

# DURATEX S.A.

CNPJ. 97.837.181/0001-47

Publicly Trading Company

NIRE 35300154410

Authorized Capital: up to 920,000,000 of common shares  
Subscribed and Paid Capital: R\$ 1,705,271,709.44 – 605,059,489 of common shares

## BYLAWS

(Approved at the Extraordinary General Assembly of June 24, 2013)

### CHAPTER I

#### NAME, PLACE, PURPOSE AND DURATION

1. Title. DURATEX SA ("Company") is a corporation and is governed by its Bylaws and applicable law.

1.1. *Admission to the Special Listing Segment.* With the Company's admission to the special listing segment known as the BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA") Novo Mercado, the Company and its shareholders, officers and members of the Board of Auditors, when installed, are subject to the provisions of the Listing Regulation of BM&FBOVESPA Novo Mercado ("Novo Mercado Regulations").

2. *Headquarters.* The Company is headquartered in the city of São Paulo, State of São Paulo. By resolution of the Board, the Company may install and close branches, agencies, warehouses, offices, and other establishments in Brazil or abroad, to these Bylaws.

3. *Corporate Purpose.* The Company's corporate purpose is: (a) the manufacture, trade, import, export, storage, distribution and transportation: (i) of timber products, in any of its forms and purposes, and products and by products related or similar services, (ii) chemicals, alcohol-chemical, petrochemicals and their derivatives, (iii) products of metals, ceramics and natural and synthetic plastics, and other products for general construction, as well as products and by products related or similar services, (b) afforestation, reforestation and extraction of its production, on land owned by the Company or leased from third parties to supply its industrial needs, (c) electricity generation and trading, (d) technical and administrative services related the Company's corporate purpose, and (e) the Company's participation in other companies, as a stockholder or shareholder.

4. *Duration term of the Company.* The duration term of the Company is indefinite.

**CHAPTER II****CAPITAL, SHARES AND SHAREHOLDERS**

**5. Share Capital.** The Company's share capital, fully subscribed and paid up is R\$ 1,705,271,709.44 (one billion, seven hundred and five million, two hundred seventy-one thousand and seven hundred nine reais and forty-four cents), divided into 605.059.489 (six hundred and five million, fifty-nine thousand, four hundred eight-nine) ordinary shares, without par value. Each ordinary share of the Company is entitled to 1 (one) vote at the General Shareholders' Meeting.

**5.1. Sealing Issue of Shares and Preferred Shares.** The capital of the Company shall be exclusively represented by ordinary shares. The Company is forbidden from issuing beneficiary shares.

**5.2. Authorized Capital.** At the behest of the Board of Directors, the Company is authorized to increase its capital up to the limit of 920,000,000 (nine hundred and twenty million) shares, with no need for statutory reform. The Board of Directors shall determine the conditions of the issue, including price and payment of the shares.

**5.3. Share purchase options.** Within the limits of the authorized capital, provided that it is in agreement with the option plans approved at the General Shareholders Meeting, the Board of Directors may authorize the granting of call options or share subscriptions to managers and employees of the Company, as well as the managers and employees of other companies or entities connected to the Company, without giving right of preference to the shareholders.

**6. Registered Shares.** All the Company's shares are of the book-entry type, held in a deposit account in the name of the holder, without the issue of certificates by the depository institution authorized by the Brazilian Securities Commission - CVM, designated by the Board. The transfer and registration costs and service costs relating to shares of the Company may be collected directly from the shareholder of the Company by the depository institution.

**7. Issue of Shares, Warrants or other Securities.** Issued by the Company of shares, warrants or other securities convertible into shares of the Company that are intended for public or private subscription, by the Board of Directors, with a notice duly published in the newspapers used by the Company to notify shareholders of the resolution to increase its authorized capital, carrying information on all of the features and conditions of issue and,

subject to the provisions of Article 8, the deadline for the exercising of the right of first refusal in proportion to their respective interests, which may not be less than 30 (thirty) days.

**7.1. *Non-exercising of Right of First Refusal.*** If the shareholders do not exercise their right of first refusal to subscribe for new shares or securities issued by the Company, whether this decision is expressed or implied, the Board may offer the unsubscribed securities to third parties.

**8. *Reduction in the deadline for the exercising of Right of First Refusal, or the withdrawal of this right.*** At the decision of the Board, in accordance with Article 172 of Law No. 6404 of December 15, 1976, as amended ("Brazilian Corporation Law"), the deadline for shareholders of the Company to exercise their right of first refusal on issues by the Company of shares, warrants or other securities convertible into shares, may be reduced, or the right may be withdrawn altogether, provided that the placement is carried out via: (i) sale on the stock exchange or by public subscription, or (ii) the exchange of shares through a public offering as part of a takeover bid for control, in terms of the applicable legislation, within the authorized capital limit.

### CHAPTER III

#### **GENERAL SHAREHOLDERS MEETING**

**9. *Convening of General Shareholders Meetings.*** The General Shareholders Meeting shall be convened (i) by the Chairman of the Board of Directors, or in his absence, by any Vice-President of the Board, or in their absence, by the decision of a majority of the members of the Board, or (ii) in the cases stipulated in Article 123 of Brazilian Corporation Law. with at least 15 (fifteen) days of advance notice. If the General Shareholders Meeting is not realized on the first convening, it will be re-convened, with at least 8 (eight) days advance notice from the date of the second convening notice.

