

**ARTICLES OF INCORPORATION
OF DURATEX S.A.**

CHAPTER I

NAME, HEADQUARTERS, OBJECTIVE AND TERM

1. *Name.* DURATEX S.A. (“Company”) is a business corporation governed by its Articles of Incorporation and by the applicable law.

2. *Headquarters.* The Company has its headquarters and venue in the City of São Paulo, State of São Paulo. Through a resolution made by its Executive Board, the Company may open up and close down branches, agencies, warehouses, offices and any other establishments, in Brazil or abroad, observing these Articles of Incorporation.

3. *Corporate Objective.* The objective of the Company is (a) the industry, trade, import and export of: (i) wood byproducts, in any of their forms and purposes, and related and similar products and byproducts; (ii) metal products, ceramic materials and natural and synthetic plastics, and other products meant for construction in general, and also related and similar products and byproducts; (b) the forestation, reforestation and extraction of the respective production, in its own lands or the lands of others, to supply its industrial needs; (c) power generation and sale; (d) technical services regarding the corporate objective of the Company; and (e) the interest of the Company in other companies, as a member or shareholder.

4. *Legal Term of the Company.* The Company shall have perpetual existence.

CHAPTER II

SHARE CAPITAL, SHARES AND SHAREHOLDERS

5. *Share Capital.* The share capital of the Company, fully subscribed and paid-in, is R\$ 1.288.085.331,86 (one billion, two hundred and eighty-eight million, eighty-five thousand, three hundred and thirty-one reais and eighty-six cents), divided up into 458.362.776 (four hundred and fifty-eight million, three hundred and sixty-two thousand, seven hundred and seventy-six) common, nominative shares, without par value. Each common share of the Company shall correspond to 1 (one) vote at the Shareholders’ Meeting.

5.1. *Prohibition to Issue Preferred Shares and Founder’s Shares.* The share capital of the Company shall be solely represented by common shares. The company is not allowed to issue founder’s shares.

5.2. *Authorized Capital.* Through resolution by the Board of Directors, the Company is authorized to raise its share capital up to the limit of 920,000,000 (nine

hundred and twenty millions) shares, without any need for statutory reform. The Board of Directors shall set the issuing conditions, including the shares prices and payment term.

5.3. *Stock Option.* Within the authorized limit, and provided it is compliant with the plans passed by the Shareholders' Meeting, the Board of Directors may allow stock or share subscription option to the managers and employees of the Company, and also to the managers and employees of other companies which are directly or indirectly controlled by the Company, without any preemptive right to the shareholders.

6. *Book Entry Shares.* All the Company shares are book entry shares, maintained in a deposit account, in the name of its holders, without any certificates issued, in the depository institution authorized by the Securities and Exchange Commission appointed by the Board of Directors. The transfer and registration costs, and also the costs of the service regarding the book entry shares of the Company, may be directly charged to the Company shareholder by the depository institution, under the terms of the applicable law and the respective custody agreement.

7. *Issuance of Shares, Subscription Bonus and other Securities.* Upon issuance by the Company of shares, subscription bonus or other securities convertible into Company shares which are to be used for public or private subscription, the Board of Directors, by means of notice published in the periodicals used by the Company, shall inform the shareholders of the decision to raise its share capital, within the limit of the authorized capital, informing all the issuance characteristics and conditions and, in compliance with Article 8, the time-limit to exercise one's preemptive right, in proportion to their respective interest, which shall not be earlier than 30 (thirty) days.

7.1. *Failure to exercise the Preemptive Right.* If the shareholder fails to exercise their preemptive rights upon the subscription of new shares or securities issued by the Company, either explicitly or implicitly, the Board of Directors may offer the unsubscribed securities to someone else.

8. *Reduction in or Exclusion of the Time-Limit to Exercise the Preemptive Right.* As resolved by the Board of Directors, under the terms of article 172 of the Law n° 6,404, dated November 15, 1976, as modified (the "S.A. Act"), the time-limit given to the Company shareholders to exercise their preemptive right concerning the issuance, by the Company, of shares, subscription bonus or other securities convertible into Company shares may be excluded or reduced, provided such a condition is presented by (i) sale at the stock exchange or by public subscription; or (ii) swap for shares, at a takeover bid, under the terms set by the applicable law, within the limit of the authorized capital.

