

BYLAWS OF TOTVS S.A.

CHAPTER I

NAME, HEAD OFFICE, BUSINESS PURPOSE AND VALIDITY

Article 1 - TOVTS S.A. ("Company") is a corporation ruled by these Bylaws and the applicable legislation.

Paragraph 1 – With the Company's admission in special listing segment called Novo Mercado ("Novo Mercado") of BM&FBOVESPA (Stock Exchange, Commodities and Futures ("BM&FBOVESPA")), subject the Company, its shareholders, officers and members of Audit Committee, when installed, to the provisions of the Listing Rules of BM&FBOVESPA's Novo Mercado ("Novo Mercado Rules").

Paragraph 2 - The provisions of Novo Mercado Rules must prevail over statutory provisions, in case of damages to the rights of recipients of public offerings provided herein.

Article 2 - The Company has its head office and jurisdiction in the City of São Paulo, State of São Paulo, and the Board of Directors is responsible for establishing its exact location.

Sole Paragraph – The Company may open and close bureaus, branches, warehouses, offices and any other establishments in or out of the country as well as change their address upon resolution by the Board of Directors.

Article 3 – The Company's main corporate purpose is the creation and development of computerized systems (software). As its secondary activities to provide consultancy, advisory, exploitation of rights of use of own or third-party computer-based systems, including by means of software and hardware rent, providing data processing and training services, and the purchase and sale of computers and related accessories, peripherals and supplies, being authorized to import goods and services related to its main activity, concession of franchising, retail trade of clothes, related products and its accessories, research and technology innovation activities, IT technical support including installation, set up and maintenance of computer programs and databanks, business management consultancy services, data handling, hosting, portals, Internet provider and information services, outsourcing, in addition to holding interest in other companies as a partner, shareholder or quotaholder.

Article 4 - The Company's validity period is indeterminate.

CHAPTER II CAPITAL STOCK

Article 5 – The Company’s corporate capital fully subscribed and paid in is five hundred and twenty-six million, five hundred and ninety-two thousand, one hundred and two Brazilian Reais and twenty two centavos (R\$ 526,592,102.22), divided into one hundred and sixty-three million, four hundred and sixty-seven thousand and seventy one (163,467,071) registered, book-entry common shares, without par value.

Sole Paragraph – The Company may not issue preferred shares.

Article 6º - The Company is authorized to increase its capital stock, up to the limit of eight hundred million (800,000,000) Brazilian Reais.

Paragraph 1 – Within the limit authorized in this Article, the Company may, upon resolution of the Board of Directors, increase its capital stock, irrespective of any amendment to the Bylaws. The Board of Directors shall establish the issuance conditions, including the price and payment period.

Paragraph 2 - Within the limit of authorized capital, the Board of Directors may determine the issuance of subscription bonus.

Paragraph 3 - Within the limit of authorized capital and in accordance with the plans approved by the General Meeting, the Board of Directors may grant stock option or share subscription to its managers (“Managers”) and employees (“Employees”), as well as to the managers and employees of other companies directly or indirectly controlled by the Company, without granting preemptive rights to shareholders.

Paragraph 4 - The Company is barred from issuing founders’ shares.

Article 7 - The capital stock shall be solely represented by common shares and each common share entitles one vote with respect to the resolutions of the General Meeting.

Article 8 - All Company’s shares are registered and held in a deposit account with a financial institution authorized by the Brazilian Securities Commission (“CVM”), on behalf of their holders, without certificates.

Sole Paragraph - Any transfer and registration costs, as well as any service costs related to the registered shares, may be charged directly to the shareholder by the underwriting institution, as defined in the stock registration agreement.

Article 9 - The Board of Directors may decide on the exclusion or reduction of preemptive rights for the purpose of issuing shares, debentures convertible into shares and subscription bonuses, whose placement takes place by sale in stock exchanges or public subscription, or through swap of shares in a public tender offer, as provided by law, within the limits of authorized capital.

CHAPTER III GENERAL MEETING

Article 10 - The General Meeting shall regularly meet once a year and, on an extraordinary basis, when called, pursuant to Law 6,404, of December 15, 1976 (“Brazilian Corporation Law”) or to these Bylaws.

Paragraph 1 - Any General Meeting’s resolutions shall be taken by the absolute majority of votes cast, in conformity with the provisions of Article 50 of these Bylaws.

Paragraph 2 - The General Meeting resolving on deregistration of the Company as a publicly held company, or its delisting from the Novo Mercado shall be called with at least thirty (30) days in advance.

Paragraph 3 - Any resolution about any change to or exclusion of Article 44 of these Bylaws shall be taken by the absolute majority of votes, complying with the required minimum quorum of thirty percent (30%) of the voting capital for taking resolutions.

Paragraph 4 - The General Meeting may only resolve on the agenda matters included in the respective call notice, subject to the exceptions set forth in the Brazilian Corporation Law.

Paragraph 5 - At the General Meetings, the shareholders shall submit, with at least forty eight (48) hours in advance, in addition to the identity card and/or applicable corporate documents evidencing legal representation, as the case may be: **(i)** evidence issued by the underwriting institution, no longer than five (5) days before the date the General Meeting; **(ii)** the proxy with the grantor’s notarized signature; and/or **(iii)** with respect to the shareholders taking part in the fungible custody of book-entry shares, the statement including the respective ownership interest issued by the applicable body.

Paragraph 6 - The minutes of Meetings shall be: (i) drawn up in the General Meetings Minutes Book as a summary of the events occurred, including the summarized indication of the votes cast by the attending shareholders, the blank votes and abstentions; and (ii) published without signatures.

Article 11 - The General Meeting shall be installed and presided over by the Board of Directors’ Chairman or, in his absence or impediment, installed and presided over by another Director, Executive Officer or shareholder nominated in writing by the Board of Directors’ Chairman. The General Meeting’s Chairman shall nominate up to two (2) Secretaries.