**9.1. *Attendance at General Shareholders' Meeting.*** The participation of shareholders at any General Shareholders Meeting is subject to the following rules: (a) presentation of identity document, and (b) showing proof of deposit of shares issued by a depository institution.

**9.2. *Proxy holders at the General Shareholders Meeting.*** Shareholders may be represented by proxy at General Shareholders Meetings, provided that: (a) the power of attorney has been drawn up in accordance with Article 126 of Brazilian Corporation Law, (b) the rules laid down in Article 9.1 are observed and (c) the power of attorney the documents

providing proof of representation have been filed at the registered office at least 48 (forty eight) hours prior to the General Shareholders Meeting.

**9.3. Availability of Meeting Agenda.** All documents relating to the meeting agenda, from the date of publication of the notice for the first convening of the General Shareholders Meeting or public notices in accordance with Article 133 of Brazilian Corporation Law, will be available to shareholders at the Company's headquarters and at BM&FBOVESPA. The agenda shall list, expressly, all matters to be resolved, being forbidden to include, on the agenda of the General Shareholders Meetings, items under the heading "other issues" or "general matters" (or similar).

**9.4. Request for the Inclusion of Matters on the Meeting Agenda.** Provided that the request made is (i) in writing, (ii) in the strict interests of the Company and (iii) at least 1 (one) month in advance of the General Shareholders Meeting, shareholders may send in matters to be included on the meeting agenda, for the attention of the Chairman of the Board, at the first General Shareholders' Meeting to be held following receipt of the request. The Company may reject such inclusions, provided that the refusal is satisfactorily justified in writing and filed at Company Headquarters, together with the request

**10. Installation and Presidency of the General Shareholders Meeting** The General Shareholders Meeting shall be convened and chaired by (i) Chairman of the Board of Directors, or (ii) in his absence by any Vice-President of the Board, or (iii) in their absence by any member of the Board of Directors, or (iv) the absence of all members and person appointed by the majority of shareholders attending the General Shareholders Meeting. The President of the General Shareholders Meeting shall appoint a secretary to assist in the work and draw up the minutes of the General Shareholders Meeting.

**11. Responsibilities of the General Shareholders Meeting.** It is incumbent upon the General Shareholders Meeting, in addition to the powers set out in the applicable legislation:

- (i) to set the overall annual compensation of the members of the Board of Directors and Board of Auditors if in operation;
- (ii) to allocate bonus shares and decide on any grouping or splitting;
- (iii) to approve plans to grant stock option to purchase or subscribe for shares to directors and employees of the Company, as well as managers and employees of other

companies which are directly or indirectly controlled by the Company, subject to Article 5.3;

- (iv) eleger o liquidante, bem como o Conselho Fiscal, que deverá funcionar no período de liquidação;
- (v) to decide on the de-listing of the Company's shares and their withdrawal from the Novo Mercado of the BM&FBOVESPA ("Novo Mercado");
- (vi) to approve mergers, acquisitions, stock merger, demergers, transformation or any other form of corporate restructuring involving the Company;
- (vii) to deliberate on the redemption or reimbursement of the Company's shares; and
- (viii) to approve the issue of convertible debentures.

#### CHAPTER IV

#### ADMINISTRATION BODIE

#### GENERAL PROVISION

**12. *The Company administration.*** The Company shall be managed by the Board of Directors and the Executive Board.

**12.1. *Investiture.*** The Directors and Officers shall take their positions during the 30 (thirty) days following their election, by signing their terms of investiture in the minutes book of the Board of Directors and the Executive Board, as applicable, with the waiving of any personal guarantees by management. The investiture of any Board Member or Director or Officer is conditional upon the signature of (i) a Statement of Consent from the Directors, in the form prescribed in the Novo Mercado Regulations; (ii) the term of adhesion to the Company's securities trading policy, and (iii) the term of adhesion to the Company's information disclosure policy, as well as complying with the applicable legislative requirements.

**12.2. *Remaining in office.*** The Directors and Officers shall remain in office until the installation of their replacements.

- 12.3. *Directors' Remuneration and Profit Sharing.*** Members of the Board of Directors and the Executive Board shall receive due remuneration and may take part in profit sharing, within the legal limits.
- 12.4. *Prohibition of dual Responsibility.*** The positions of Chairman of the Board of Directors and Chief Executive Officer or principal executive of the Company shall not be held by the same person.