CHAPTER III

SHAREHOLDERS' MEETING

9. Call for the Shareholders' Meetings. The Shareholders' Meetings shall be called **(i)** by the Chairperson of the Board of Directors, or, in his/her absence, by any of the Vice-Chairpersons of the Board of Directors, or, in their absence, by the decision made by the majority of the members of the Board of Directors; or **(ii)** in the hypotheses under article 123 of the S.A. Act, at least 15 (fifteen) days before it is held. If the Shareholders' Meeting is not held upon its first call, a new call will be made, at least 8 (eight) days prior to second call session.

9.1. Attendance at the Shareholders' Meeting. The shareholders' attendance at any Shareholders' Meeting shall observe the following rules: **(a)** presentation of an identification card; and **(b)** presentation of the shares deposit slip issued by the depository institution.

9.2. Attorneys in fact at the Shareholders' Meeting. The shareholders may be represented at the Shareholders' Meeting by an attorney in fact, provided that **(a)** he/she has been vested with power as stipulated by the article 126 of S.A. Act; **(b)** the rules under the Article 9.1 are observed; and **(c)** the power of attorney the documents which prove the representation have been filed in the corporate headquarters within 48 (forty-eight) hours at the latest before the Shareholders' Meeting is held.

9.3. Agenda Availability. All the documents concerning the agenda shall be, as of the date of publication of the Shareholders' Meeting first call notice or the notices published pursuant to article 133 of the S.A. Act, made available to the shareholders at the Company headquarters and at the BM&FBOVESPA S.A. – Stock, Commodities and Futures Exchange (“BM&FBOVESPA”). The agenda must display, expressly, all the issues to be discussed, and it is forbidden to include “others issues” or “general issues” (or any equivalent expressions), in the Shareholders' Meeting agenda.

9.4. Request to Include Issues in the Agenda. Provided that (i) in writing; (ii) in the Best interest of the Company; and (iii) at least 1 (one) month before the Shareholders' Meeting is held, the shareholders may send to the Company, to the attention of the Chairperson of the Board of Directors, topics to be included in the agenda of the first Shareholders' Meeting to be held after the topic is sent. The Company may reject such an inclusion, if such a refusal is duly justified, in writing, and filed in the Company headquarters, together with the respective request.

10. Commencement and the Chair at the Shareholders' Meeting. The Shareholders' Meeting shall be commenced and presided over **(i)** by the Chairperson of the Board of Directors; or **(ii)** in his/her absence, by any of the Vice-Persons of the Board of Directors; or **(iii)** in their absence, by any member of the Board of Directors; or **(iv)** in the absence of all the members, by a person appointed by the majority of the

shareholders attending the Shareholders' Meeting. The chairperson of the Shareholders' Meeting shall appoint a secretary to assist him/her in the works and draw up the minutes of the Shareholders' Meeting.

11. Competence of the Shareholders' Meeting. The Shareholders' Meeting has privately to, in addition to its duties stipulated under the applicable law:

(i) set the overall remuneration of the members of the Board of Directors, of the Executive Board and of the Audit Committee, if in operation;

(ii) set share bonuses and decide on any share grouping or splitting;

(iii) pass plans to grant stock option or share subscription to the managers and employees of the Company, and also to the managers and employees of other companies which are directly or indirectly controlled by the Company, observing Article 5.3;

(iv) elect the liquidator, as well as the Audit Committee, who shall work during the liquidation period;

(v) decide on the cancellation of the register of publicly-traded company, and also its removal from the New Market listing segment of the BM&FBOVESPA ("New Market");

(vi) approve merger, incorporation, shares incorporation, split, transformation operations or any other forms of corporate reorganization regarding the Company;

(vii) decide on the redemption and repayment operations for the Company shares; and

(viii) decide on the issuance of convertible debentures.

CHAPTER IV
MANAGEMENT ORGANS

MISCELLANEOUS PROVISIONS

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

12.1. *Inauguration.* The Directors and Officers shall take their office, within the 30 (thirty) days following their respective election, by signing the terms of inauguration in the book of minutes of the Board of Directors or Executive Board, as applicable, without any need for a management guarantee. The inauguration of any Director or Officer is conditioned to the prior signature **(i)** of the Administrators' Consent Agreement, according to the model given in the New Market Listing Regulation of BM&FBOVESPA ("New Market Regulation"); **(ii)** of the acceptance agreement of the Company's securities negotiation policy; and **(iii)** of the acceptance agreement of the policy of disclosure of information relevant to the Company.

