the service agreement of the issuer and depositary of units entered into with Banco Bradesco S.A. (the “Depositary”), which is responsible for all of the Companies’ units programs in Brazil – the automatic migration of all currently remaining BBTG11 unit holders to the segregated trading structure of each of the Companies, i.e., BPAC11 for Banco investors and BBTG12 for BTGP investors (“Automatic Migration”). The Boards of Directors of the Companies understand that Automatic Migration is necessary to enable BTGP to carry out the Reverse Stock Split (as defined below) in order to arithmetically adjust the BBTG12 units’ price level to the threshold required by applicable B3 regulations, as detailed below.

As described in the “Estimated Schedule” below, each holder of a BBTG11 unit as of the end of the trading session on August 18, 2017 will, starting from the beginning of the trading session on

August 21, 2017, automatically hold one BPAC11 unit and one BBTG12 unit for each BBTG11 unit previously held by such holder, without any other significant change to such holders.

The Companies understand that Automatic Migration also represents the best alternative for its shareholders, considering (i) the approval of the possibility of the new units structure allowing for migration in the extraordinary general meetings of the Companies held in February 2017, including by a majority of the minority shareholders present and voting, and (ii) the percentage of approximately 60% of BBTG11 units existing immediately prior to the commencement of the migration having already voluntarily migrated or having been requested to have been migrated (in process) to BPAC11 units and BBTG12 units to date, indicating that the migration process has demonstrated success as well as an increasing rate of participation as a result of the upcoming deadline of no later than August 11, 2017 to adhere to the voluntary migration at reduced costs.

Automatic Migration will necessarily cause the liquidity of the assets of the Companies to be concentrated in BPAC11 units and BBTG12 units, and will continue to allow investors that so desire to invest in both Companies simultaneously as they had originally done through the BBTG11 units, as they will still be able to hold positions in both BPAC11 and BBTG12 units.

Estimated Timetable

The Companies also approved that the deadline of no later than August 11, 2017 to adhere to the voluntary migration at reduced costs, in accordance with the conditions described in the Material Fact press release issued on February 14, 2017, will be extended until August 18, 2017 – this being the final date, therefore, that BBTG11 unit holders will be able to effect their voluntary migration toward BPAC11 units and units BBTG12 (the “Final Date”). For the avoidance of doubt, the Automatic Migration will not interrupt or affect the ongoing voluntary migration process in the coming weeks.

After the Final Date, the B3 and the Depositary will carry out all the necessary operational procedures so that all BBTG11 unit holders will hold the respective BPAC11 units and BBTG12 units automatically and without the need for any action on the part of such holders (subject to the provisions of item “Costs for Automatic Migration” below), which units will be able to be traded as of the beginning of the trading session on August 21, 2017 (the “Automatic Migration Date”), with the BBTG11 units ceasing to be traded after the close of the trading session on August 18, 2017.

For the avoidance of doubt, the previous deadline of December 28, 2017 for the voluntary migration, pursuant to the conditions described in the Material Fact press release issued on February 14, 2017, will no longer be applicable as a result of the Automatic Migration.

Additionally, and in light of the need to reorganize the BBTG12 units for compliance with applicable regulations as determined by the B3, the Board of Directors of BTGP also approved the reverse split of BTGP’s class A and class B shares, to be completed on September 6, 2017 (the “Reverse Stock Split Date”), it being understood that starting from the trading session

following the Reverse Stock Split Date, BTGP’s class A shares and class B shares will be subject to a reverse stock split at a ratio of nine-to-one. That is, (i) the current 259,531,855 class A shares will be converted into 28,836,873 class A shares, (ii) the current 519,063,710 class B shares will be converted into 57,673,746 class B shares, and (iii) the current 259,531,855 BBTG12 units will be converted into 28,836,873 BBTG12 units. The composition of each BBTG12 unit will remain the same, it being one class A BDR (representing one class A share) and two class B BDRs (each representing one class B share) (the “Reverse Stock Split”).

Thus, BBTG12 unit holders holding BBTG12 units that are not a multiple of nine (9) such units, whether before or after the Automatic Migration, will have until the Reverse Stock Split Date to acquire or dispose of BBTG12 units in order to remain holders of a multiple of nine BBTG12 units to avoid ownership of a fraction of such BBTG12 units. Otherwise, any fractions of BBTG12 units resulting from the Reverse Stock Split and not adjusted by their respective holders will be identified in whole numbers and sold at an auction to be carried out at the B3, and the amounts resulting from such sale will be made available in the name of the respective holder following the final settlement of such sale.

Further details on the Reverse Stock Split – including with respect to the treatment of eventual fractions – will be disclosed in a timely manner by BTGP, pursuant to Article 20 of its bylaws, and also by means of a “Notice to Shareholders”.

For a better description of the estimated timetable, see table below:

Date (estimated)	Action
August 11, 2017	Initial deadline for voluntary migration of BBTG11 units
August 18, 2017 – following the close of the trading session	<ul style="list-style-type: none"> • Extended deadline for voluntary migration of BBTG11 units • Record date for BBTG11 unit holders that will be subjected to Automatic Migration
August 21, 2017 – prior to the beginning of the trading session	Automatic Migration Date
September 6, 2017	Reverse Stock Split Date, and date of BTGP’s extraordinary general shareholders’ meeting to change its corporate name, among other matters
September 8, 2017	BBTG12 units, BBTG36 BDRs and BBTG35 BDRs will begin to be traded following the Reverse Stock Split, under a new ticker symbols

Other changes at BTGP

In addition to the changes already presented by the Companies in the Material Fact press release issued on February 14, 2017, the Board of Directors of BTGP approved a new Board of Executive Officers that is distinct from Banco's Board of Executive Officers, as disclosed in the Material Fact press release issued on May 5, 2017. The Companies also ceased presenting combined Banco and BTGP financial statements, disclosing only (i) Banco's financial statements, and (ii) BTGP's financial statements, both separately and in accordance with their respective applicable accounting rules, in addition to beginning to disclose earnings releases in a segregated manner, and continuing to disclose their respective *formulário de referência* annual reports, as well as rolling out separate new "Investor Relations" websites.