## **BOARD OF DIRECTORS**

### ***Composition of the Board of Directors***

- 13. *Composition of the Board of Directors.*** The Board of Directors shall comprise at least 5 (five) and at most 10 (ten) Members and Alternates, all of them elected and removable by the General Shareholders Meeting, there being 1 (one) Chairman, 2 (two) Vice-Presidents and other Members, with no specific position or designation. At the Annual General Meeting to deliberate on the election of members of the Board of Directors, the shareholders shall also decide on the effective number of the Board of Directors' full-time members and alternate members for that year.
- 13.1. *Alternate Member.*** To elect each of the alternate members, the General Shareholders Meeting shall appoint one or more permanent Directors who can be substituted by each of these alternate members.
- 13.2. *Independent Board Members.*** At least 20% (twenty percent) of the Members of the Board must be , as defined in the Novo Mercado listing regulations. Under the terms of these regulations, Board Members will be considered to be independent if elected according to the terms cited in Articles 141, sub-paragraphs 4 and 5 of Brazilian Corporation Law. When, due to the observance of the percentage mentioned in this article, this results in fractional number of members, the number will be rounded up or down to a whole number: (i) the nearest whole number above, when the fraction is equal to or greater than 0.5, or (ii) the nearest whole number below, when the fraction is less than 0.5. Qualification as Independent Board Members shall be expressly declared in the minutes of the General Shareholders Meeting that elects them.
- 13.3. *Board Members' Term of Mandate.*** Members of the Board of Directors and alternates shall be elected for a mandate of one (1) year, with re-election permitted. For purposes of this Article, 1 (one) year is considered to be a period containing 2 (two) consecutive Annual General Meetings of the Company.

**14. Requirements for being a Board member.** Both for a full-time Board Member and an Alternate Member, nominations for the Board membership must be for persons (i) who have not completed 70 (seventy) years of age on the date of his election to the Board of Directors (a Board member who reaches the age of 70 (seventy) while in office may complete his mandate), and (ii) who have recognized and proven experience, expertise and in a situation to fulfil the requirements of the post of Board Member..

**15. Election of Chairman and Vice-President.** At the first meeting of the Board of Directors held after the election of members of the Board by the General Shareholders Meeting, the Board shall elect the President and Vice-President of the Board of Directors.

**15.1. Temporary or permanent replacement of the President in the course of the Mandate.** In the case of (a) the absence or temporary disability of the President of the Board, or (b) the death, incapacity or definitive disability of the Chairman of Board of Directors, he shall be replaced in the office of Director by his deputy, as provided in Article 15.2, and such alternate will not replace the role of President. It is incumbent on the Board of Directors to choose from among the Directors in office that will replace the President in that function (either temporarily or permanently, as applicable). In case of permanent replacement of the Chairman of the Board, his replacement member will occupy this position until the end of the mandate of the president who replaced him.

**15.2. Alternate Members.** Subject to Article 15.1, in case of non-attendance by a Board Member at any meeting of the Board, his alternate at that meeting, will replace the missing Member. In the event of death, incapacity or permanent disability of any Board member his/her alternate will replace this Board member at meetings of the Board until the end of his mandate or until another person is elected to the office previously occupied by the deceased, incapacitated or disqualified Board Member.

### **Meetings of the Board of Directors**

**16. Frequency of Meetings of the Board.** The Board shall meet **(i)** ordinarily, 6 (six) times a year, and **(ii)** extraordinarily, whenever corporate interests require so.

**16.1. Convening.** The meetings of the Board shall be convened by its Chairman or a majority of its members, with advance notice of at least 5 (five) working days before the meeting is held. The Chairman of the Board shall prepare the agenda for meetings based on requests from other Directors and the CEO. Such notice shall be made in writing by mail, telegram, fax, email or by any other means allowing proof of receipt. It should be

released prior to convening the meeting as a condition of its validity when all members of the Board are present at the meeting. The convening notice shall be accompanied by the meeting agenda and all the information and documents referring to the resolutions to be passed at the meeting.

**16.2. Meeting format .** Meetings of the Board of Directors may be held by conference call, video conference or any other medium. All resolutions of the Board shall include the minutes drawn up on their book of Minutes of Meetings of the Board and certified by the board.

**17. Quorum Installation.** The meetings of the Board are installed on a first convening, with the presence of a majority of its members, and on second convening, with any number of Directors.

**17.1. Presence of Alternates at Meetings of the Board.** Any alternate member may attend any meeting of the Board, even though all directors may also present at the meeting. If all directors are present to hold a meeting of the Board, no alternate member present may make any comment, other than to agree with all the Board Members (or alternates to replace their respective full-time members) attending the Board meeting.

**18. Exercise of Voting Rights.** Each Director shall be entitled to 1 (one) vote at the Board of Directors. The resolutions shall be deemed to have been approved by a majority vote of those present, unless otherwise expressly provided for in the Company Bylaws. At meetings of the Board delegated votes on behalf of another Board member may be accepted, advance votes in writing, votes cast by fax, e-mail or any means of communication, with members voting in this way being deemed to be present at the meeting.