12.2. *Permanence in Office.* The Directors and Officers shall remain in office until the inauguration of their replacements.

12.3. *Remuneration and Participation in the Administrators' Earning.* The members of the Board of Directors and the Executive Board shall be paid and may participate in the profits, observing the legal limits.

BOARD OF DIRECTORS

Composition of the Board of Directors

13. *Composition of the Board of Directors.* The Board of Directors shall comprise at least 5 (five) and at the most 10 (ten) official Directors and substitute Directors, with 1 (one) Chairperson, 2 (two) Vice-Chairpersons and the other Directors, without any specific office or designation. At the Ordinary Shareholders' Meeting which decides on the election of the members of the Board of Directors, the shareholders shall also decide on the actual number of official and substitute members of the Board of Directors for that year.

13.1. *Substitutes.* Upon election of each substitute, the Shareholders' Meeting shall appoint one or more specific official Directors who may be substituted by each of those substitutes.

13.2. *Independent Directors.* At least 20% (twenty percent) of the members of the Board of Directors shall be Independent Directors, as defined in the New Market

Regulation. Under the terms of such a regulation, the members elected according to the option under the articles 141, §4 and §5, of the S.A. Act, shall also be deemed Independent Directors. When, due to the observance of the percentage referred to in this article, there is a fractioned number of members, this may be rounded up/down to a whole number: (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. The qualification as an Independent Director shall be expressly declared in the minutes of Shareholders' Meeting which elects him/her.

13.3. *Term of office of the Directors.* The official members of the Board of Directors, as well as the substitutes, shall be elected for a unified 1 (one) year term of office, and reelections are allowed. For the purposes of this Article, a 1 (one) year term is regarded to be the one ranging between the commencement of 2 (two) consecutive Ordinary Shareholders' Meetings of the Company.

14. *Requirements to be a Director.* Both for the official and the substitute Director, the appointment to join the Board of Directors shall be extended to people (i) who have not turned 70 (seventy) years old on the date of their election to join the Board of Directors (the Director who turns 70 (seventy) during the his term of office may complete it); and (ii) who have recognized, proven experience, competence and condition to meet the requirements of the position of Director.

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

15.1. *Temporary or Definitive Substitution of the Chairperson During his/her Term of office.* In the event of temporary (a) vacancy, absence or impediment of the Chairperson of the Board of Directors; or (b) death, definitive incapacity or impediment of the Chairperson of the Board of Directors, he/she shall be substituted in his/her position as a Director by his/her substitute, as provided in Article 15.2, and the substitute shall not substitute him/her in the office of Chairperson. The Board of Directors shall have to choose among the acting Directors the one who will substitute the Chairperson in his/her position (either temporarily or definitely, as applicable). In the event of definitive substitution of the Chairperson of the Board of Directors, his/her substitute shall hold such an office until the end of the term of the Chairperson who was substituted.

15.2. *Substitutes of the Directors.* Observing Article 15.1, should the Director fail to attend any meeting of the Board of Directors, the respective substitute, at that meeting, shall substitute the absent Director. In case of death, incapacity or definitive impediment of any official Director, the respective substitute shall substitute this

official Director at the meetings of the Board of Directors until the end of the term or until someone else is elected to the position previously held by the official Director who is dead, incapacitated or impeded.

Meetings of the Board of Directors

16. *Frequency of the Meetings of the Board of Directors.* The Board of Directors shall meet ordinarily **(i)** 6 (six) time per year; and extraordinarily **(ii)** whenever the corporate interests require so.

16.1. *Call.* The meetings of the Board of Directors shall be called by its Chairperson or the majority of its members, at least 5 (five) days before it is held. The Chairperson of the Board of Directors shall prepare the agenda for the meetings based on the requests from the other Directors and the CEO. Such a call shall be made in writing, by post, telegram, fax, email or any other means which allow to prove the receipt. A previous call to the meeting is not necessary, as a condition to its validity, when all the members of the Board of Directors are present at the meeting. The call shall be also display the agenda and all other information and documents related to the decisions to be made at such a meeting.