Article 12 - In addition to the duties provided for by law, the General Meeting shall be responsible for:

- (i)** electing and dismissing any Board of Directors’ members;
- (ii)** establishing the overall annual compensation of the members of the Board of Directors and of the Board of Executive Officers, as well of the Fiscal Council, if convened;
- (iii)** changing the Bylaws;
- (iv)** resolving on the dissolution, winding-up, merger, spin-off, amalgamation of the Company or of any company into the Company;
- (v)** assigning share bonuses and deciding on possible splits or reverse splits of shares;

- (vi) approving plans for granting of stock options or share subscription to its Managers and Employees, as well to the managers and employees of other companies directly or indirectly controlled by the Company;
- (vii) resolving, in accordance with proposal submitted by management, on the allocation of profit for the year and dividend distribution;
- (viii) electing the liquidator, as well as the Fiscal Council which shall operate during the winding-up period;
- (ix) resolving on the delisting from the Novo Mercado of BM&FBOVESPA;
- (x) resolving on the Company's deregistration as a publicly-held company with the CVM, except for the provisions of Article 49 (ii) of these Bylaws;
- (xi) choosing a specialized company, out of the companies nominated by the Board of Directors, which shall be responsible for preparing an appraisal report on the Company's shares in the event of its deregistration as a publicly-held company or delisting from the Novo Mercado, as set forth in Chapter VII of these Bylaws; and
- (xii) resolving on any matters submitted by the Board of Directors.

CHAPTER IV MANAGEMENT BODIES

Section I - General Provisions Common to the Management Bodies

Article 13 - The Company shall be managed by the Board of Directors and the Executive Officers.

Paragraph 1 - The investiture of the members of the Board of Directors and the Executive Officers shall be carried out through an instrument drawn up in the Company's records, to be executed by the invested manager, exempt of any management guarantee, and is conditioned to the prior execution of the Management's Instrument of Consent referred to by the Novo Mercado Rules, as well as the compliance of other legal requirements.

Paragraph 2 - The Managers shall remain in their positions up to the investiture of their deputies, except if resolved differently by the General Meeting or by the Board of Directors, as the case may be.

Article 14 - The General Meeting shall establish the overall annual compensation for distribution among Managers, and the Board of Directors shall be responsible for individually allocating such amounts, after considering the Personnel and Compensation Committee report, pursuant to the provisions of Article 20 of these Bylaws.

Article 15 - Except as provided on these Bylaws, any of the management bodies or technical committees shall legally meet with the attendance of the majority of its respective members and resolutions shall be taken by absolute majority of votes of the attending members.

Sole Paragraph - For the meeting to be valid, the prior call for the meeting may only be waived if all members are present. Any management body members who state their vote by means of a proxy in favor of another member of the respective body, either by written vote in advance or written vote transmitted by fax, electronic mail or by any other means of communication shall be deemed as present.

Section II - Board of Directors

Article 16 - The Board of Directors shall be composed of at least five (5) and at the most nine (9) members, elected and dismissible by the General Meeting, with a unified term of office of two (2) years, with reelection allowed.

Paragraph 1 - At least twenty percent (20%) of the Board of Directors' members must be Independent Members, as defined in the Novo Mercado Rules (as transcribed in Paragraph 3 of this article), and expressly as such in the minutes of the General Assembly that elects them, being also considered as independent(s) the member(s) elected by the faculty provided for in Article 141, §§ 4 and 5 and Article 239 of Law 6.404/76 ("Corporation Law"). In the event, as a result of the compliance with this percentage, the outcome is a fraction number of directors, there shall be a rounding to a full number, as follows: (i) immediately higher, when the fraction is equal to or higher than five tenths (0.5); or (ii) immediately lower, when the fraction is lower than five tenths (0.5), according to the Novo Mercado Rules.

Paragraph 2 - An "Independent Member", according to the Novo Mercado Rules, is characterized as: (i) not having any relationship with the Company, except for interest in the capital stock; (ii) not being the Controlling Shareholder (as defined in Article 41, Paragraph 1 of these Bylaws), spouse or relative up to second degree of consanguinity of the Controlling Shareholder, not being or not having been, for the last three (3) years, related to a company or entity related to the Controlling Shareholder (except for any persons related to public education and/or research institutions); (iii) not being, in the last three (3) years, an employee or executive officer of the Company, the Controlling Shareholder or company controlled by the Company; (iv) not being a direct or indirect supplier or purchaser of services and/or products of the Company, in such a volume that it may imply loss of independence; (v) not being an employee or manager of a company or entity that is offering or demanding services and/or products to/from the Company, to a degree that results in independence loss; (vi) not being the spouse or relative up to second degree of consanguinity of any manager of the Company; (vii) not receiving other compensation from the Company in addition to the one he/she receives as a Board Member (amounts in cash arising from interest on capital are excluded from this restriction).

Paragraph 3 - At the Annual General Meeting the purpose of which is to resolve on the election of the Board of Directors, having in mind the expiration of the Board's term of office, the shareholders shall determine the effective number of members of the Board of Directors for the next term.

Paragraph 4 - The Board of Directors' members shall have flawless reputation, and may not be elected, except for General Meeting waive, any individual who (i) holds positions in companies which may be deemed as Company's competitors; or (ii) has or represents any interests conflicting with the Company. Members of the Board of Directors shall not exercise their voting right in case the aforementioned impediment factors occur.

Paragraph 5 - The Board of Directors' members may not have access to any information or take part in any Board of Directors' meetings related to matters they have or represent any interests which conflict with those of the Company.

Paragraph 6 - For better performance of its duties, the Board of Directors may set up, in addition to the Personnel and Compensation Committee, any committees or workgroups with defined purposes, always seeking to advise the Board of Directors, and these committees shall be composed of individuals nominated among management and/or other persons directly or indirectly related to the Company.

Paragraph 7 - In the event any shareholder is willing to nominate one or more representatives to comprise the Board of Directors who are not members in its most recent composition, such shareholder shall notify the Company in writing five (5) days prior to the General Meeting which will elect the Board Members, by reporting the name, qualification and the complete professional résumé of such candidates.

Article 17 - The Board of Directors shall have one (1) Chairman and one (1) Vice-Chairman, who shall be elected by absolute majority of votes of the attendees, at the first Board of Directors' meeting held immediately after the investiture of such members, or in case of a resignation or vacancy in these positions. The Vice-Chairman shall exercise the Chairman's duties in his temporary absences and impediments, irrespective of any formality. In the event of any temporary absence or impediment of the Chairman and the Vice-Chairman, the Chairman's duties shall be exercised by another Board of Directors' member nominated by the Chairman.

Paragraph 1 - The positions of Chairman of the Board of Directors and Chief Executive Officer or main executive officer of the Company may not be accumulated by the same person.

Paragraph 2 - The Board of Directors' Chairman shall call and chair the Board of Directors meetings and the General Meetings, except for, with respect to the General Meetings, the cases in which another member of the Board of Directors, Executive Officer or shareholder is appointed by the Chairman in writing to preside over the meeting.