### ***Responsibilities of the Board of Directors***

**19. Responsibilities.** It falls to the Board of Directors, in addition to its other responsibilities established in these Corporate Bylaws, or the applicable legislation:

- (i) to set the general guidelines of the Company and its subsidiaries, as well as ensure their smooth implementation;
- (ii) to review and approve annual and multi-annual budgets;

- (iii) to decide on the buy-back by the Company of its own shares, to be held in treasury for subsequent cancellation and/or sale, and to decide whether they should be re-sold or cancelled;
- (iv) to approve the issue of unsecured debentures;
- (v) deliberate on the approval of any transaction which has not previously been approved as part of the Company's annual or multi-annual budget, involving the acquisition, sale, investments, divestment, encumbrance or transfer of any assets of the Company whereby the value exceeds, individually or in aggregate, for the same type of operation, 3% (three percent) of the shareholders equity cited in the most recent audited balance sheet of the Company;
- (vi) to define the remuneration of members of the Board and Chief Executive Officer, subject to overall annual compensation approved by the General Shareholders Meeting, as well as to set the remuneration policy and benefits for Directors and employees of the Company and its subsidiaries;
- (vii) to set and change the Company's indebtedness policy;
- (viii) to approve the entering into of contracts between the Company and **(a)** any controlling shareholder of the Company (or their spouses), **(b)** the directors (or their spouses) of the Company or its subsidiaries, or **(c)** subsidiaries controlled or under common control (i ) any of the controlling shareholders (or their spouses) or (ii) of directors (or their spouses) of the Company or its subsidiaries;
- (ix) to decide on the providing of surety, pledges or other personal or real guarantees with respect to third-party obligations, except when the beneficiary is a company that is solely controlled by the Company, directly or indirectly;
- (x) to approve the opening and closing of committees and / or working groups of the Company, in order to assist the Board, defining its composition, bylaws, remuneration and scope of work;
- (xi) to establish the conditions for hiring of any public funding of resources in capital markets and the issuance of any credit instruments to capture public resources, whether bonds, notes, commercial papers or other common use in the market capital, still acting on their conditions of issuance and redemption;

- (xii) to approve any material change in accounting practices of the Company, except for changes required by applicable laws or regulations;
- (xiii) to discuss the sale, transfer, license or encumbrance of any form of trademark, patent or industrial design or detained under the use of the Company, directly or indirectly, with the exception of trademark licenses for any subsidiary of the Company, in which case it will observe the provisions of Article 24.1 (viii) below, and
- (xiv) to define and change the policies of securities trading and disclosure of relevant information of the Company.
- (xv) to support, or not, any public tender offer for the acquisition of shares whose purpose is the shares issued by the Company, by means of previous reasoned report disclosed no longer than 15 (fifteen) days from the publication of the Public Tender Offer for the acquisition of shares, which shall approach, at least (a) the convenience and timeliness of the public tender offer for the acquisition of shares, in the interest of the shareholders as a whole and in relation to the liquidity of the securities held; (b) the repercussions of the public tender offer for the acquisition of shares in the Company's interests; (c) the strategic plans disclosed by the offer in relation to the Company; (d) other points considered relevant by the Board of Directors, as well as the information required by the applicable rules established by the Brazilian Securities Commission; and,
- (xvi) to provide a list in triplicate of companies specialized in company valuations for the preparation of valuation report of the Company's shares, in the event of a public tender offer for the acquisition of shares ("OPA") prior to delisting from the stock exchange or withdrawal from the Novo Mercado.

### **Charter of the Board of Directors**

**20. Charter.** The Board of Directors must adopt internal regulations that clearly define their responsibilities and duties and prevent conflict within the Board, especially with the CEO. The internal regulations should cover and deal with : (i) the scope of action and goals of the Board of Directors, (ii) the rules of its operation, (iii) the rules for the administration of conflict of interest, (iv) its voting system, (v) its reporting secretary, (vi) its meetings, convening, meeting agendas, meeting minutes and documentation, (vii) the committees referred to in item (x) of Article 19 above, (viii) interaction with the Board of Auditors, if in operation, (ix) the implementation of its budget and (x) interaction with the independent auditor.

**20.1. *Provision of the Charter.*** The Internal Rules of the Board shall be available to any shareholder of the Company at its headquarters and on its website.

### **Assessment of the Board of Directors**

**21. *Evaluation.*** Shall be held annually a formal evaluation of the performance of the Board of Directors in the manner and in accordance with the criteria that will be defined by him or committee established pursuant to item (x) of Article 19 above.

### **DIRECTORS**

**22. *Composition of the Board of Directors.*** The Company's Board of Directors shall consist of at least 6 (six) and a maximum of 20 (twenty) Directors, elected and removed at any time by the Board of Directors for a term of one (1) year, with re-election permitted. The election of Directors will occur preferably on the same date of the Annual General Meeting.

**23. *Requirements to become an Executive Director.*** Nominations for the post of Director of the Company (including its Chief Executive Officers) must be for persons (i) who have not completed 65 (sixty five) years of age from the date of his election to the role of Director (a Director completing 65 (sixty five) years of age during the term of his mandate may finish it); and (ii) of recognized and proven experience, competence and fitness for the job requirements of the post to be filled.

**23.1. *Absence or Temporary Impediment.*** In case of vacancy, absence or temporary disability of any Director, it will be the CEO, at its option, (i) to replace temporarily and assume such duties, or (ii) appoint from among the other directors who will take such an interim role

**23.2. *Death, Permanent Disability or Impediment.*** In case of death, disability or permanent incapacity of a Director, it will be up to the CEO, at his behest, (i) to temporarily replace such functions, or (ii) appoint a replacement from among the other directors to take an interim role. A meeting of the Board must be held as soon as possible to elect an effective replacement Director e to complete the mandate of the Director replaced. 24.