16.2. *Type of Meeting.* The meetings of the Board of Directors may be held by conference call, video conference or by any other means of communication. All the decisions by the Board of Directors shall be included in the minutes drawn up in the respective Minutes book of Meetings of the Board of Directors and certified by the directors.

17. *Quorum for Commencement.* The meetings of the Board of Directors shall commence, upon first call, with the presence of the majority of its members, and, upon second call, with any number of Directors.

17.1. *Presence of the Substitutes at the Meetings of the Board of Directors.* Any substitute Director may be present at any meeting of the Board of Directors, even if all the official Directors are also present at such a meeting. If all the official Directors are present at a meeting of the Board of Directors, no substitute Director may have the floor, unless with the consent of the whole of the official Directors (or the substitutes who are replacing their respective official members) present at the meeting of the Board of Directors..

18. *Exercise of the Voting Right.* Each Director shall be entitled to 1 (one) vote on the resolutions of the Board of Directors. The resolutions shall be regarded approved by the majority of the votes from the attending persons, unless in any other way expressly stipulated in these Articles of Incorporation. The meetings of the Board of Directors shall allow votes through delegation made on behalf of another Director, the advance

written fax and the vote given by fax, email or any other means of communication, considering present the members who vote in those manners.

Duties of the Board of Directors

19. Duties. The Board of Directors has to, in addition to the other duties set out in these Articles of Incorporation or in the applicable law:

(i) fix the general direction of the business of the Company and their subsidiaries, and also ensure their good performance;

(ii) examine and approve the annual and pluriannual budgeting of the Company;

(iii) decide on the acquisition, by the Company, of shares issued by it, to maintain them in the treasury and/or later cancel or dispose of them, and also determine their resale or cancellation;

(iv) decide on the issuance of simple debentures, without any real guarantee;

(v) decide on the approval of any operation which has not been previously approved in the annual or pluriannual budgeting of the Company which involves the acquisition, disposal, investment, divestiture, encumbrance or transfer of any asset of the Company whose value is higher than, individually or aggregated, for the same type of operation, 3% (three percent) of the shareholders' equity found in the latest audited balance sheet of the Company;

(vi) establish the remuneration of the members of the Board of Directors and the CEO, observing the annual overall remuneration passed by the Shareholders' Meeting, and also define the policy of remuneration and benefits for the Officers and employees of the Company and their subsidiaries;

(vii) define and change the indebtedness policy of the Company;

(viii) approve and enter into agreements by and between the Company and **(a)** any shareholders who control the Company or (or their spouse), **(b)** the administrators (or their spouse) of the Company or its subsidiaries, or **(c)** the controlled companies or under common control (i) of any shareholders who control the Company (or their spouses) or (ii) of the administrators (or their spouse) of the Company or their subsidiaries;

(ix) decide on the granting of surety, collateral or other real or personal guarantees on behalf of the Company;

(x) approve the creation and the end of committees and/or work groups for the Company, in order to assist the Board of Directors, defining their composition, regiment, remuneration and work scope;

(xi) set the conditions to contract any public collection of resources in the capital market and the issuance of any credit instruments to collect public resources, such as bonds, notes, commercial papers or others ordinarily used in the capital market, also deciding on their issuance and redemption conditions;

(xii) decide on any material change in the accounting principles of the Company, except for the changes required by the applicable law or standards;

(xiii) decide on the disposal, transfer, license or encumbrance, in any way, of any brand, patent or industrial design held or being used by the Company, directly or indirectly, except for licenses of brands for any company controlled by the Company, a hypothesis in which the article 24.1 (viii) below shall be observed; and

(xiv) define and change the policies to negotiate securities and disclose relevant information of the Company.

Internal Regiment of the Board of Directors

20. *Internal Regiment.* The Board of Directors shall adopt an Internal Regiment which shall clearly define its responsibilities and duties and prevent conflicts with the Executive Board, especially with the CEO. The Internal Regiment shall stipulate: (i) the scope of action and the objectives of the Board of Directors; (ii) the rules for its operation; (iii) the rules to address conflicting interests; (iv) its voting system; (v) its secretaries; (vi) its meetings, calls, agenda, minutes and documents; (vii) the committees referred to in the item (x) of Article 19 above; (viii) the interaction of the Audit Committee, if it is working; (ix) the execution of its budget and (x) the interaction with the independent auditor.