Paragraph 3 - In the Board of Directors' resolutions, the Chairman shall be entitled to the casting vote in case of a draw.

Article 18 - The Board of Directors shall regularly meet four (4) times per year, and on an extraordinary basis, whenever called by the Chairman or by the majority of its members. The Board of Directors meetings may be held via conference call, videoconference or by any other means of communication that allows for the identification of the member and the simultaneous communication with all other persons attending the meeting.

Paragraph 1 – Calls for the meetings shall be made by means of a written notice to be delivered to each member of the Board of Directors at least five (5) days in advance, including the agenda, place, date and time of the meeting.

Paragraph 2 - All Board of Directors' resolutions shall be stated in the minutes drawn up in the respective Minutes Book of the Board of Directors' Meetings and executed by the attending Directors.

Article 19 – In addition to other duties assigned to it by law or these Bylaws, the Board of Directors shall be responsible for:

- (i) establishing the overall guidance for the Company's business;
- (ii) electing and dismissing the Company's executive officers and establishing their duties;
- (iii) calling the General Meeting, when deemed applicable, or pursuant to Article 132 of the Brazilian Corporation Law;
- (iv) inspecting the Executive Officers' management, reviewing, at any time, the Company's books and papers and requesting information on any agreements entered into or to be entered into and any other acts;
- (v) choosing and dismissing the Company's independent auditors;
- (vi) providing a prior opinion on the Management Report and the accounts of the Executive Officers and resolving on their submission to the General Meeting;
- (vii) approving the annual and multiannual budgets of the Company, its controlled and affiliated companies, the strategic plans, the expansion projects and investment programs of the Company, as well as following its performance;
- (viii) resolving on the opening, closing and modification of branches of the Company, domestically and abroad;
- (ix) authorizing the issuance of Company's shares and subscription bonuses, within the Company's authorized capital limit;
- (x) resolving on the Company's purchase of its own shares to be held in treasury and/or for later cancellation or sale;
- (xi) resolving on the granting of stock options or share subscription to its Managers and Employees, as well as to the managers and employees of other companies directly or indirectly controlled by the Company, without preemptive rights for any shareholders pursuant to the plans approved at General Meetings, after taking into account the Personnel and Compensation Committee Report;
- (xii) submitting to the Annual General Meeting a proposal for allocation of the fiscal years' net profit;
- (xiii) distributing among the Executive Officers, individually, the portion of the overall annual compensation of the Managers established by the General Meeting, after considering the Personnel and Compensation Committee Report;
- (xiv) resolving on any deals or agreements between (a) the Company and its controlled companies (except for wholly-owned controlled companies) and (b) between the Company or its controlled companies (whether wholly owned or not) and any of their Managers and/or shareholders (including companies directly or indirectly controlled by said managers and/or shareholders, or by any third parties related to them);
- (xv) resolving, as delegated by the General Meeting, when debentures are issued by the Company, on the period and conditions for maturity, amortization or redemption, on the period and conditions for payment of interest, profit sharing and repayment premiums, if any, and on the subscription and placement methods, as well as the types of debentures;
- (xvi) resolving on the subscription, purchase, sale or encumbrance by the Company of any shares or securities issued by any of the Company's controlled or affiliated companies, except in connection with operations involving exclusively the Company and wholly owned entities;
- (xvii) resolving on the Company's participation in other entities, as well as any involvement in other endeavors, including as a member of a consortium or a party to a silent partnership.
- (xviii) deciding on the payment or credit of interest on equity to shareholders, according to applicable laws;
- (xix) resolving on the distribution of interim dividends, including at the expense of accumulated profits or profit reserves from the latest annual or interim balance sheet;

(xx) resolving on the assignment or transfer to a third party, by any means, of intellectual or industrial rights of the Company and/or of a company directly or indirectly controlled by it, except for a remunerated licensing made by the Company in the ordinary course of business; (xxi) authorizing the following acts in amounts exceeding five (5) percent of the subscribed corporate capital, such amount to be taken in consideration of isolated transactions or sets of related transactions: (a) purchase by the Company, by any means, of assets in other companies, including its controlled or affiliated companies; (b) divestiture of assets from permanent assets, (c) provision of warranties of any nature by the Company; (d) granting of loans in favor of any third parties; (e) investing in expansion and improvement projects; (f) entering into long- or short-term debt operations; and (g) entering into any long-term agreements (with a duration in excess of one year); (xxii) manifesting favorable or otherwise regarding any public offer of shares that has as object the shares of the Company, through prior informed opinion, issued within fifteen (15) days of publication of the notice of public offering acquisition of shares, which should address at least (a) the convenience and opportunity of the public offer for acquisition of shares and the interest of all shareholders in relation to the liquidity of the securities it owns, (b) the impact of supply public acquisition of shares over the interests of the company, (c) strategic plans disclosed by the issuer in relation to the Company, (d) other items which the Board deems appropriate, as well as information required by applicable rules established by the CVM.

Paragraph 1- The Company shall not grant loans or guarantees to its Board of Directors' members or Executive Officers, except proportionally to the extent that these loans or guarantees are available to the Employees or clients of the Company.

Paragraph 2 – The Company representative's vote in favor of any resolution regarding the topics listed in Article 19 at General Meetings and other corporate bodies of the Company's directly or indirectly controlled companies shall require the approval of the Company's Board of Directors.

Article 20 – The Board of Directors shall elect one (1) external member and one (1) Board member, among its members, who shall comprise the Personnel and Compensation Committee together with the Chief Executive Officer (CEO) and the Human Relations and Organizational Infrastructure Vice President with a term of office of two (2) annual years, which shall meet whenever necessary. The Personnel and Compensation Committee shall exercise consulting functions in accordance with its bylaws and shall assist the Board of Directors to establish the terms of the compensation and other benefits and payments to be received on any account from the Company by Executive Officers and Board Members. The following is incumbent upon the Personnel and Compensation Committee:

- (i) submitting to the Board of Directors a proposal for distribution of the overall annual compensation to the Executive Officers and Board Members, based on the information technology market standards and following up on the payment of compensation and, if the compensation is not in line with the information technology market standards, informing said fact to the Board of Directors;
- (ii) expressing an opinion on the grant of stock options or share subscriptions to the Company's Managers and Employees; and
- (iii) expressing an opinion on the profit sharing of the Company's Executive Officers and Employees.