***Posts on the Executive Board.*** The posts of the directors, comprising the positions of Chief Executive Officer, Executive Directors and Managing Directors, as well as the responsibilities of these Directors, will be those established by the Board of Directors.

**24. *Executive Board positions.*** The composition of the Executive Board, including the positions of (i) the CEO, (ii) Vice President of Deca Business Unit, (iii) Vice President of

Wood Business Unit and (iv) Directors, as well as assignments of directors shall be those established by the Board of Directors.

**24.1. Chief Executive Officer.** *It falls to the Chief Executive Officer:* **(i)** to direct, preside over and coordinate the activities of the Company fulfilling and enforcing the law, these Bylaws and the decisions of the Board and the General Shareholders Meeting, **(ii)** to supervise the activities of the other Directors, **(iii)** to implement and enforce policies for marketing and marketing for the Company, **(iv)** to establish and ensure the implementation of policies of financial and administrative management and human resources policy of the Company, subject to the policies set by the Board, **(v)** to implement and enforce policies on forest management, **(vi)** to implement and enforce policies on industrial management, **(vii)** to approve any transaction that has not been previously approved in the annual or multi-involving the Company's acquisition, disposal, investments, divestments, encumbrance or transfer of any assets of the Company whose value is lower individual or aggregate, for the same type of operation, 3% (three percent) of equity in the latest audited balance sheet of Company, **(viii)** to approve, in combination with another Director of the Company: (a) the providing of surety, pledges or other personal or real guarantees in the name of the Company when the beneficiary is a company solely controlled by the Company, directly or indirectly; (b) the licensing of any brand name held or used by the Company, directly or indirectly, or any company controlled by it. **(ix)** To fix the remuneration of each of the other Directors of the Company, subject to the overall annual compensation approved by the General Shareholders Meeting; highlighting in this global annual remuneration for the Board. the benefits received by its members and the Chief Executive Officer and the remuneration policy and benefits for directors and employees of the Company and its subsidiaries, approved by the Board of Director.

### ***Representation of the Company***

**25. Representation of the Company.** The Company is represented actively and passively (i) by 2 (two) Directors jointly, (ii) by 1 (one) Chief Executive together with 1 (one) attorney with specific powers, or (iii) by 2 (two) attorneys with specific powers. The acts for which these Bylaws require prior authorization by the General Assembly, the Board of Directors or the CEO can only be practiced when satisfied that condition.

**25.1. Exceptions for Specific Acts.** The Company may be represented by one (1) Director or 1 (one) attorney, acting alone (i) for acts with public agencies in federal, state and municipal authorities, departments and its agencies and inspectorates, tax offices and agencies, public enterprises, mixed economy, Central Bank of Brazil, Bank of Brazil and their portfolios and departments, Brazilian Company Post and Telegraph,

Railways, Infraero and airlines and phone companies and communications that do not involve creation of a waiver of rights or obligations, (ii) for discharge to the Company for payments made by check in favor of (iii ) the appointment of an agent responsible in court, including the Labor Court, and (iv) the issue of trade notes, the endorsement of cheques for deposit in the bank account of the Company and the endorsement of bills of financial institutions, bills of exchange and other securities credit and deposit products in the Company's account.

**25.2. *Drawing up of proxies.*** In the drawing up of proxies, the following rules must be observed: (i) all powers of attorney shall be authorised by two (2) Directors, (ii) the powers of attorney must establish the powers expressly conferred through them and whether the mandate should be exercised in together with 1 (one) Director or other proxy of the Company, or insolation, as in the cases cited in Section 25.1 above, (iii) for acts that depend upon the prior authorization of the General Shareholders Meeting, the Board of Directors or the CEO, the granting of which being expressly conditional on obtaining this authorization, which will be mentioned in its text, and iv) the power of attorney may not have validity period of more than 1 (one) year, except in the case of a power of attorney granted to lawyers, with "ad judicia" purposes or the purpose of defending defending administrative proceedings, which may have an indefinite term of duration.

## **CHAPTER V**

### **AUDIT COMMITTEE**

**26. *Audit Committee.*** The Audit Committee will not operate on a permanent basis and will only be installed upon request of shareholders, in accordance with the applicable legislation.

**26.1. *Investiture*** The Audit Committee will assume their posts during the 30 (thirty) days following their election, by signing the terms of office in the minutes book of the Audit Committee, with the waiving of any personal guarantees by management. Investiture of any Audit Committee member is conditional upon signature of i) Statement of Consent of the Members of the Board of Auditors, in the form prescribed in the Novo Mercado regulations, (ii) the term of adhesion to the Company's Securities Trading Policy, (iii) the term of adhesion to the Company Policy for Information Disclosure and (iv) the term of adhesion to the Internal Audit Committee.