20.1. *Availability of the Internal Regiment.* The Internal Regiment of the Board of Directors shall be available to any shareholder of the Company in its headquarters and on its website.

Assessment of the Board of Directors

21. *Assessment.* The performance of the Board of Directors will be formally assessed on a yearly basis, in the form and in accordance with the criteria which may be defined by it or by some committee set up under the terms of item (x) of Article 19 above.

EXECUTIVE BOARD

22. Composition of the Executive Board. The Executive Board of the Company shall comprise at least 6 (six) and at the most 20 (twenty) Officers, elected and removable at any time by the Board of Directors, for a 1 (one) year term, reelection is allowed. The election of the Executive Board shall take place, preferably, on the same date when the Ordinary Shareholders' Meeting is held.

23. Requirements to be an Officer. The appointment to become an Officer of the Company (including its CEOs) shall be extended to people (i) who have not turned 65 (sixty-five) years old on the date of their election to become an Officer (the Director who turns 65 (sixty-five) during the his term of office may complete it); and (ii) who have recognized, proven experience, competence and condition to meet the requirements of the position of Director.

23.1. Vacancy, Absence or Temporary Impediment. In the event of vacancy, absence or temporary impediment of any Officer, the CEO shall have to, at his/her discretion, (i) substitute him/her and temporarily undertake his/her duties; or (ii) appoint among the other Officers someone to temporarily undertake such duties.

23.2. Death, Incapacity or Permanent Impediment. In the event of death, incapacity or permanent impediment of an Officer, the CEO shall have to, at his/her discretion, (i) substitute him/her and temporarily undertake his/her duties; or (ii) appoint among the other Officers someone to temporarily undertake such duties. As soon as possible, a meeting of the Board of Directors shall be held to elect an official substitute Officer, who will hold the position of the substituted Officer to the end.

24. Positions in the Executive Board. The positions of the Officers, comprehending the positions of CEO, Executive Officers and Managing Officers, as well as the duties of those Officers, shall be as set by the Board of Directors.

24.1. CEO. The CEO has to: (i) manage, preside over and coordinate the activities of the Company, observing and imposing the observance of the law, these Articles of Incorporation and the decisions of the Board of Directors and the Shareholders' Meeting; (ii) supervise the activities of the other Officers; (iii) introduce and ensure the performance of the sale and marketing policies of the Company; (iv) introduce and ensure the performance of the financial and administrative management policies and human resource policy of the Company, respecting the policies defined by the Board of Directors; (v) introduce and ensure the performance of the forest management policies; (vi) introduce and ensure the performance of the industrial management policies; (vii) approve any operation which has not been previously approved in the annual or pluriannual budget of the Company which concerns the acquisition, disposal, investments, divestiture, encumbrance or transfer of any asset of

the Company whose value is lower, individually or aggregated, for the same type of operation, than 3% (three percent) of the shareholders' equity found in the audited balance sheet of the Company; **(viii)** approve, together with another Officer of the Company, the brand license held or being used by the Company, directly or indirectly by any company controlled by it; and **(ix)** set the remuneration of each of the other Officers of the Company, observing the annual overall remuneration passed by the Shareholders' Meeting, the value stipulated for this annual overall remuneration by the Board of Directors on behalf of its members and the CEO and the remuneration and benefits policy for the Officers and employees of the Company and its subsidiaries as approved by the Board of Directors.

Company Representation

25. Company Representation. The Company is actively and passively represented **(i)** by 2 (two) Officers working together; **(ii)** by 1 (one) Officer together with 1 (one) attorney in fact with specific powers; or **(iii)** by 2 (two) attorneys in fact with specific powers. . The acts for which these Articles of Incorporation require the prior authorization of the Shareholders' Meeting, of the Board of Directors and the CEO may only be performed when such a condition is met.