Section III- Board of Executive Officers

Article 21 – The Board of Executive Officers shall be composed of a minimum of five (5) and a maximum of twenty (20) members, including the following positions, whose duties shall be determined by the Board of Directors: (i) Chief Executive Officer, (ii) President; (iii) up to eight (8) Vice-Presidents, and (iv) up to ten (10) Executive Officers. The Officers may accumulate positions and shall serve for a unified term of two (2) annual terms, where an annual term shall be deemed to be the period between two (2) Annual General Meetings, reelection being permitted.

Article 22 – In the event of the absence or impediment of any officer, the Board of Executive Officers shall name a pro-tem replacement from among its members, with the condition that the Chief Executive Officer and the President shall stand in for one another in the performance of the respective duties, including where such a position is not filled or is left vacant mid-term.

Article 23 – In the event of the vacancy of any position, the Board of Directors may designate a replacement Officer who shall serve for the duration of the remained of the replaced Officer's term.

Article 24 – Vice-Presidents and Executive Officers shall collaborate with the Chief Executive Officer and the President in the management of business and the conduction of corporate services.

Article 25 - The Board of Executive Officer holds all the powers to carry out the acts required for the Company's normal operation and for fulfilling its business purpose, however special they may be, including waiver of rights, negotiation and agreement, subject to any applicable legal or statutory provisions. It shall be responsible for managing the Company's business, particularly:

- (i) complying with and causing the compliance with these Bylaws and the resolutions of the Board of Directors and the Annual Meeting;
- (ii) annually submitting, to the appreciation of the Board of Directors, the Management Report and the accounts of the Board of Executive Officers, supported by the independent auditors' report, as well as the proposal for allocation of income determined in the prior year;
- (iii) proposing to the Board of Directors the annual and multiannual budgets of the Company, its controlled and affiliated companies, as well as the Company's strategic plans, expansion projects and investment projects; and
- (iv) deciding on any matter that is not of exclusive responsibility of the General Meeting or the Board of Directors.

Article 26 – The Company shall be legally bound whenever represented by two (2) members of the Board of Executive Officers, or one (1) member of the Board of Executive Officers and one (1) proxy, or by two (2) proxies within the boundaries of the respective powers.

Paragraph 1 – The Company may be represented by a single Executive Officer or a single proxy in the following cases:

(i) before any direct or indirect public administration body for the purposes of acts not involving the acceptance or waiver of rights and obligations; (ii) pursuant to “ad judicia” powers-of-attorney; and (iii) at general shareholders’ meetings, or meetings of shareholders or quota-holders in companies or investment funds where the Company is a participant; and (iv) elsewhere as specified by the Board of Directors.

Paragraph 2 – All powers-of-attorney shall be granted jointly by two (2) Executive Officers.

Paragraph 3 – The Company shall be represented severally by any of the Executive Officers or a duly appointed proxy for the purposes of service of process or legal notices and for personal testimony.

CHAPTER V FISCAL COUNCIL

Article 27 - The Fiscal Council shall operate on a non-permanent basis, with the powers and duties assigned to it by law and shall only be convened upon General Meeting resolution, or at shareholders’ request, in the cases provided for by law.

Article 28 – When instated, the Fiscal Council shall be composed of three (3) sitting members and an equal number of deputies, shareholders or not, elected and removable from office at any time by the General Meeting.

Paragraph 1 - The Fiscal Council members shall have the unified term of office of one (1) year, with reelection allowed.

Paragraph 2 - The Fiscal Council members, at its first meeting, shall elect its Chairman.

Paragraph 3 - The office of the Members shall be made by means of a transcript drawn upon in the Company’s records, executed by the invested member, and is conditioned to the previous execution of the Fiscal Council Members’ Instrument of Consent according to the Novo Mercado Regulation, as well as the attendance of other legal requirements.

Paragraph 4 - The Fiscal Council members shall be replaced, upon any absences and impediments, by their respective deputies.

Paragraph 5 - In the event a Fiscal Council member position is vacant, the respective deputy shall take office; in case there is no deputy, the General Meeting shall be called to arrange for the election of a new member for the vacant position.

Paragraph 6 – Any person who has a relationship with any company deemed to be a competitor of the Company (“Competitor”) may not be elected for the position of member of the Company’s Fiscal Council, and it is prohibited the election of any person who, among other things, is: (i) an employee, shareholder or member of a management, technical or fiscal body of the Competitor or of the Competitor’s Controlling Party or Controlled Companies (as set forth in Article 41, Paragraph 1 of these Bylaws); (ii) a spouse or relative up to second degree of consanguinity of a member of a management, technical or fiscal body of the Competitor, or of the Competitor’s Controlling Party or Controlled Companies.

Paragraph 7 – Should any shareholder wish to nominate one or more representatives to comprise the Fiscal Council who have not been members of said Council after the period subsequent to the last Annual General Meeting, said shareholder shall notify the Company in writing five (5) days prior to the General Meeting that will elect the Board Members, providing the name, qualification and full professional curriculum of the nominees.

Article 29- When convened, the Fiscal Council shall meet whenever required, as provided for by law, and analyze, at least on a quarterly basis, the Company's financial statements.

Paragraph 1 - Irrespective of any formalities, any meeting attended by all Fiscal Council members shall be deemed as regularly called.

Paragraph 2 - The Fiscal Council states its position by absolute majority of votes, with the attendance of most of its members.

Paragraph 3 - All Fiscal Council's resolutions shall be stated in the minutes drawn up in the respective Fiscal Council Minutes and Opinions book and executed by the attending Board members.

Article 30 - The Fiscal Council members' compensation shall be defined by the Annual General Meeting electing such members, subject to Paragraph 3 of Article 162 of the Brazilian Corporation Law.

CHAPTER VI PROFIT DISTRIBUTION

Article 31 - The fiscal year begins on January 1 and ends on December 31 of each year.

Sole Paragraph - At the end of each fiscal year, the Board of Executive Officers shall cause the preparation of the Company's financial statements, in conformity with any applicable legal provisions.

Article 32 - Together with the financial statements for the year, the Board of Directors shall submit to the Annual General Meeting a proposal on the appropriation of net income for the year, calculated after the deduction of any profit-sharing referred to in Article 190 of Brazilian Corporation Law, in accordance with the provision in Paragraph 1 of this Article, adjusted for purposes of calculation of dividends pursuant to Article 202 of the same law, subject to the following deduction order:

- (i) five percent (5%), at least, for the legal reserve, until it reaches twenty percent (20%) of the capital stock. In the year in which the legal reserve balance plus the capital reserve amounts exceeds thirty percent (30%) of the capital stock, the appropriation of part of net income to the year for the legal reserve shall not be mandatory; and
- (ii) the portion required for payment of a mandatory dividend may not be lower, in each year, than twenty five percent (25%) of the annual adjusted net income, as set forth in Article 202 of the Brazilian Corporation Law.

