



M. DIAS BRANCO S.A. INDÚSTRIA E COMÉRCIO DE ALIMENTOS
Publicly-Traded Company - Authorized Capital - CNPJ No. 07.206.816/0001-15 - NIRE 2330000812-0

BYLAWS

CHAPTER I

NAME, HEAD OFFICE, VENUE, BUSINESS PURPOSE AND DURATION

ARTICLE 1 - M. Dias Branco S.A. Indústria e Comércio de Alimentos is a corporation that shall be governed by these bylaws and the applicable laws.

ARTICLE 2 - The purpose of the Company is **(i)** the industrialization and trade of wheat-derived products, particularly cookies & crackers, pasta and wheat flour; **(ii)** the manufacturing of vegetable shortening, margarines, vegetable oils, the import and export thereof; **(iii)** the import, industrialization and trade of wheat, corn, animal feed, other cereals and commodities related to the foregoing for resale; **(iv)** the import of raw materials, secondary materials and packaging materials; **(v)** the import of machinery, equipment, spare parts and other assets, assigned to its own use, as well as for sale, rental or lease; **(vii)** the equity interest in other companies, either domestically or abroad, in affiliated, controlled or subsidiary companies.

ARTICLE 3 - The Company has its headquarters and venue in the City of Eusébio, State of Ceará, and it may, upon resolution of the Executive Office, create and extinguish branches, divisions, agencies, warehouses, representation offices in any part of the national territory and abroad.

ARTICLE 4 - The Company started its activities on October 04, 1961 and its duration term is undetermined.

CHAPTER II
SHARE CAPITAL AND SHARES

ARTICLE 5 - The Company's share capital, fully subscribed and paid-in, is one billion, seven hundred and sixty-five million, two hundred and seventy-eight thousand, four hundred and sixty-six Brazilian Reais and ninety-four cents (R\$1,765,278,466.94), divided into three hundred and thirty-nine million (339,000,000) common, registered and book-entry shares with no par value.



Paragraph 1 - Every common share corresponds to one vote at the Shareholders' Meetings.
Paragraph 2- The Company may not issue preferred shares or beneficiary parts.

Paragraph 3 - After paying three-fourths (3/4), at least, of the share capital, the company may increase it by means of public or private subscription to shares. The capital increases may be paid by using any assets and rights, including credits, provided that susceptible to assessment in cash; however, the payment upon the offering and the compromise of future income that may be generated by the company shall not be made.

Paragraph 4 - The Company's share capital may be increased regardless of any amendment to the bylaws, by resolution of the Board of Directors, which shall set the issuance conditions, until the limit of 459,200,000 common shares. The share capital may be further increased without any amendment to the bylaws, by resolution of the Board of Directors, upon capitalizing the reserves with or without change in the number of shares.

Paragraph 5 - In the proportion of the number of shares held, the shareholders shall have preemptive right to subscribe to the capital increase, pursuant to article 171 of Law No. 6.404/76. The preemptive right may be assigned in full or in part to further shareholders, which exercise shall be made in proportion to their shareholding in the share capital. The preemptive right shall be exercised within the prescription term of thirty (30) days.

Paragraph 6 - The Company may reduce or remove the term to exercise the preemptive right in the issuance of shares, debentures convertible into shares and subscription bonuses, which underwriting is made upon sale at stock exchange or through public subscription, or even upon share exchange in any tender offer for control acquisition, under articles 257 to 263 of Law No. 6.404/76. Also, there shall not be preemptive right in the grant and exercise of call option, as provided for in Paragraph 3, article 171 of Law No. 6.404/76.

Paragraph 7 - In event of failure to set the share issuance price under the conditions provided for in the subscription bulletin or call, the shareholder shall be lawfully rendered in default, pursuant to article 106, Paragraph 2 of Law No. 6.404/76, being subject to the provision in article 107 thereof.

ARTICLE 6 - Eventual shareholders' agreements setting forth the share purchase and sale conditions or the preemptive right in purchasing them, or even the voting right exercise, shall at all times be complied with by the Company, provided that they have been filed at the headquarters, and the respective manager shall abstain from computing the votes cast against the terms of such agreements.

Sole Paragraph - The rights, obligations and responsibilities resulting from such shareholders' agreements shall be valid and binding to third parties, as soon as they have been duly registered in the Company's share record books. The Company's managers shall foster for the compliance with these agreements and the shareholders' meeting chairperson shall not compute the vote cast non-compliant with the provisions of such agreements.



CHAPTER III SHAREHOLDERS' MEETING

ARTICLE 7 - The Shareholders' Meeting is the Company's deliberative body and shall be gathered, on an ordinary basis, within four (4) months following the end of the fiscal year for purposes provided at law, and, on extraordinary basis, whenever the corporate interests require so.

Paragraph 1 - The Shareholders' Meeting shall be called pursuant to the law, or via telegram or certified mail, by the Board of Directors' Chairperson, and it shall be conducted by a board comprised of a chairperson and a secretary, pursuant to paragraph 2 below.

Paragraph 2 - The Shareholders' Meeting shall be chaired by the Company's Board of Directors' Chairperson or, in his/her absence, the person chosen by the majority of the attendees. The Meeting's Chairperson shall choose, among the attending shareholders, the board's secretary.