25.1. Exceptions for Specific Acts. The Company may be represented by 1 (one) Officer or 1 (one) attorney, acting individually: **(i)** to act before federal, state and municipal governmental departments, autonomous governmental departments, offices and their branches and supervision centers, agencies and inspection stations, mixed-economy public companies, *Banco Central do Brasil*, *Banco do Brasil* and their portfolios and departments, Brazilian Company of Mail and Telegraph, railway companies, Infraero (Brazilian company of airport infrastructure) and air carriers and telephone and communication companies which do not entail the creation of obligations or waiver of rights; **(ii)** to discharge payments made to the Company with checks to its order; **(iii)** to appoint a legal representative, particularly regarding the Labor Court; and **(iv)** to issue trade bills, endorse checks to be deposit in the bank account of the Company and to endorse to financial companies trade bills, bills of exchange and other credit instruments, and deposit the proceeds in the account of the Company.

25.2. Appointment of Attorneys in Fact. To appoint attorneys in fact, the following rules shall be observed: **(i)** all the powers of attorney shall be granted by 2 (two) Officers; **(ii)** the powers of attorney shall expressly set the power vested by it and whether the term must be held together 1 (one) Officer or other attorney in fact of the Company, or individually, in the cases under the Article 25.1 above; **(iii)** for the acts which require the prior authorization of the Shareholders' Meeting, the Board of Directors or the CEO, the granting shall be expressly conditioned to the obtainment of such an authorization, which shall be mentioned in its text; and **(iv)** they may not be valid longer than 1 (one) year, except for powers of attorney given to attorneys at law,

with “ad judicia” purposes or for defense in administrative proceedings, which may remain legal for an undetermined period of time.

CHAPTER V **AUDIT COMMITTEE**

26. *Audit Committee.* The Audit Committee shall not working permanently and shall only be set up at the request of the shareholders, in accordance with the applicable law.

26.1. *Inauguration.* The Audit Committee shall take their office, within the 30 (thirty) days following its respective election, by signing the terms of inauguration in the book of minutes of the Audit Committee, without any need for a management guarantee. The inauguration of any Auditor is conditioned to the prior signature **(i)** of the Audit Committee’s Consent Agreement, according to the model given in the New Market Regulation; **(ii)** of the acceptance agreement of the Company’s securities negotiation policy; and **(iii)** of the acceptance agreement of the policy of disclosure of information relevant to the Company; and **(iv)** the acceptance agreement of the Internal Regime of the Audit Committee.

CHAPTER VI **FISCAL YEAR AND PROFITS ALLOTMENT**

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

28. *Use of the Net Profits.* Together with the financial statements, the Board of Directors shall submit to the Ordinary Shareholders’ Meeting a proposal concerning the use of the net profits of a year, observing the provisions under articles 186 and 191 to 199 of the S.A. Act the following provisions:

(a) before any other use, 5% (five percent) will be used to set up a Legal Reserve, which shall not exceed 20% (twenty percent) of the share capital;

(b) the sum used to pay dividends to the shareholders shall be specified, observing the provision under Article 29; and

(c) the balance will be used as proposed by the Board of Directors, including the creation of reserves as referred to in Article 30, "ad referendum" of the Shareholders’ Meeting.

29. *Compulsory Dividend.* The shareholders are entitled to be paid a compulsory dividend, every year, a sum which is not lower than 30% (thirty percent) of the net profit assessed for the same year, adjusted by reducing or raising the amounts specified

under letters "a" and "b" of the subitem I of article 202 of the S.A. Act and observing the subitems II and III of the same law.

29.1. Balances and Allotment of Intermediary Dividends. The Company may prepare biannual balance sheets or in shorter period, and the Board of Directors may decide on the allotment of dividends to be debited from the profits assessed in such balance sheets. The Board of Directors may also allot intermediary dividends, along the year and up until the Ordinary Shareholders' Assembly which will approve the respective financial statements, as retained earnings, profit reserves or Dividend Equalization Reserve, under any of the categories determined by the article 204 of the S.A. Act. The portion of the compulsory dividend which has been paid in advance to the Reserve to Equalize Dividends shall be credited to the same reserve.

29.2. Interest on the Shareholders' Equity. Through resolution made by the Board of Directors interest may be paid on the shareholders' equity, adding the amount of the interest paid or credited to the amount of the compulsory dividend, based on article 9, § 7, of Law nr. 9,249/95.