Paragraph 1 - The General Meeting may assign to the members of the Board of Directors and of the Board of Executive Officers a profit-sharing portion not higher than ten percent

(10%) of the outstanding balance of the income for the year, after deduction of the accumulated losses and the provision for income and social contribution taxes, pursuant to the legal format and limits.

Paragraph 2 - The remaining profit balance, if any, shall be appropriated as the General Meeting so determines, and any withholding of income for the year by the Company shall mandatorily have attached to it a budget proposal previously approved by the Board of Directors. In case the profits reserve balance exceeds the capital stock, the General Meeting shall resolve on the use of such excess for payment or increase of the capital stock or also for distribution of dividends to shareholders.

Article 33 – As proposed by the Board of Executive Officers, approved by the Board of Directors, ad referendum by the General Meeting, the Company may pay or credit interest to shareholders, as interest on equity of the latter, subject to applicable legislation. Any possible amounts thus disbursed may be attributed to the mandatory dividend amount set forth in these Bylaws.

Paragraph 1 - In the event interest is credited to shareholders in the fiscal year and appropriated to the mandatory dividend amount, shareholders shall be paid with the dividends they are entitled to, and shall also be entitled to the payment of any possible remaining balance. In the event dividends are lower than the amount credited to shareholders, the Company may not charge the remaining balance from shareholders.

Paragraph 2 - The effective payment of interest on equity, after being credited during the fiscal year, shall be made upon Board of Directors' resolution, in the fiscal year or in the following year, but never after the dividend payment dates.

Article 34 - The Company may prepare six-month balance sheets or balance sheets in shorter periods, and state, upon the Board of Directors resolution:

- (i) the payment of dividends or interest on equity, to the account of income earned in the six month balance sheet, attributed to the mandatory dividend amount, if any;
- (ii) the dividend distribution in periods shorter than six (6) months, or interest on equity, attributed to the mandatory dividend amount, if any, provided that the total dividends paid in each half of the fiscal year does not exceed the capital reserve amounts; and
- (iii) the payment of interim dividends or interest on equity, to the account of retained earnings or profits reserve in the latest balance sheet for the year or for the six-month period, attributed to the mandatory dividend amount, if any.

Article 35 - The General Meeting may resolve on capitalization of profits or capital reserves, including those stated in interim balance sheets, subject to applicable legislation.

Article 36 - Any dividends not received or claimed shall expire within three (3) years, counted from the date in which they were made available to the shareholders, and shall inure to the benefit of Company.

CHAPTER VII
DISPOSAL OF OWNERSHIP CONTROL, DEREGISTERING AS A PUBLICLY-HELD COMPANY AND DELISTING FROM THE NOVO MERCADO

Article 37 - The direct or indirect disposal of the Company's ownership control (as defined in Paragraph 1 of this Article), either through a single or successive operations, shall be contracted under either a suspensive or resolutive condition that the Ownership Control buyer be obliged to carry out a Public Tender Offer ("PTO") for acquisition of shares of the other shareholders, subject to any conditions and terms set forth in legislation in force and the Novo Mercado Regulation, so that such shareholders are entitled to a treatment equal to that of the Shareholder Controlling Seller (as defined in Paragraph 1 of this article).

Paragraph 1 - For purposes of these Bylaws, the expressions below started in capital letters shall have the following meanings: "**Controlling Shareholder**" means shareholder (s) or Group of Shareholders that owns the Company's Control. "**Controlling Shareholder Seller**" means the controlling shareholder when it promotes the sale of the Company's control. "**Control Shares**" means the block of shares that ensures, directly or indirectly, its holder(s) the individual and / or combined control of the Company. "**Outstanding Shares**" means all shares issued by the Company, except shares held by the Controlling Shareholder, by people linked to the Controlling Shareholder, by the Company's management and treasury shares. "**Acquirer**" means one for whom the Controlling Shareholder transfers Controlling Shares in a Change of Control of the Company. "**Transfer of Control of the Company**" means the transfer to third persons, against payment, of the Control Shares. "**Group of Shareholders**" means a group of people who are (i) pegged by agreements or contracts of any nature, either directly or by means of Controlled Companies, Controlling Parties or Under Common Control; or (ii) among which there is controlling relationship; or (iii) under common control. "**Control**" means the power effectively used to manage the activities and guide the organs of the Company, directly or indirectly, in fact or law, regardless of ownership interest held. There is a relative assumption of ownership of control related to the person or group of shareholders that hold shares that have secured an absolute majority of votes of shareholders present in 3 (three) last general meeting of the Company, even if they do not hold the actions that ensure the absolute majority of the voting capital. "**Economic Value**" means the value of the company and its shares to be determined by a specialized company, by using recognized methodology or based on other criteria that may be defined by the CVM.

Paragraph 2 – In the event the acquisition of Control also subjects the Control Buyer to the obligation of carrying out a Public Tender Offer required pursuant to Article 40 of these Bylaws, the purchase price shall be the highest among those determined in conformity with this Article 37 and Article 40, Paragraph 2 of these Bylaws.

Paragraph 3 - The Controlling Shareholder Seller may not transfer the ownership of its shares until the Buying Shareholder executes the Controlling Parties' Instrument of Consent referred to in the Novo Mercado Regulation.

Paragraph 4 - The Company shall not register any transfer of shares to the Buying Shareholder with Controlling Power up until said shareholder execute the Controlling Shareholders' Instrument of Consent, which is related to the Novo Mercado Regulation.

Paragraph 5 - No Shareholders' Agreement providing for the exercising of the Controlling Power may be registered in the Company's head office until its signatories have executed the Instrument of Consent of the Controlling Group which is related to the Novo Mercado Regulation.

Article 38- The public tender offer referred to in Article above shall also be carried out: (i) in case of any remunerated assignment of subscription rights to shares or other securities or rights to securities convertible into shares, which may give rise to the Disposal of the Company's Ownership Control; or (ii) in case of disposal of the Ownership control of a company holding the Controlling Power of the Company and, in this case, the Controlling Shareholder Seller shall be obliged to report to BM&FBOVESPA the amount assigned to the Company in such disposal and attach any supporting documentation.