## **CHAPTER VI**

### **FISCAL YEAR AND DISTRIBUTION OF PROFITS**

**27. Fiscal Year.** The fiscal year begins on January 1 and ends on December 31st of each year.

**28. Allocation of Net Income.** Along with the financial statements, the Board submit to the Annual General Meeting a proposal on the allocation of net income, subject to the provisions of articles 186 and 191 to 199 of the Corporations Act and the following provisions:

- (a) before any other allocation, 5% (five percent) in the Legal Reserve, which shall not exceed 20% (twenty percent) of capital;
- (b) shall specify the amount allocated to dividend payments to shareholders, given the provisions of Article 29, and
- (c) balance will be allocated as proposed by the Board of Directors, including the formation of reserves mentioned in Article 30, "ad referendum" of the General Assembly.

**29. Dividend.** Shareholders are entitled to a mandatory dividend for each financial year, an amount not less than 30% (thirty percent) of net income in the same year, adjusted the decrease or increase the rates specified under "a" and "b" Item I of Article 202 of the Corporate Law and observed items II and III of the same law.

**29.1. Balance and distribution of interim dividends.** The Company may draw up balance sheets or shorter periods, and the Board of Directors shall decide the distribution of dividends to debit the account of profits earned on such balances. The Board of Directors may also distribute interim dividends during the financial year, until the Annual General Meeting to approve its financial statements on account of retained earnings reserves, earnings or dividend equalization reserve, in any activity provided by Article 204 of the Corporations Law. The part of the mandatory dividend that was paid in advance on account of Dividend Equalization Reserve will be credited to the same reservation.

**29.2. Interest-on-equity.** By resolution of the Board of Directors interest on shareholders' equity may be paid, offsetting the amount of interest paid or credited against the obligatory dividend, based on Article 9, § 7, of Law 9.249/95.

**30. Statutory Reserves.** On the proposal of the Board, the General Assembly may decide on the following reserves: (i) Dividend Equalization Reserve, (ii) Reserve for Working Capital Increase, and (iii) Reserve for Capital Increase in Joint Ventures.

**30.1. *Dividend Equalization Reserve.*** The Dividend Equalization Reserve will be limited to 40% (forty percent) of registered capital and its purpose will be the payment of dividends, including as interest-on-equity (Article 29.2), or interim dividends to maintain the flow of return to shareholders, comprising the following funds:

(a) equivalent of 50% (fifty percent) of net income, adjusted in accordance with Article 202 of Brazilian Corporation Law.;

(b) equivalent to 100% (hundred percent) of the realized portion of Revaluation Reserves, recorded as retained earnings;

(c) equivalent to 100% (hundred percent) of the amount of adjustments in prior years, recorded as retained earnings, and

(d) from the credits corresponding to interim dividends (Article 29.1).

**30.2. *Reserve Reinforcement for Working Capital.*** Reserve for Working Capital Increase will be limited to 30% (thirty percent) of the registered capital and would aim to guarantee funds for the operation of the company, comprising funds amounting to up to 20% (twenty percent) of net income, adjusted in accordance with Article 202 of the Brazilian Corporation Law.

**30.3. *Reserve for Capital Increase of Companies.*** Reserve for Capital Increase of Companies will be limited to 30% (thirty percent) of registered capital and would aim to guarantee the exercising of preferential subscription rights in the event of capital increases of subsidiaries, comprising funds amounting to 50% (fifty percent) of net income, adjusted in accordance with Article 202 of the Brazilian Corporation Law.

**30.4. *Capitalization of Statutory Reserves.*** On the proposal of the Board of Directors will periodically capitalize portions of this reserve for an amount not exceeding 95% (ninety five percent) of the capital. The balance of these reserves, plus the Legal Reserve, may not exceed the total paid-up capital.

**30.5. *Sub-accounts.*** Reserves broken down into different sub-accounts according to financial year, the income allocated to their make-up, with the Board of Directors specifying the earnings to be used in the distribution of interim dividends, which may be debited to different subaccounts.

## CHARTER VII

**SALE OF THE SHAREHOLDING CONTROL, CANCELLATION OF THE PUBLICLY HELD COMPANY REGISTER AND DELISTING FROM THE NEW MARKET**

**31. *Public Offering and Sale of Control.*** The sale of the Company's control, either through a single operation, or through a series of operations, shall be carried out under the condition, subject to suspension or or annulment of the transaction, that the acquirer of control is obliged to carry a public offer to acquire the shares of the other shareholders, observing the conditions and terms laid down in existing legislation and the rules of the Novo Mercado, in order to ensure that they receive equal treatment to that given to the controlling shareholder.

**31.1. *Public Offering and indirect transfer of control.*** The tender offer referred to in the preceding Article shall also be made: (i) when onerous assignment of subscription rights for shares and other securities or rights related to securities convertible into shares, which may result in the sale of the Company's control; or (ii) in case of transfer of control of company which holds the controlling power of the Company, in which case, the controller will be required to declare to BOVESPA the value assigned to the Company in this transaction and provide documentation that proves it.