30. Statutory Reserves. As proposed by the Board of Directors, the Shareholders' Meeting may decide on setting up the following reserves: (i) Dividend Equalization Reserve; (ii) Working Capital Reinforcement Reserve; and (iii) Reserve to Increase the Capital of Participating Companies.

30.1. Dividend Equalization Reserve. The Dividend Equalization Reserve shall be limited to 40% (forty percent) of the share capital amount and shall be used to ensure funds to pay dividends, including interest on the shareholders' equities (Article 29.2), or its advances, in order to maintain the shareholders' remuneration flow, which is made up of resources:

(a) equivalent to up to 50% (fifty percent) of the net profit for the year, adjusted according to the article 202 of S.A. Act;

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

(c) equivalent to up to 100% (one hundred percent) of the amount of adjustments for previous years, recorded as retained earnings; and

(d) arising from the credit corresponding to the dividend advances (Article 29.1).

30.2. Working Capital Reinforcement Reserve. The Working Capital Reinforcement Reserve shall be limited to 30% (thirty percent) of the amount of the share capital amount and shall be used to ensure financial means to run the company,

which is made up of resources equivalent to up to 20% (twenty percent) of net profit for the year, adjusted pursuant to article 202 of the S.A. Act.

30.3. *Reserve to Increase the Capital of Participating Companies.* The Reserve to Increase the Capital of Participating Companies shall be limited to 30% (thirty percent) of the share capital amount and shall be used to ensure the exercise of the preemptive right to subscription in capital increases of the participating companies, which is composed of resources equivalent to up to 50% (fifty percent) of the net profit for the year, adjusted pursuant to article 202 of the S.A. Act.

30.4. *Capitalization of Statutory Reserves.* As proposed by the Board of Directors installments of these reserves shall be capitalized from time to time so that the respective sum will not exceed the 95% (ninety-five percent) limit of the share capital. The balance of such reserves, added to balance of the Legal Reserve, cannot exceed the share capital.

30.5. *Sub-accounts.* The reserves shall specify in distinct sub-accounts, according to their fiscal years, the profits used for the composition and the Board of Directors shall specify the profits used to allot intermediary dividends, which cannot be debited to different subaccounts.

CHAPTER VII
DISPOSAL OF THE CONTROLLING INTEREST

31. *Takeover Bid and Control Disposal.* The disposal of the Company control, either through a single operation, or through successive operations, shall be contracted under a suspension or resolution condition that the control acquirer undertakes to hold a takeover bid to acquire the shares of the other shareholders, observing the conditions and deadlines under the law in force and New Market Regulation, in order to ensure a treatment equal to the one given to the disposing controlling shareholder.

31.1. *Takeover Bid and Indirect Control Disposal.* The takeover bid referred to in the previous Article shall also be carried out: (i) when there is encumbering assignment of rights to subscription of shares and other obligations or rights regarding securities convertible into shares, which may result in the disposal of the Company control; or (ii) in the event of disposal of control of some company which hold the controlling interest in the Company, and, in this case, the disposing controller is compelled to declare to the BM&FBOVESPA the value given to the Company for that disposal and attach documents to prove such a fact.

32. *Takeover Bid and Controlling Interest Acquisition.* The one who already has shares of the Company and acquires its controlling interest, by means of a private agreement to purchase shares entered into with the controlling shareholder concerning any amount of shares, shall be compelled to: (i) hold the takeover bid referred to in Article 31 hereof; and (ii) reimburse the shareholders from whom shares have been bought at the stock exchange in the 6 (six) months prior to the date of control disposal, and they must be paid any difference between the price paid to the disposing controlling shareholder and the sum paid at the stock exchange for shares of the Company within this same period, duly updated by the Amplified Consumer Price Index “IPCA” (or any other index which may replace it) up until the time of payment.

33. *Takeover Bid and Cancellation of the Publicly-Traded Company Register.* The controlling shareholder or the Company is compelled to hold a takeover bid to acquire shares to cancel the publicly-traded company register. In such an event, the minimum price to be offered shall correspond to the economic value assessed in an appraisal report prepared as defined in Article 35 hereof.