Article 39- Any party which acquires the Controlling Power, in view of any private agreement for purchase of shares entered into with the Controlling, involving any number of shares, shall be obliged to:

- (i) carry out the public tender offer referred to in Article 37 of these Bylaws;
- (ii) Pay, under the following, the amount equivalent to the difference between the public offering and the amount paid per share eventually purchased in stock exchanges within 6 (six) months prior to the date of acquisition of the Company's Control, updated until the payment date; This amount should be distributed among all the people who sold shares of the Company at the trading where the buyer made purchases, in proportion to the selling net balance of each, while the BM&FBOVESPA operates the distribution in terms of its regulations, and
- (iii) take any applicable measures to recover the minimum percentage of twenty five percent (25%) of the Company's total outstanding shares, within the six (6) months subsequent to the acquisition of Control.

Article 40- Any person or shareholder who purchases or becomes the holder of shares issued by the Company, in a number equal to or higher than twenty percent (20%) of the total shares issued by the Company shall, within no longer than sixty (60) days counted from the acquisition date or the event giving rise to the ownership of shares in a number equal to or higher than twenty percent (20%) of the total shares issued by the Company, carry out or request the registration of, as the case may be, a Public Tender Offer of all shares issued by the Company, subject to the applicable CVM regulation, the Novo Mercado Regulation, other BM&FBOVESPA regulations and the provisions of this Article.

Paragraph 1 - The Public Tender Offer shall be: (i) equally addressed to all Company's shareholders; (ii) carried out in an auction to be held at BM&FBOVESPA; (iii) placed by the price determined in conformity with the provisions of Paragraph 2 of this Article; and (iv) paid on demand, in local legal tender, upon the acquisition of shares issued by the Company in the Tender Offer.

Paragraph 2 - The purchase price in the Public Tender Offer for each share issued by the Company may not be lower than the highest amount between (i) one hundred twenty five percent (125%) of the highest unit quotation reached for the shares issued by the Company during the twelve (12) month period prior to the Public Tender Offer in any stock exchange in which the Company's shares are traded; (ii) one hundred twenty five percent (125%) of

the highest unit price paid by the Buying Shareholder, at any time, for a share or a share lot issued by the Company; **(iii)** the economic value determined in the appraisal report.

Paragraph 3 - Any shareholders who are holders of shares representing at least ten percent (10%) of capital stock may request a new appraisal report to be prepared in the same format as that referred to in item **(iii)** of Paragraph 2 of this Article, but by a different institution. **(I)** In case the new appraisal report determines a price per share lower than the one calculated as set forth in Paragraph 2 of this Article, the higher price shall prevail and the shareholders who requested the new appraisal report shall be fully liable for its costs proportionally to their interest in the Company's capital stock. **(II)** In case the appraisal report as set forth in this Paragraph determines a price per share higher than that obtained as set forth in Paragraph 2 of this Article, the Buyer may: **(1)** waive the Public Tender Offer and agree to dispose the excess interest within three months counted from the acquisition, and any costs on the preparation of new appraisal report must be fully paid by the shareholders who requested its preparation, proportionally to their interest in the Company's capital stock; **(2)** carry out the Public Tender Offer for the price per share stated in the new appraisal report, and any costs on the preparation of new appraisal report must be fully paid by the Company.

Paragraph 4 - In the event the Public Tender Offer price is revised, as set forth in Paragraph 3 of this Article, and provided that there is no waiver from the Buyer, the auction shall start at the new price, and a material fact shall be published to report the price revision and the maintenance or waiver of the Public Tender Offer.

Paragraph 5 - Upon revision of the Public Tender Offer price, the following procedure shall be adopted:

- (i)** the request for a new appraisal report on the price per Company's share, based on the economic value, duly documented and supported by evidence showing the flaw or inaccuracy of the calculation methodology employed or the evaluation criterion adopted, shall be carried out within fifteen (15) days counted from the disclosure of the Public Tender Offer amount, and shall interrupt the registration process or, in case such registration is already granted, it shall interrupt the Public Tender Offer notice period, postponing the respective auction, and the Buying Shareholder shall arrange for the publication of a material fact reporting such postponement and the date stated for the holding of the Board of Directors' meeting which shall choose a specialized company to prepare the new appraisal report;
- (ii)** in case the Board of Directors decides that a new appraisal of the Company shall not be prepared, the registration process or the Public Tender Offer itself shall be resumed for the remaining period, as the case may be, and, for the latter, the Buying Shareholder shall arrange for the publication of a material fact with the new auction date;
- (iii)** in case the appraisal report determines an amount equal to or lower than the Public Tender Offer value obtained as set forth in Paragraph 2 of this Article, the registration process or the Public Tender Offer itself shall be resumed for the remaining period, as the case may be, and, for the latter, the Buying Shareholder shall arrange for the publication of a material fact with the new auction date;
- (iv)** in case the appraisal report determines an amount higher than the Public Tender Offer value obtained as set forth in Paragraph 2 of this Article, the Buying Shareholder shall publish, within five (5) days counted from the submission of the appraisal report, a material fact stating its position to maintain or waive the Public Tender Offer, by clarifying, for the

first case, that it will resume the registration process, or of the Public Tender Offer itself for the remaining period, as the case may be, and, for the latter, the Buyer shall arrange for the publication of a material fact with the new auction date and the new price;

(v) the fifteen (15) day period referred to in item (i) of this Paragraph 5 shall only start after the original appraisal report is delivered to CVM, or after it is made available as set forth in item (viii) of this Paragraph 5, if it comes first, and the Buying Shareholder shall publish a material fact reporting such delivery;

(vi) the Board of Directors' meeting resolving on a new appraisal shall nominate the institution in charge for the preparation of such appraisal report, approve the related fees, establish a period no longer than thirty (30) days for conclusion of services, and determine that the appraisal report be forwarded to the Company, for the attention of its Investor Relations Officer, to the stock exchange in which the auction is to be held, and to CVM, in addition to being sent to CVM electronic mail in the specific format determined by CVM;

(vii) the institution in charge for preparing the appraisal report shall also, on the same date it forwards the appraisal report to CVM, inform the intermediate institution operating in the Public Tender Offer, as set forth in Article 4, IV of CVM Instruction No. 361, of March 5, 2002 ("CVM Instruction 361"), the outcome of such appraisal, so that such institution and the Buying Shareholder adopt any applicable measures among those set forth in items (iii) and (iv) of this Paragraph 5;

(viii) the appraisal report referred to in this Paragraph 5 shall be made available in the same locations, and in the same format, of the appraisal report referred to in Article 8 of CVM Instruction 361; and,

(ix) the minutes of the Board of Directors' meeting referred to in this Paragraph 5 shall necessarily state the names of the shareholders who requested the new appraisal, for effects of the possible application of the provision in Paragraph 3, (I) and (II.2) of this Article 40.