**32. *Public Tender Offer and Acquisition of Control.*** The person acquiring control of the Company , due to private agreement of purchase of shares executed with the controlling shareholder involving any number of shares, shall undertake to: (i) carry out the public offer mentioned in Article 31 of these Bylaws; and (ii) pay, as indicated below, an amount equivalent to the difference between the price of the public offer and the amount paid by share possibly acquired in the stock Market in the 6 (six) months prior to the date of sale of control, duly restated up to the payment date. The aforesaid amount shall be distributed among all the persons selling the Company's shares during the trading sessions in which the acquisitions were carried out, in proportion to the net daily selling balance of each one, with BM&FBOVESPA being responsible for organizing the distribution, under the terms of its regulations. Such amount shall be distributed among all the people who sold shares of the Company at the floors where the customer made purchases in proportion to the net daily sales of each, and BM&FBOVESPA operate the distribution, pursuant to its regulations.

**33. *Public Tender Offer for the Delisting of the Company*** The controlling shareholder or the Company shall be obliged to carry out a public tender offer for the acquisition of shares for the delisting of the Company. In this event, the minimum price to be offered must correspond to the economic value of the Company as contained in a valuation report prepared according

to the terms of Article 37 of the Company Bylaws, subject to the applicable legal and regulatory standards.

**34. *Public Tender Offer by the Controlling Shareholder in the event of delisting from the Novo Mercado or Corporate Restructuring.*** Should the shareholders at Extraordinary General Meeting resolve for the Company's delisting from the Novo Mercado, (i) so that the securities issued are registered for trading outside the Novo Mercado, or (ii) due to corporate restructuring, in which the company arising from this restructuring does not have its securities admitted for trading on the Novo Mercado within 120 (one hundred and twenty) days from the date of the General Meeting approving the mentioned operation, the controlling shareholder shall carry out the public tender offer for the acquisition of shares held by the other Company's shareholders, at least, for their respective economic value, to be assessed in a valuation report prepared according to the terms of Article 37 of the Company Bylaws, subject to the applicable legal and regulatory standards.

**35. *Public Tender Offer by non-Controlling Shareholders and Delisting from the Novo Mercado or Corporate Restructuring.*** Should there be no Controlling Shareholder and the Company's delisting from the New Market is decided upon New Market is resolved, (i) so that the securities issued are registered for trading outside the Novo Mercado or (ii) due to corporate restructuring, the result of which means that the Company's shares are not admitted for trading on the Novo Mercado within 120 (one hundred and twenty) days from the date of the General Shareholders Meeting approving the aforementioned operation, the delisting shall be subject to a public tender offer for the acquisition of shares under the same conditions as set out in Article 34 above.

**35.1.** The aforementioned General Shareholders Meeting shall define the person(s) responsible for carrying out the public tender offer for the acquisition of shares, who, present at the Meeting, shall expressly assume the obligation of carrying out the offer.

**35.2.** In the event of the lack of definition of the person(s) responsible for carrying out the public tender offer for the acquisition of shares, in the event of corporate restructuring, the result of which means that the Company's shares are not admitted for trading on the Novo Mercado, the shareholders voting for the corporate restructuring shall be entitled to carry out the aforementioned offer.

**36. *Delisting from the Novo Mercado for non-Compliance with the Obligations.*** The Company's delisting from the Novo Mercado, due to non-compliance with the obligations in the Novo Mercado Regulations is subject to the carrying out of a public tender offer for the acquisition of shares, at least, for the economic value of the shares to be assessed in a

valuation report in accordance with the terms of in Article 37 of the Company Bylaws, subject to the applicable legal and regulatory standards.

**36.1.** The controlling shareholder shall carry out the public tender offer for the acquisition of shares as referred to in the lead paragraph of this article.

**36.2.** Should there be no controlling shareholder and the delisting from the Novo Mercado referred to in the lead paragraph results from a resolution at the General Shareholders Meeting, the shareholders voting in favor of the resolution implied by the noncompliance referred to shall carry out the public tender offer for the acquisition of shares as cited in the lead paragraph.

**36.3.** In the event of there being no controlling shareholder and the delisting from the Novo Mercado referred to in the lead paragraph of the article occurs due to acts or events incurred by Management, the Company's officers must call a General Shareholders Meeting, the agenda of which shall be the resolution on how to resolve the non-compliance with the obligations contained in the Novo Mercado Regulations, or, as the case may be, decide to delist the Company from the Novo Mercado.

**36.4.** Should the General Shareholders Meeting mentioned in Article 36.3.above decide on the Company's delisting from the Novo Mercado, the aforementioned General Shareholders Meeting shall define the person(s) responsible for carrying out the public tender offer for the acquisition of shares cited in the lead paragraph of the article, who, present at the Meeting, shall expressly assume the obligation of carrying out the offer.

**37. *Appraisal Report.*** The appraisal report referred to in Articles 33 and 34 of these By Laws shall be prepared by a specialized company or institution, of evidenced experience and independent as regards to the Company's decision power, its officers and/or controlling shareholder(s), and such report should also comply with the requirements of Article 8º, §1 of the Corporate Law and include the responsibility set forth in §6 of the same Article.