Paragraph 3 - The resolutions of the Shareholders' Meeting, except for the exceptions provided at law, these Bylaws or shareholders' agreement duly filed at the Company's headquarters, shall be made by majority of votes, not computing the blank votes.

ARTICLE 8 - The shareholders may be represented at the Shareholders' Meetings by proxies, pursuant to article 126, Paragraph 1 of Law No. 6.404/76.

CHAPTER IV MANAGEMENT

Section I - General Rules

ARTICLE 9 - The Company shall be managed by the Board of Directors and Executive Office.

Paragraph 1 - The Shareholders' Meeting shall set the global compensation amount of the managers, and the Board of Directors shall distribute the compensation among the members of the Board of Directors and Executive office.

Paragraph 2 - The managers shall be vested in their offices upon executing to the instrument of investiture in the proper book, within thirty (30) days following their election, and are dismissed from providing any security in order to assure their management. The investiture of the managers is conditioned to the prior subscription to the Managers' Consent Agreement, referred to in *Novo Mercado's* Regulation and Material Fact or Act Disclosure Policy adhered to by the Company under the CVM Instruction No. 358, as of January 22, 2002, as well as the compliance with the applicable legal requirements.

Paragraph 3 - The members of the Board of Directors and Executive Office are required to, without prejudice to the duties and responsibilities assigned to them at law, keep in privacy all businesses made by the Company, also required to treat in confidence all information to which they may



have access and relate to the company, its business, employees, managers, shareholders or contractors and service providers, undertaking to use such information in the Company's exclusive and best interests. The managers shall, upon being vested in their offices, execute to the Non-Disclosure Agreement, as well as foster for the breach to the confidentiality obligation not to occur by their subordinates or third parties.

Paragraph 4 - The Company may take out, at its expenses, insurance to protect its estate and the estate of the Directors and Officers against any eventual losses caused by conflicts or demands derived from management acts in and out of the capital market. The Company may further hire, at its expenses, attorneys and other professionals that are required to the defense of the Directors and Officers in demands caused by acts practiced in the Company's management, even if such conflicts arise after the expiration of the managers' terms of office.

Section II - Board of Directors

ARTICLE 10 - The Board of Directors, elected by the Shareholders' Meeting, shall be comprised of at least five (5) and a as maximum nine (9) effective members, elected with their respective substitutes, individuals, residing or not in the Country, with unified term of office of one (1) year, with reelection allowed, where one of which is the Chairperson and one is the Deputy Chairperson, assigned by the Shareholders' Meeting. At least 20% of the Board of Directors' members shall be Independent Members of the Board, pursuant to the definition in *Novo Mercado's* Regulation, and shall be expressly declared as such in the minutes of the Shareholders' Meeting electing them.

Paragraph 1 - For the purposes of these Bylaws, "Independent Member of the Board" is the one that: (i) does not have any relationship with the Company, except for equity interest; (ii) is not a Controlling Shareholder, spouse or relative until second degree thereof, or is not or has not been, over the past 3 years, linked to the company or the entity related to the Controlling Shareholder (people linked to public education and/or research institutions are excluded from such restriction); (iii) has not been, over the past 3 years, an employee or officer of the Company, Controlling Shareholder or company controlled by the Company; (iv) is not a supplier or purchaser, either direct or indirect, of Company's services and/or products, in magnitude implying any loss of independence; (v) is not an employee or manager of the company or entity providing or demanding services and/or products to the Company; (vi) is not a spouse or relative until second degree of any of the Company's managers; and (vii) does not receive any other compensation from the Company in addition to the one relating to Board members (payments in cash arising from equity interest are excluded from such restriction).

Paragraph 2 - Independent Directors shall also be considered as those elected upon authorization provided for in Paragraph 4 and 5, article 141 of Brazilian Corporate Law.

Paragraph 3 - When, as a result of the compliance with the percentage referred to in the head of this article 10, a fractional number of directors is resulted, the rounding up may be made to the integer: (i) immediately higher, when the fraction is equal to or higher than 0.5, or
(ii) immediately lower, when the fraction is lower than 0.5.



Paragraph 4 - The positions of Board of Directors' Chairperson and Chief Executive Officer of the Company may not be accumulated by the same person.

ARTICLE 11 - The members of the Board of Directors shall be replaced in their absences, impediment or vacancy with the respective substitute. In event of vacancy of the effective Director's position, their substitute shall replace them until the first subsequent annual or Extraordinary Shareholders' Meeting, when new effective and substitute Members shall be elected for the supplementation of their term of office; in case the substitute is not able to take the office, the Board shall operate with the remaining members, unless the number thereof is lower than the minimum legal number, event of which the Shareholders' Meeting shall be called within thirty (30) days, in order to choose the substitutes - effective and substitute members, who shall be Members of the Board of Directors for the remaining time of the substituted member's term of office.

ARTICLE 12 - The Board of Directors' meetings shall be called in writing by its Chairperson or two (2) of its members; In order to the meeting be held, the minimum attendance of the majority of its members on duty is required. The resolutions by the Board of Directors shall be made by majority of the members attending the meeting, and, in event of a tie, the vote cast by the Chairperson or their substitute shall prevail, as provided for in the Board Regulations.