Paragraph 6 - The Public Tender Offer mentioned in the main provision of this Article shall not exclude the possibility of another shareholder of the Company or, if applicable, the Company itself, to prepare a concurrent Public Tender Offer, pursuant to applicable regulation.

Paragraph 7 - The Buyer shall be obliged to comply with any possible CVM requests or requirements, related to the Public Tender Offer, made based on and within the deadlines set forth in applicable regulation.

Paragraph 8 - In the event the Buyer fails to comply with any obligations imposed by this Article, including those related to the compliance with deadlines for (i) carrying out or requesting registration of the Public Tender Offer; or (ii) complying with any possible CVM requests or requirements, or with any obligations provided for by Article 49 of these Bylaws, the Company's Board of Directors shall call an Extraordinary General Meeting, in which the Buyer may not vote, in order to resolve on the suspension of the exercise of the rights of the Buyer who failed to comply with any obligation imposed by this Article, provided for by Article 120 of Brazilian Corporation Law, without prejudice to the Buyer's liability for any losses and damages caused to other shareholders arising from such noncompliance with obligations imposed by this Article.

Paragraph 9 - Any Shareholder or person acquiring or becoming the holder of other rights, including usufruct or trust, on the shares issued by the Company in a number equal to or higher than twenty percent (20%) of the total shares issued by the Company, shall be equally

obliged to carry out or request the registration, as the case may be, of a Public Tender Offer, within no longer than sixty (60) days counted from the date of such purchase or the event which gave rise to the holding of such rights on shares in an amount equal to or higher than twenty percent (20%) of the total shares issued by the Company, pursuant to the provisions in this Article.

Paragraph 10 - The obligations stated in Article 254-A of the Brazilian Corporation Law and Articles 37, 38 and 39 of these Bylaws do not release the Buying Shareholder from complying with any obligations stated in this Article, except for the provisions in Articles 47 and 48 of these Bylaws.

Paragraph 11 - The provision in this Article shall not apply in the event of a person becoming the holder of shares issued by the Company in a number higher than twenty percent (20%) of the total shares issued, arising from: **(i)** any legal succession, under the condition that the shareholder disposes of any excess shares within sixty (60) days counted from the material event; **(ii)** any amalgamation of another company by the Company; **(iii)** the merger of shares of another company by the Company; or **(iv)** the subscription of Company's shares, carried out at a single primary issue, which has been approved in a Company's Annual General Meeting called by its Board of Directors, and whose capital increase proposal has determined the issue price of shares based on the economic value obtained from a valuation report on the Company conducted by a specialized company with proven experience in the evaluation of publicly-held companies.

Paragraph 12 - For calculation of the percentage of twenty percent (20%) of the total shares issued by the Company described in the main provision of this Article, any involuntary additions to ownership interest arising from cancellation of treasury shares or decrease in the Company's capital stock with the cancellation of shares shall not be computed.

Paragraph 13 - In the event the CVM regulation applicable to Public Tender Offer set forth in this Article determines the adoption of a calculation criterion to define the purchase price of each Company's share in the Public Tender Offer which gives rise to a purchase price higher than that defined in Paragraph 2 of this Article, then the purchase price calculated pursuant to CVM regulation shall prevail for holding the Public Tender Offer set forth in this Article.

Paragraph 14 - Any change which restricts the shareholders' right to carry out the Public Tender Offer set forth in this Article, or the exclusion of this Article, shall oblige the shareholders who voted for such change or exclusion at a General Meeting to carry out the Public Tender Offer set forth in this Article, in conformity with the provisions in Paragraph 3 of Article 10 of these Bylaws.

Article 41- In the Public Tender Offer to be carried out by the Controlling Shareholder, or the Company for the Company's deregistration as a publicly-held company, the minimum price to be offered shall correspond to the Economic Value determined in the appraisal report, referred to in Article 46 of these Bylaws and subject to the applicable law and regulations.

Article 42- In the of a decision on the Company's delisting from the Novo Mercado, in order for trading of securities outside the Novo Mercado, or if due to a corporate restructuring in

which the Company's shares resulting from such restructuring are not admitted for trading in the Novo Mercado, within 120 (one hundred twenty days) from the date of the Extraordinary General Meeting which has approved the restructuring, the Controlling Shareholder shall carry out a Public Tender Offer, with the minimum price to be offered shall correspond to the economic value determined in the appraisal report, referred to in Article 46 of these Bylaws and subject to the applicable law and regulations.

Article 43 - In the event of absence of a Controlling Shareholder when there is a decision to Company's delisting from the Novo Mercado, either for registration for trading of shares outside the Novo Mercado or for corporate restructuring in which the Company's shares resulting from such restructuring are not admitted for trading in the Novo Mercado, within 120 (one hundred twenty days) from the date of the Extraordinary General Meeting which has approved the restructuring, the Company's delisting shall be conditioned to the carrying out of a Public Tender Offer as set forth in Article 42 of these Bylaws.

Paragraph 1 – This General Meeting shall define the responsible for the Public Tender Offer. The responsible must be an attendee at the General Meeting and shall expressly assume the obligation to conduct the Public Tender Offer.

Paragraph 2 – In the absence of a responsible for the Public Tender Offer definition, in the event of a corporate restructuring in which the resulting Company securities are not admitted for trading in the Novo Mercado, the Public Tender Offer shall be carried out by the shareholders who have voted in favor of the respective resolution at the General Meeting.

Article 44 – If there is no Controlling Shareholder and BM&FBOVESPA determines that the quotations of securities issued by the Company be disclosed separately or have their trading interrupted in the Novo Mercado in view of any noncompliance with the obligations stated in the Novo Mercado Regulation, the Board of Directors' Chairman shall call an Extraordinary General Meeting to replace the whole Board of Directors within two (2) days from such determination, and this period shall only compute the days in which the newspapers usually used by the Company are published.

Paragraph 1 - In the event the Board of Directors' Chairman fails to call the Extraordinary General Meeting referred to in the main provision of this Article within the established period, such Meeting may be called by any shareholder of the Company.

Paragraph 2 - The new Board of Directors elected at the Extraordinary General Meeting referred to in the main provision and in Paragraph 1 of this Article shall remedy any noncompliance with the obligations stated in the Novo Mercado Regulation as soon as possible or within a new deadline granted by BOVESPA for this purpose, whichever is shorter.