Still, and in order to mitigate investor confusion regarding the BPAC11 units and BBTG12 units, BTGP's Board of Directors will call an extraordinary general shareholders' meeting to be held on the Reverse Stock Split Date to approve, among other matters (including ratification of the Reverse Stock Split), a change in BTGP's corporate name to PPLA Participations Ltd.. If approved, the units and the BDRs will be traded under new ticker symbols starting from the next trading day, already reflecting the new proportions provided for pursuant to the Reverse Stock Split.

For further information on BTGP's proposal to change BTGP's corporate name, see "Material Fact", "Summons Notice" and "Management Proposal," which will be made available by BTGP. For the avoidance of doubt, the Automatic Migration will not be the subject of deliberation at that meeting.

Costs of the Automatic Migration

In the scope of Automatic Migration, the Companies will continue to exempt BBTG11 unit holders from the cancellation fee (which continues to be stipulated under the Companies' bylaws and under the unit deposit agreements) corresponding to 10% of the closing price of such unit, based on the last trading session in which such unit was traded, relating to the month prior to the cancellation. Additionally, and as an exception in the context of the Automatic Migration, the Companies, pursuant to a special arrangement with the Depository, hereby notify that BBTG11 unit holders will incur in the payment to the Depository of only R\$ 0.02 (two cents) for the Automatic Migration of each BBTG11 unit (the "Costs"). The original cost of ten cents (R\$0.10) for each of the three steps required for the Automatic Migration of each BBTG11 unit – which would have been charged after August 11, 2017 – will not be charged and, therefore there will be no difference in treatment between BBTG11 unit holders that (i)

have already migrated their positions to date, (ii) will migrate on or prior to the Final Date, or (iii) are subjected to Automatic Migration.

Holders of BBTG11 units and their respective custodians must pay the Costs to the Depository Institution no later than August 31, 2017.

Holders of BBTG11 units and their respective custodians whose units are held by the Central Depository of the B3 will be charged for the Costs on August 31, 2017.

The Companies recommend that shareholders timely contact their Custodians in order to verify the possible operational aspects necessary for the effective execution of the Automatic Migration, including the payment of Costs to the Depository by means of the Transfer and the potential need for securing foreign exchange contracts.

Final Considerations

All references in this Material Fact to the BBTG12 units, specifically with respect to the Reverse Stock Split, will also involve the BBTG36 BDRs and BBTG35 BDRs that make up such units, in compliance with the provisions of Article 8.2 of the BTGP bylaws.

The respective current corporate structures of Banco and BTGP will not be altered, and there will be no change in shareholders' equity resulting from the Automatic Migration, nor any type of dilution in the shareholdings held by each shareholder. We point out, however, that the subsequent reverse split in BBTG12 units may result in corporate changes due to roundings, as explained above.

In the context of the Automatic Migration, and considering that the BBTG11 units will no longer be traded, each of the Companies' respective share repurchase programs will now continue only with the possibility of repurchases of BPAC11 units by Banco, and BBTG12 units by BTGP, as disclosed on May 18, 2017, with the current outstanding balance of these programs being 10,288,200 BPAC11 units and 10,288,200 BBTG12 units (without considering the effects of the Reverse Stock Split).

For the avoidance of doubt, should BBTG11 units holders have allocated only a portion of their BBTG11 units to the migration, the remaining portion of their BBTG11 units will be subjected to Automatic Migration.

Shareholders having positions as lenders in BBTG11 unit loans and/or forward transactions involving BBTG11 units should consult their Custodians and/or the B3 regarding the procedures to be followed.

Without prejudice to potential contacts with the Investor Relations divisions of each of the Companies, the holders should consult their own advisors, including with regard to the respective legal, accounting and tax consequences of Automatic Migration for each holder.

The Companies will keep their shareholders and the market duly informed regarding the matters described above.

LEGAL NOTICE. This material fact contains forward-looking statements that are identified by terms and phrases such as “anticipate,” “believe,” “intend,” “estimate,” “expect,” “continue,” “should,” “could,” “may,” “plan,” “project,” “predict,” “will” and similar expressions and are mainly based on the Companies’ current expectations and estimates of future events and trends that affect or may affect their business, financial condition, results of operations, cash flow, liquidity, prospects, the trading price of their securities (including BBTG11 units, BPAC11 units, BBTG12 units or any of the respective securities underlying such units) and their ability to obtain the expected benefits from the transactions being contemplated thereby as described above on reasonable terms or at all, including, but not limited to, greater transparency, better liquidity conditions or independent trading of their securities. These forward-looking statements are subject to several risks and uncertainties, which may change from time to time. It’s impossible for the Companies to predict how forward-looking statements may be affected by such risks and uncertainties, and the Companies do not have any duty to, and do not intend to, update or revise the forward-looking statements in this announcement, except as may be required by law.

São Paulo, August 4, 2017.

BANCO BTG PACTUAL S.A.
JOÃO MARCELLO DANTAS LEITE
Investor Relations Officer

BTG PACTUAL PARTICIPATIONS, LTD.
RENATA GOMES SANTIAGO BROENN
Investor Relations Officer