Sole Paragraph - Minutes shall be recorded from the Board of Directors' meetings, in proper book, becoming effective with the signature of as many members as required to constitute the quorum required for purposes of convening and discussion.

ARTICLE 13 - Upon ending the term of office, the Board of Directors' members shall remain on duty until the investiture of the new elected directors.

ARTICLE 14 - In addition to the roles provided at law and in these bylaws, the Board of Directors is responsible for:

- (i) setting the general guidance of the business of the Company;
- (ii) inspecting the management of the Executive Office and examining, at any time, the Company's books and documents;
- (iii) calling the Shareholders' Meetings;
- (iv) making a prior statement on the Management Report, the Executive Office's accounts, the Financial Statements referring to the year, and examining the monthly balance sheets;
- (v) distributing the compensation set by the Shareholders' Meeting among the Company's officers;
- (vi) electing and removing the officers, as well as setting their roles and compensations;

- (vii) setting criteria on which the disposition of assets may only be made after prior approval by the Board of Directors or Executive office, as well as authorizing the provision of guarantees of any nature to third party obligations;
- (viii) choosing and removing the Company's independent auditors;
- (ix) authorizing the acquisition by the Company of shares under its issue for effect of cancellation or permanence in treasury, and the further disposition thereof;
- (x) preparing and disclosing any opinion with grounds containing the favorable or contrary opinion on any Tender Offer ("OPA", acronym for Oferta Pública de Aquisição, in Portuguese) which object is the shares issued by the Company, within fifteen (15) days of the publication of the notice for the said OPA, which shall warn that each shareholder shall be responsible for the final decision on the said acceptance, as well as they shall make a statement on, at least: (i) on the convenience and opportunity for the OPA as for the interests of the Company and the set of shareholders thereat, including with respect to the price and potential impacts on the share liquidity; (ii) as for strategic plans disclosed by offering party with respect to the Company; and (iii) with respect to alternatives to the acceptance of the OPA available at the market;
- (xi) approving Company strategic plan, as well as the respective plan for performance thereof;
- (xii) approving Company annual and multinannual budget;
- (xiii) approving profit sharing plans for managers and employees;
- (xiv) setting value, duration term, effect extent, nature of operation and other criteria by which certain acts, including the acquisition of assets and rights and the taking-out of loans or financing of assets or liabilities, may only be performed after prior approval by the Board of Directors or Executive Office, as set forth by the Board of Directors itself;
- (xv) setting value, duration term, effect extent, nature of operation and other criteria by which the performance of acts implying the disposition of, even on a fiduciary basis, or encumbering corporate assets of the permanent assets, inclusive, mortgaging, pledging, securing, providing as antichresis, providing accommodation note or suretyship, confessing, waiving any right, settling or agreeing, may only be performed after prior approval by the Board of Directors or Executive Office, as set forth by the Board of Directors itself;
- (xvi) setting maximum limits for donations or any free acts, including those related to tax benefits or deductions, as well as approving the performance of those acts whenever they exceed the set limits;



- (xvii) authorizing companies acquisition, the shareholding in other companies, as well as the formation of consortia, joint ventures and/or strategic alliances, in compliance with the responsibility of the General Meeting;
- (xviii) setting guidelines, positionings and votes to be observed and exercised by the Company representatives in any control group and/or shareholders/quota holders' meetings or General Meetings of affiliated or controlled companies, or other ones involving consortia, joint ventures or strategic alliances to which the Company is part; and
- (xix) resolving on the creation of specific committees related thereto, with or without the participation of Directors, Officers, Company's employees or third party contractors, in order to monitor or guide certain corporate processes or transactions.

Section III - Executive Board

ARTICLE 15 - The Executive Board shall be comprised of seven (07) members, residing or not in the Country, appointed and removable by the Board of Directors, which shall have the following attributions:

- (i) Chief Executive Officer;
- (ii) Industrial Vice-President - Cookies & Crackers, Pasta and Margarines;
- (iii) Industrial Vice-President- Mills;
- (iv) Commercial Vice-President;
- (v) Vice-President of Management and Development;
- (vi) Vice-President of Finance;
- (vii) Vice-President of Investments and Controlling.

Paragraph 1 - The term of office of each Officer shall be three (3) years, with reelection allowed. Upon expiring the term of office, Officers shall remain in their positions until the investiture of new elected Officers.

Paragraph 2 - The exercise of position as Officer ceases in the removal of, at any time, the effective member or upon expiring the term of office, in event of no reelection, in compliance with the provision in the final part of Paragraph 1 above. The resignation is effective, with respect to the company, since it becomes aware of the notice in writing by the resigning party, producing effects before good-faith third parties after the filing thereof with the Public Registry of Mercantile Companies and publication thereof.

Paragraph 3 - The replacement of Officers, in event of absence or temporary impediment, or even due to resignation, death or disability, shall be discussed at the Board of Directors' Meeting, and the Chairperson of the Board of Directors may provisionally appoint a substitute.