**37.1. *Choice of the Company Responsible for the Appraisal Report.*** The choice of the specialized company or institution responsible for the determination of the Company's book value is the sole responsibility of the General Meeting, as from the presentation, by the Board of Directors, of triple list, as set forth in item (xvi) of Article 19 of these By Laws, and the related resolution, not computing the blank votes, be taken by majority of votes of the shareholders representing the outstanding shares present at the General Meeting deciding on the subject, which, if installed at first notice, shall count on the presence of shareholders representing, at least, 20% (twenty per cent) of total

outstanding shares or, if installed at second notice, with the presence of any number of shareholders representing the outstanding shares. The costs for the preparation of the required appraisal report shall be fully assumed by the offer.

**38. *Prevailing of Novo Mercado Regulation.*** The provisions of the Novo Mercado Regulations shall prevail over statutory provisions, in the event of prejudicing the rights of the beneficiaries of the public offer, as set out in the Company Bylaws.

## **CHARTER VIII**

### **ARBITRATION**

**39. *Arbitration.*** The Company, its shareholders, officers and members of the Board of Auditors, undertake to resolve, by means of arbitration before the Market Arbitration Chamber, any dispute or controversy arising from or related to, particularly, the application, validity, effectiveness, interpretation, breach and their effects, of the provisions contained in Brazilian Corporation Law, in the Company's By Laws, in the standards issued by the Brazilian Monetary Council, by the Brazilian Central Bank and by the Brazilian Securities Commission, as well as in the other rules applicable to the capital markets as a whole, in addition to those included in the Novo Mercado Regulations, in the Novo Mercado participation Agreement, the Arbitration Regulations and in the Sanction Regulations.

**39.1.** Without prejudice to the effectiveness of this clause, the requirement for urgent measures, by the Parties, before starting the arbitration procedure, shall be remitted to the Judiciary Branch, as set forth in item 5.1.3 of the Arbitration Regulation of the Market Arbitration Chamber.

## **CHARTER IX**

### **LIQUIDATION OF THE COMPANY**

**40. *Liquidation of the Company.*** The Company shall be liquidated as provided by applicable law or by resolution of the General Shareholders Meeting, and shall be wound up upon termination of liquidation.

**40.1. Appointment of Liquidator.** The General Assembly appoint the liquidator, fix their fees, determine the manner of conducting the settlement and the forms and guidelines to follow. The General Shareholders Meeting also elects the members of the Board of Auditors, which will operate during this period.

**CHARTER X****FINAL PROVISIONS**

**41. *Null and void acts committed by Board Member of Directors.*** It is expressly forbidden for Board Members, members of the Board of Auditors, Directors, proxies or employees of the Company to perform any act involving the Company that is contrary to its corporate purpose, such act being considered null and void. The practice of such acts shall subject the respective Board Member, member of the Board of Auditors, Director, proxy or employee of the Company to civil and criminal prosecution if applicable.

**42. *Shareholders Agreement.*** The Company, its Directors, Audit Committees and Directors shall comply with the shareholder agreements filed at Company Headquarters, with (i) those presiding at the General Shareholders Meeting or on the Board of Directors of the Company, especially their presidents, should refrain from voting contrary to that established in such agreements, as well as allowing such a vote, in the absence or abstention of a shareholder tied to the shareholders agreement tied to shareholders or their representative on the Board; shareholders prejudiced by such conduct, or their representatives on the Board of Directors, may vote with the shares of the shareholder or in place of the absent or missing Member, as appropriate, and (ii) it is expressly forbidden for the Company to accept and carry out any transfer of shares, encumbrance or assignment of preferential rights to subscribe for shares or other securities that do not respect the terms of the Company Bylaws and the shareholders' agreement.

**43. *Conditions for Registration of Certain Transfers.*** The Company does not register any transfer of shares to the buyer of control, or to the one (s) that come (in) to hold the power to control, while this one (s) do not subscribe (at) the term of agreement controllers the Regulations of the Novo Mercado. The Company shall not register a shareholders agreement providing for the exercise of control as the signatories do not sign the instrument of agreement provided for the controllers in the Novo Mercado.

**44. *Conditions for Registration of Certain Transfers.*** The Company shall provide when requested for the purposes of Paragraph 2 of Article 126 of Brazilian Corporation Law, for any shareholder who owns at least 0.5% (one half of one percent) of the Company's paid-capital, a list of addresses of other shareholders. The request must be substantiated and forwarded by registered mail addressed to the Company's CEO, who will arrange to provide the list within 5 (five) days from the date of receipt of the letter.

**45. *Omitted Cases.*** Any case herein omitted shall be resolved by the General Shareholders Meeting and regulated by the Brazilian Corporation Law, as set forth in the Novo Mercado Regulations.

**46. *Exception to the Rule 14 "i".*** The General Shareholders Meeting, exceptionally, may elect other persons to join the Board of Directors even if they do not meet the requirement stated in item "i" of Article 14, provided that such persons have not completed 75 (seventy five) years of age on the date of election, to the post of Board member. If such persons should reach the age of 75 (seventy five) years during the term of their mandate, they may complete it.

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FLAVIO MARASSI DONATELLI  
Investor Relations Director