Article 45 - In the event of Company delisting from the Novo Mercado in view of any noncompliance with obligations stated in the BM&FBOVESPA's Novo Mercado Regulation, that delisting shall be preceded by the carry out of a Public Tender Offer, with the minimum price to be offered equals to the economic value determined in the appraisal report as referred to in Article 46 of these Bylaws and subject to the applicable law and regulations.

Paragraph 1 – The Controlling Shareholder shall carry out the Public Tender Offer referred in the caput of this article.

Paragraph 2 - If there is no Controlling Shareholder and the delisting from Novo Mercado arises from a General Meeting resolution, the Public Tender Offer shall be carried out by the shareholders who have voted at the General Meeting in favor of the matter that implied the noncompliance with obligations stated by the Novo Mercado Regulation.

Paragraph 3 - If there is no Controlling Shareholder and the delisting from Novo Mercado arises from any management's act or fact, the Management shall call for a General Meeting to discuss on how to remedy the arisen noncompliance, or to deliberate on the delisting.

Paragraph 4 – In the event the General Meeting referred at Paragraph 3 above deliberates on Company's delisting from the Novo Mercado, this General Meeting shall define the responsible for the Public Tender Offer. The responsible must be an attendee at the General Meeting and shall expressly assume the obligation to conduct the Public Tender Offer.

Article 46 - The appraisal report referred to in Article 40, paragraphs 2 and 3, and Articles 41 and 42 of these Bylaws shall be prepared by a specialized company, with proven experience and independence from the Company, , its management and/or Shareholders, and such appraisal report shall also comply with the requirements of Paragraph 1 of Article 8 of the Brazilian Corporation Law and include the obligation set forth in Paragraph 6 of the same Article 8.

Paragraph 1 - The selection of the specialized company or institution responsible for determining the Company's economic value, as set forth in Articles 41 and 42 of these Bylaws lies privately with the General Meeting, as from the submission by the Board of Directors of a list with three names, and the respective resolution, and with no blank votes considered, shall be taken by the absolute majority vote of shareholders representing the Outstanding Shares who attended the General Meeting instated at first call, shall have shareholders representing at least twenty percent (20%) of the total Outstanding Shares or, if instated at second call, may have the attendance of any number of shareholders representing these Outstanding Shares.

Paragraph 2 – It is incumbent upon the Board of Directors to resolve for carrying out a new appraisal of the Company and appoint who will prepare the report referred to in Article 40, Paragraphs 2 and 3 of these Bylaws.

Paragraph 3 - Any costs on the preparation of the appraisal report shall be fully paid by those parties responsible for carrying out the public tender offer, as the case may be, except for the provision in Paragraph 3 of Article 40 of these Bylaws.

Article 47 – Carrying out a single Public Tender Offer, aiming at more than one of the purposes set forth in this Chapter VII, in the Novo Mercado Regulation or in the regulation issued by the CVM, shall be permitted, provided that it is possible to match the procedures of all types of Public Tender Offers and there is no loss to the offer addressees and that the CVM approval be obtained if required by applicable legislation.

Article 48 - The Company or the shareholders in charge of the Public Tender Offer set forth in this Chapter VII, in the Novo Mercado Regulation or in the regulation issued by the CVM, may ensure it is carried out by any shareholder, third party or, as the case may be, by the Company. The Company or the shareholder, as the case may be, shall not be released from the obligation of carrying out the Public Tender Offer until it is concluded in compliance with the applicable rules.

Article 49 - Any Buyer who has subscribed and/or purchased shares issued by the Company in a number equal to or higher than eight percent (8%) of the Company's capital stock, and is willing to purchase additional shares issued by the Company in stock exchanges, shall be obliged to, prior to each new purchase, report its intention to purchase additional shares issued by the Company, in writing, to the Company, with at least three (3) business days in advance of the date scheduled for the new purchase of shares, always subject to the provisions of the legislation in force and applicable CVM and BOVESPA regulations.

CHAPTER VIII COURT OF ARBITRATION

Article 50 - The Company, its shareholders, Managers and Fiscal Council members shall agree to settle, by means of arbitration, before the Market Arbitration Chamber, any and all disputes or controversies that might arise among them, either related to or arising from, in special, the application, validity, efficiency, interpretation, violation and its effects, of the provisions stated in Novo Mercado, the Brazilian Corporation Law, in these Bylaws, rules issued by the Brazilian Monetary Council, Central Bank of Brazil or CVM, as well as the other rules applicable to the capital markets operation in general, addition to those contained in The Novo Mercado Regulation, in the Market Arbitration Chamber's Arbitration Regulation, established by BM&FBOVESPA ("Arbitration Rules"), the Rules of imposition of fines on the Novo Mercado ("Sanctions Regulation") and the Agreement for the Novo Mercado Membership.

Sole Paragraph – Without prejudice to the validity of this arbitration clause, the request of emergency measures by the parties to the Judiciary, where applicable, shall observe the provisions stated in the Arbitration Regulation of the Market Court of Arbitration.

CHAPTER IX WINDING UP OF THE COMPANY

Article 51 - The Company shall be liquidated in the cases provided for by the law, and the General Meeting shall be responsible for choosing the liquidator or liquidators, as well as the Fiscal Council to operate during such period, subject to any legal formalities.

CHAPTER X FINAL AND TEMPORARY PROVISIONS

Article 52 - Any cases not ruled herein shall be settled by the General Meeting and regulated in accordance with the provisions of the Brazilian Corporation Law and of The Novo Mercado Regulation.

Article 53 – The Company may not grant loans or guarantees of any kind to third parties, in any modality, for businesses that are alien to the business purpose.

Article 54 - The Company shall comply with the shareholders' agreements filed in its head office, and any transfer of shares and computation of votes cast in the General Meeting or Board of Directors' meeting contrary to their provisions shall be barred.

Article 55 - The provisions of Articles 40 and 49 of these Bylaws shall not apply to the current shareholders already owning a number equal to or higher than twenty percent (20%) and eight percent (8%), respectively, of the total shares issued by the Company and its successors on the publication date of the Notice of Commencement of Public Primary and Secondary Distribution of Shares issued by Totvs S.A (“Notice of Commencement”), referring to the public offering of shares issued by the Company, subject to CVM Process No. RJ/2005-09750, of December 21st 2005, (“Public Offering) and shall be applied only to those investors acquiring shares and becoming Company shareholders after the date of the Company’s adhesion to and listing in the Novo Mercado.