ARTICLE 16 - The Executive Board is responsible for exercising the attributions that law, the General Meeting, the Board of Directors and these bylaws provide it for the practice of the necessary acts for the regular operation of the Company, being responsible for the management

of the company and the practice of any and all acts not under the private responsibility of the Shareholders' Meeting, pursuant to the article 122 of the Law No. 6.404/76.

ARTICLE 17 - Without prejudice to the specific responsibilities set out in the paragraphs in this article 17, Officers are responsible for:

- (i) fostering for the compliance with the law and these bylaws;
- (ii) managing and supervising the corporate businesses;
- (iii) preparing the report and financial statements relating to each year; and
- (iv) practicing all acts under its responsibility, as set forth herein and in the Executive Office Internal Regulations.

Paragraph 1 - The Chief Executive Office (CEO) is responsible for:

- (i) setting, implementing and coordinating actions in order to preserve the Company's vision, mission and values;
- (ii) directing and promoting coordinated and integrated actions of the manufacturing process and company's activity development;
- (iii) supervising and controlling the manufacturing and profitability levels of each Division;
- (iv) representing the Company, as a plaintiff or defendant, in and out of court;
- (v) executing to agreements, taking loans and financing, disposing of, acquiring, mortgaging or, otherwise, encumbering real and personal property, as well as other rights of the company;
- (vi) accepting, withdrawing, endorsing and guaranteeing currency documents, negotiable invoices, checks, promissory notes and other negotiable instruments implying any responsibility for the company;
- (vii) opening, transacting and closing bank accounts.

Paragraph 2 - The Industrial Vice-President - Cookies & Crackers, Pasta and Margarines is responsible for:

- (i) Setting policies and promoting the corporate management of the manufacturing processes of cookies & crackers, pasta and margarines, fostering for the continuous enhancement, in accordance with the strategic guidelines set by the CEO;
- (ii) Directing the finished products manufacturing, packaging and storing activities, as well as developing production engineering projects in the cookies & crackers, pasta and margarines segments;
- (iii) Assuring excellence in the maintenance process of the industrial parks of cookies & crackers, pasta and margarines, upon adhering to preventive and corrective procedures;
- (iv) Proposing and coordinating the performance of projects for technological updating, renewal and expansion of the manufacturing parks of cookies & crackers, pasta and margarines;
- (v) Setting policies and managing the corporate manufacturing input purchasing process at the segments of cookies & crackers, pasta and margarines, assuring quality of the purchased products and competitiveness in the conditions negotiated with suppliers;
- (vi) Directing the management activities of quality, food security and environment systems, in the segments of cookies & crackers, pasta and margarines, in order to

- assure the compliance with the laws in force and intensifying the certifications by specialized authorities;
- (vii) Boosting the manufacturing levels and profitability of the manufacturing facilities of cookies & crackers, pasta and margarines, in compliance with the corporate strategies;
 - (viii) Providing the CEO with, upon management reports, systematized information of the developed activities and the outcomes generated in the manufacturing facilities of cookies & crackers, pasta and margarines; and
 - (ix) Cooperating with the CEO in preparing the development and monitoring strategies for the Company's results, contributing to the continuous improvement of the business performance, integrated with other Vice-Presidents.

Paragraph 3 - The Industrial Vice-President - Mills is responsible for:

- (i) Setting policies and promoting the corporate management of the manufacturing processes of wheat, corn and other cereal derivatives at the milling facilities of the Company, fostering for the continuous enhancement, in accordance with the strategic guidelines set by the CEO;
- (ii) Directing the finished product manufacturing, packaging and storing activities, as well as developing production engineering projects in the mills segments;
- (iii) Assuring excellence in the maintenance process of the industrial parks at the milling facilities, upon adhering to preventive and corrective procedures;
- (iv) Proposing and coordinating the performance of projects for technological updating, renewal and expansion of the manufacturing parks at the milling facilities;
- (v) Setting policies and managing the corporate manufacturing input purchasing process at the mills segment, assuring quality of purchased products and competitiveness in the conditions negotiated with the suppliers;
- (vi) Directing the management activities of quality, food security and environments systems, in the mills segment, in order to assure the compliance with the laws in force and intensify the certifications by specialized authorities;
- (vii) Boosting the manufacturing levels and profitability of the milling facilities, in compliance with the corporate strategies;
- (viii) Providing the CEO with, upon management reports, systematized information of the developed activities and the outcomes generated in the milling facilities; and
- (ix) Cooperating with the CEO in preparing development and monitoring strategies for the Company's results, contributing to the continuous improvement of the business performance, integrated with other Vice-Presidents.

Paragraph 4 - The Commercial Vice-President is responsible for:

- (i) Directing the corporate trading process of products manufactured by the Company, by implementing market development actions, in accordance with the strategic guidelines set by the CEO;
- (ii) Planning the product sales by establishing strategies, objectives and goals, as well as monitoring the performance of the Commercial Plan;
- (iii) Assuring excellence in Company's product sale process, upon management of its teams and operators and distributors;
- (iv) Coordinating the market and competition study activities, in order to subsidy the proposal of corporate marketing strategies;
- (v) Managing the corporate Marketing activities by setting the Marketing Plans and monitoring the implementation thereof, in order to increment the Company's business;
- (vi) Directing the corporate process of product distribution logistics, involving the management of the distribution centers, inventory, logistic operators and transportation structure, in order to reach the maximum efficiency, lower cost and distribution quality;
- (vii) Promoting periodic capacity and location studies of the logistic distribution network by proposing improvements and monitoring the implementation thereof;
- (viii) Boosting the productivity and profitability levels of the commercial facilities, in compliance with the corporate strategies;
- (ix) Providing the CEO with, upon management reports, systematized information of the developed activities and results generated in the commercial facilities, and
- (x) Cooperating with the CEO in preparing development and monitoring strategies for the Company's results, contributing to the continuous improvement of the business performance, integrated with other Vice-Presidents.

Paragraph 5 - The Vice-President of Management and Development is responsible for:

- (i) Directing and exercising the coordination of the management and development activities in the corporate environment, in accordance with the strategic guidelines set by the CEO;
- (ii) Promoting the development of the information technology, at corporate level, by seeking to provide solutions in compatibility to the Company's strategic objectives;
- (iii) Assuring the proper information technology infrastructure, as well as adhering to the information security policy and providing hardware and software support;
- (iv) Setting corporate policies and implementing personnel development actions, including recruiting and selection, training, performance management, jobs and wages, benefits, organizational culture and climate, in order to boost the achievement of the established business results;
- (v) Instituting corporate policies and process development actions, by enforcing workflow rationalization and continuous improvement standards and procedures, in order to boost the business performance;
- (vi) Coordinating the corporate activities of personnel management, contemplating the payroll management, labor charges, grant of

- benefits and occupational safety and health, in compliance with the laws and policies on personnel development in force;
- (vii) Providing administrative support to the different facilities at the Company, by involving corporate lobby, reception, building maintenance, estate security, personal property control, file management and administrative purchasing services;
 - (viii) Boosting the productivity and efficiency levels of the administrative and development activities, in compliance with the corporate strategies;
 - (ix) Providing the CEO with, upon management reports, systematized information of the administrative and development activities; and
 - (x) Cooperating with the CEO in preparing the development and monitoring strategies for the Company's results, contributing to the continuous improvement of the business performance, integrated with other Vice-Presidents.

Paragraph 6 - The Vice-President of Finance is responsible for:

- (i) Directing and exercising the coordination of the financial activities in the corporate environment, in accordance with the strategic guidelines set by the CEO;
- (ii) Setting and implementing corporate policy of grant of credit, including the credit and guarantee assessment, in order to minimize financial risks for the Company;
- (iii) Setting criteria and managing the corporate accounts receivable process, by taking actions assuring the efficiency in the invoicing, receivables control and collection activities;
- (iv) Coordinating the corporate accounts payable activities, upon control of maturity dates of the obligations, preparation of payments, control of agreements and management of the financial position;
- (v) Developing the corporate treasury activities, by managing the cash flow, banking transactions and control of money and checks;
- (vi) Planning, organizing and coordinating the internal audit activities;
- (vii) Boosting the productivity and efficiency levels of the financial activities, in compliance with the corporate strategies of the Group;
- (viii) Providing the CEO with, upon management reports, systematized information of the financial activities; and
- (ix) Cooperating with the CEO in preparing development and monitoring strategies for the Company's results, contributing to the continuous improvement of the business performance, integrated with other Vice-Presidents.

Paragraph 7 - The Vice-President of Investments and Controlling is responsible for:

- (i) Directing and exercising the coordination of the investment and controlling activities in the corporate environment, in accordance with the strategic guidelines set by the CEO;
- (ii) Setting and implementing the corporate investment policy, raising alternative fund sources and developing economic-financial feasibility studies on enterprises;
- (iii) Developing the investor relations activities in the corporate environment, by contemplating the preparation of institutional documents, performance of presentations and forwarding of negotiations, in compliance with the Company's legal provisions and strategies;
- (iv) Coordinating corporate activities of management and corporate controlling, including the preparation of management statements and financial statements, support to external audits, corporate documentation management, cost control and budget management;
- (v) Directing corporate activities of tax controlling, upon tax planning, tax advisory and tax obligation management and the taxlitigations, as well as the support to tax audits;
- (vi) Coordinating legal consulting and litigation activities;
- (vii) Boosting productivity and efficiency levels of the investment and controlling activities, in compliance with the corporate strategies of the Group;
- (viii) Providing the CEO with, upon management reports, systematized information of the investment and controlling activities; and
- (ix) Cooperating with the CEO in preparing development and monitoring strategies for the Company's results, contributing to the continuous improvement of the business performance, integrated with other Vice-Presidents.

ARTICLE 18 - The Executive Office shall gather, as required, upon call made by the CEO or at least four (4) Officers, and the board shall be responsible for the following attributions, in addition to ones the Board of Directors may assign it:

- (i) preparing the basic guidelines of Officers executive action, and fostering for the strict compliance therewith;
- (ii) setting and systematizing processes and operations, approving its policies, strategies and guidelines, by assessing the respective performance by its incumbents, the level of excellence achieved and the management techniques used;
- (iii) setting compensation policies and practices of human resources, in compliance with the responsibility of the Board of Directors in order to create profit sharing programs and plans and stipulate the goals in these plans, as well as the general or specific determinations of that Board;
- (iv) complying with the strategic plan and budgets approved by the Board of Directors, submitting to it the results achieved;



- (v) authorizing, in cases in which the Board of Directors provides it with responsibility for such purpose, the fund raising, taking of loans and financing, either domestically or abroad; including upon issuing bonds and securities;
- (vi) authorizing, in cases in which the Board of Directors provides it with responsibility for such purpose, the acquisition of assets or rights by the Company;
- (vii) authorizing, in cases in which the Board of Directors provides it with responsibility for such purpose, the practice of acts implying the disposition of, even on a fiduciary basis, or encumbrance of the permanent assets, including mortgaging, pledging, providing as antichresis, providing accommodation note or suretyship, confessing, waiving to right, settling or agreeing;
- (viii) authorizing, in cases in which the Board of Directors provides it with the responsibility for such purpose, the performance of donations or the practice of any free act, including those related to tax benefits or deductions;
- (ix) deciding on impasses and/or doubts relating to the responsibilities of each of the Officers and the relationships between them and their respective areas of expertise; and
- (x) authorizing the opening of divisions, branches, agencies and offices.

Paragraph 1 - Executive Office's meetings shall be called by the CEO and shall only be convened if the CEO plus one Officer attend the meeting or, in the absence of the CEO, at least four (4) Officers. The Executive Office's meetings shall be chaired by the CEO and the resolutions shall be made by majority of votes; in case of tie, the vote cast by the CEO or their substitute shall prevail; in the absence of the CEO or their substitute, in case of tie, the resolution shall be submitted to the Board of Directors.

Paragraph 2 - The Officer casting a vote in writing on the matters in the agenda shall be considered as an attendee.

Paragraph 3 - The Executive Office's meetings shall be recorded in minutes in proper book.

ARTICLE 19 - The Company representation, in and out of court, both as a plaintiff or defendant, in any legal acts or business, or before any public offices or Federal, State or Municipal authorities, in the acts of acquisition, disposition of or encumbrance of company's assets and rights, as well as in the acts and operations over the ordinary management of the corporate business, such as the execution to deeds of any nature, drafts, checks, payment orders, agreements, and, in general, any other documents or acts entailing responsibility or obligation for the Company or releasing it from obligations with third parties, and also, the acceptance, endorsement and guarantee of exchange documents, negotiable invoices or other negotiable instruments, shall be necessarily practiced by the CEO, along with any Vice-President, or, in absence of the CEO, the joint execution by two Vice-Presidents; also, the following representation rules shall be met:



- (i) in event of current financial transactions: the CEO shall execute along with the Vice-President of Finance;
- (ii) in executing to financial and investment agreements: the CEO shall execute along with the Vice-President of Controlling;
- (iii) in executing to other non-financial agreements: the CEO shall execute along with the Vice-President of the area related to the specific agreement.
- (iv) in event of the items (i), (ii) and (iii) above, in the absence of the CEO, the Vice-President of the area related to the act to be practiced may execute along with any other Vice-President or any CEO's proxy to whom the powers for such purpose have been granted;
- (v) the Company may also be represented by a proxy constituted as provided for in paragraph 2 below.

Paragraph 1 - The acts for which practice requires prior consent by the Board of Directors or Collective Executive Office may only be practiced once such condition is met.

Paragraph 2 - The proxies on behalf of the Company shall be granted, upon prior consent by the Collective Executive Office or else by the CEO, along with the Vice-President of the area related to the act to be practiced by the proxy, and shall specify the powers granted therein. Except for events of judicial representation or similar ones, in which the power of attorney concerns the exercise until the closing of the issue or proceeding, all other proxies shall have a determined term, not exceeding one (1) year, and limited powers; when the purpose of power of attorney is the practice of acts depending on prior consent by the Board of Directors or Collective Executive Office, the grant thereof shall be expressly conditioned to the obtainment of such consent.

Paragraph 3 - The acts by any Officers or proxies involving the Company in obligations relating to different business and/or transactions other than the business purpose, such as suretyships, accommodation notes and endorsements or any other guarantees in favor of third parties are expressly prohibited, being null and void with respect to the Company.

Paragraph 4 - Without prejudice to the provision in Paragraph 3 above, each Officer (i) is liable to the company and, jointly and severally, hereto before third parties for any fault in the performance of their positions and functions; and (ii) shall reimburse the company, with all resulting profits, the corporate credits or assets they may invest, without express consent by the Shareholders' Meeting, in their own or third party benefits, and, in event of loss, they shall also be liable.

CHAPTER V FISCAL COUNCIL



ARTICLE 20 - The Company Fiscal Council, which shall not be permanent, shall only be convened pursuant to the law, and shall be comprised of three (3) to five (5) effective members and equal number of substitutes, both shareholders or non-shareholders, elected by the General Meeting at which its operation is required.

Paragraph 1 - The investiture of Fiscal Council's members is conditioned to prior subscription of the Consent Agreement of the Fiscal Council's Members, under the provision in *Novo Mercado's* Regulation, as well as the compliance with the applicable legal requirements.

Paragraph 2 - Fiscal Council members, while on duty, shall be entitled to the compensation agreed by the Shareholders' Meeting electing them.

Paragraph 3 - The resolutions of the Fiscal Council shall be made by majority of votes and included in the proper book.

Paragraph 4 - Fiscal Council's members shall have the duties and responsibilities set by the corporate laws in force and *Novo Mercado's* Regulations.

CHAPTER VI FISCAL YEAR AND PROFITS

ARTICLE 21 - Fiscal year shall endure twelve (12) months, coinciding with the civil year, ending on December 31 in every year. At the end of each fiscal year, the Executive Office shall prepare the financial statements provided at law, in compliance with the standards then in effect, which shall comprise of the proposal for allocation of the yearly income.

Sole Paragraph - While preparing the financial statements, accounting practices and principles based on the technical standards derived from professional authorities authorized at law shall be taken.

ARTICLE 22 - The net income of the year is the yearly result after deducting the retained losses, provision for Income Tax and after the interests eventually assigned pursuant to article 190 of Law No. 6.404/76.

Paragraph 1 - From the net income, five percent (5%) shall be allocated to creation of the legal reserve, up to the limit of twenty percent (20%) of the share capital;

Paragraph 2 - The Shareholders' Meeting may, by proposal of the management bodies, allocate to the tax incentive reserve the portion of the net income arising from government donations or subsidies for investments, which may be excluded from the calculation base of the mandatory dividend.

Paragraph 3 - The balance of the net income shall be adjusted pursuant to the article 202 of the Law No. 6.404/76, and twenty-five percent (25%) of the adjusted balance deducted from the amounts allocated to the Tax Incentive Reserve shall be allocated to the payment of the mandatory dividend.

Paragraph 4 - After creating reserves mentioned in paragraphs 1 and 2 in this article and in compliance with the minimum mandatory distribution of dividends, the Shareholders' Meeting may, upon



proposal prepared by management bodies, allocate a portion of the income to the statutory reserve named "Reserve for the Investment Plan", which purpose is the strengthening of the company's working capital and the reinvestment of funds internally generated, in order to expand the corporate business. The reserve as provided for in this paragraph will encompass the maximum limit of 95% of the share capital and may, by resolution of the Board of Directors, be capitalized, used in the absorption of losses or in the distribution of dividends to the shareholders.

Paragraph 5 - The balance of the profit reserves, except for contingencies, tax incentives and unearned profits, may not exceed the share capital. Upon reaching this limit, the Shareholders' Meeting shall discuss about the deployment of the surplus in the payment or share capital increase or in the distribution of dividends.

ARTICLE 23 - The Company shall pay the share dividends to the person that, on the date of the Shareholders' Meeting approving the distribution of the dividend, is enrolled as the shareholder or usufructuary.

Paragraph 1 - The share dividends in bank custody or deposit under the articles 41 and 43 of Law No. 6.404/76 shall be paid by the Company to the depositary financial institution, which shall be in charge of delivering them to the holders of deposited shares.

Paragraph 2 - The dividends not claimed within three (3) years of the resolution of the act authorizing the distribution thereof shall prescribe in favor of the Company.

ARTICLE 24 - The Company may prepare annual, six-monthly, quarterly or monthly balance sheets, and declare, by resolution of the Shareholders' Meeting, dividends to the account of profits assessed in such balance sheets and/or interest on equity, at all times on account of the full amount to be distributed upon ending the respective fiscal year, in compliance with the limitations provided at law.

Paragraph 1 - The Company Board of Directors may declare and determine the payment of interim dividends on account of profits assessed in interim balance sheets or profit reserves existing in the last annual balance sheet, *ad referendum* of the Annual Shareholders' Meeting assessing the financial statements relating to the fiscal year in which such dividends were credited.

Paragraph 2 - The Company's Board of Directors may determine the amount to be credited or paid to the shareholders, on account of interest on equity, in accordance with article 9 of the Law No. 9.249/95, amended by Law No. 9.430/96, *ad referendum* of the Annual Shareholders' Meeting considering the financial statements relating to the fiscal year in which such interests were credited.

Paragraph 3 - The interim dividends and the interest on equity shall at all times be attributed to the mandatory dividend.

CHAPTER VII DISPOSAL OF THE CONTROL POWER



ARTICLE 25 - The direct or indirect disposition of the Company's shareholding, either by means of a single operation or by means of successive operations, shall be contracted under the condition that the shareholding acquiror undertakes to make the tender offer which object is the shares issued by the Company held by other shareholders, in compliance with the conditions and terms provided for in the law in force and Novo Mercado's Regulation, in order to assure them with equal treatment as that provided to the selling shareholder.

CHAPTER VIII - EXIT FROM *NOVO MERCADO*

ARTICLE 26 - The Company's exit from Novo Mercado may take place as a result of: (i) the decision made by the controlling shareholder or the Company; (ii) the default to obligations of *Novo Mercado's* Regulation; and (iii) the cancellation of the Company's register of publicly-traded company or the conversion of the register category in the CVM, event of which shall comply with the provision in the laws and regulations in force.

Section I - Voluntary Exit

ARTICLE 27 - The Company's voluntary exit from *Novo Mercado* shall be submitted to B3 S.A. - Brasil, Bolsa, Balcão ("B3"), which shall only be granted if preceded by OPA complying with procedures provided at the regulation enacted by CVM on tender offers for the cancellation of register of publicly-traded company.

ARTICLE 28 - The OPA referred to in the foregoing article shall comply with the following requirements:

(i) the offered price shall be fair; therefore, the request for new assessment of the Company may be possible as set forth in the corporate laws; and (ii) shareholders holding over one third (1/3) of the outstanding shares shall accept the OPA or expressly agree on the exit from the segment without selling the shares.

Paragraph 1 - For purposes of this article, outstanding shares are considered only as those which holders expressly agree on the exit from *Novo Mercado* or are qualified for the OPA auction, pursuant to the regulations enacted by CVM, applicable to the public offerings for the acquisition of shares issued by publicly-traded companies for the cancellation of register.

Paragraph 2 - Upon reaching the quorum provided for in item "ii" of the head: (i) those accepting the OPA may not be submitted to any proration in the disposition of their shareholding, in compliance with the waiver procedures as for the limits provided for in the regulation enacted by CVM, applicable to tender offers; and (ii) the offering party shall be required to acquire the remaining outstanding shares, within one (1) month of the date of the auction, at the final price of the OPA auction, adjusted until the date of the actual payment, pursuant to the terms of the notice and the laws and regulation in force, which shall be made within, as a maximum, fifteen (15) days of the date of the exercise of the authorization by the shareholder..

ARTICLE 29 - The Company's voluntary exit from *Novo Mercado* may take place regardless of the performance of the OPA mentioned in article 27, in event of waiver approved at the shareholders' meeting.



Paragraph 1 - The shareholders' meeting referred to in the head shall be convened in first call with the attendance of shareholders representing at least two thirds (2/3) of all outstanding shares.

Paragraph 2 - If the quorum in Paragraph 1 is not reached, the shareholders' meeting may be convened in second call, with the attendance of any number of shareholders holding outstanding shares.

Paragraph 3 - The resolution on the waiver to perform the OPA shall take place through the majority of votes cast by the shareholders holding outstanding shares attending the shareholders' meeting.

Section II - Compulsory Exit

ARTICLE 30 - The enforcement of the sanction to the Company for the compulsory exit from *Novo Mercado* depends on the performance of OPA with the same characteristics as the OPA as a result of the voluntary exit from *Novo Mercado*.

Sole paragraph. In event of failure to reach the percentage for exit from *Novo Mercado*, after the OPA performance, the shares issued by the Company shall be traded for six (6) months in such segment as from the performance of the OPA auction, without prejudice to the enforcement of any monetary sanction provided for in *Novo Mercado's* Regulation.

CHAPTER IX CORPORATE REORGANIZATION

ARTICLE 31 - In event of corporate reorganization involving the transfer of the Company's shareholding, the resulting companies shall request to enter *Novo Mercado* within one hundred and twenty (120) days of the date of shareholders' meeting discussing such reorganization.

Sole paragraph. If the reorganization involves resulting companies that do not intend to request the listing in *Novo Mercado*, the majority of the holders of Company's outstanding shares attending the shareholders' meeting referred to in the head shall consent to such structure

CHAPTER X ARBITRATION COURT

ARTICLE 32 - The Company, its shareholders, managers and the members of the fiscal council, either effective and alternate, if any, undertake to resolve, by means of arbitration, before the Market Arbitration Chamber, pursuant to its regulations, any disputes or controversies that may arise among them, related to or arising from their condition of issuer, shareholders, managers and members of the fiscal council, particularly arising from the provisions contained in Law No. 6.385/76, Law No. 6.404/76, the Company's Bylaws, rules issued by the National Monetary Council, by Brazilian Central Bank and Brazilian Securities and Exchange Commission, as well as



further applicable rules to the operation of the general capital market, in addition to those included in Novo Mercado's Regulation of the Arbitration Regulation, Sanction and Novo Mercado Participation Agreement Regulations.

CHAPTER XI GENERAL AND TRANSITORY PROVISIONS

ARTICLE 33 - As the Company enters B3's Novo Mercado, the Company, its shareholders, including controlling shareholders, managers and members of the Fiscal Council, wherever it is convened, are subject to the provisions in the Novo Mercado's Regulations.

Paragraph 1 - The provisions in *Novo Mercado's* Regulations shall prevail over the statutory provisions, in the event of loss to the right of the addressees to the public offerings provided for herein.

Paragraph 2 - Any and all terms, words and expressions contained herein and having their definition expressed in *Novo Mercado's* Regulation shall be understood, construed and enforced pursuant to that definition.

ARTICLE 34 - The provision contained in paragraph 4, Article 10 hereto may only be effective as of May 09, 2014.

CHAPTER XII LIQUIDATION

ARTICLE 35 - Company shall be in liquidation in the events provided at law, or by resolution of the General Meeting, which shall define the liquidation method, elect the liquidator and, as the case may be, convene the Fiscal Council throughout the liquidation period, electing its members and providing them with the respective compensations.