34. *Takeover Bid and Removal from the New Market or Corporate Reorganization.* Should the shareholders attending an Extraordinary Shareholders’ Meeting decide that the Company must leave the New Market, (i) so that its shares shall have a register for sale out of the New Market, or (ii) by virtue of corporate reorganization from which the resulting company is not accepted for trading in the New Market, the controlling shareholder shall hold a takeover bid to acquire shares from the other shareholders, at

least, at their respective economic value, to be assessed in an appraisal report prepared as defined in Article 35 hereof, respecting the applicable legal and regulatory standards.

35. *Appraisal Report.* The appraisal report referred to in Articles 33 and 34 hereof shall be prepared by a specialized institution or company, with proven expertise, independent from the decision-making power of the Company, its administrators and controllers, and such a report must meet the requirements of article 8, §1 of the S.A. Act and present the accountability under §6 of the same article.

35.1. *Choice of Company in Charge of the Appraisal Report.* The choice of specialized institution or company in charge of appraising the economic value of the Company is the private duty of the Shareholders' Meeting, based on the submission, by the Board of Directors, of a three-name list, and the respective decision, not counting the blank votes, must be made by the majority of the votes from the shareholders who represent the outstanding shares attending the Shareholders' Meeting which addresses the matter, which, if held upon first call, shall be attended by the shareholders who account for, at least, 20% (twenty percent) of the total outstanding shares or, if held upon second call, be attended by any number of shareholders who hold outstanding shares. The required appraisal report preparation costs shall be fully covered by the offeror.

36. *Precedence of the New Market Regulation.* In case of controversy between the New Market Regulation and the Articles of Incorporation, the provisions of the New Market Regulation shall take precedence over the provisions of this Chapter VII.

CHAPTER VIII **ARBITRATION**

37. *Arbitration.* The Company, its shareholders, its Directors and Officers, as well as the members of the Audit Committee, undertake to settle, by means of arbitration, each and every dispute or controversy which may arise among them, related to or resulting from, particularly, the application, validity, effectiveness, interpretation, violation and its effects, of the provisions under the S.A. Act, the Articles of Incorporation of the Company, the rules published by the Brazilian Monetary Council, by the Brazilian Central Bank and the Securities Commission, and also the other rules applicable to the operation of the capital market in general, in addition to those under the New Market Regulation, under the New Market Participation Agreement and the Arbitration Regulation of the Chamber of Arbitration of the Market, as defined in the New Market Regulation.

37.1. *Jurisdiction.* Without prejudice to the effect of Article 37, either party to the arbitration proceedings shall be entitled to resort to the Judicial Branch in order to, if and when necessary, file for injunctive reliefs to protect one's rights, either in

arbitration proceedings already commenced or not commenced yet, and, as soon as any measure of this kind is granted, the competence to judge the merit shall be returned forthwith to the arbitration court set up or to be set up. For the purposes of this Article and the enforcement of the arbitration ruling, the courthouse of the City of São Paulo, State of São Paulo, shall be competent, excluding any other however qualified it may be.

CHAPTER IX **COMPANY WINDING UP**

38. *Company winding up.* The Company will be wound up in the cases under the applicable law, or by virtue of decision from the Shareholders' Meeting, and will be terminated upon the end of the winding up.

38.1. *Appointment of the Liquidator.* The Shareholders' Meeting shall appoint the liquidator, set their fees, determine how the winding up will be conducted and the forms and directions to be followed. The Shareholders' Meeting shall also elect the members of the Audit Committee, which shall work during this period.

CHAPTER X **FINAL PROVISIONS**

39. *Invalid Acts Committed by Directors or Officers.* The Directors, Auditors, Officers, attorneys in fact or employees of the Company are expressly forbidden to commit acts involving the Company which are unrelated to its corporate objective, such acts shall be deemed legally null and void. The commission of such acts shall subject the Directors, Auditors, Officers, attorneys in fact or employees of the Company to civil and criminal liability, if applicable.

40. *Shareholders' Agreement.* The Company, its Directors, Auditors and Officers shall observe the shareholders' agreements filed in its headquarters, and **(i)** the members of the Shareholders' Meeting or the administrative bodies of the Company, particularly its presidents, shall refrain from computing the votes cast against the content of such agreements, and also allow that, in the event of absence or inaction of the shareholder bound to a shareholders' agreement or his/her representative at the Board of Directors, the shareholder wronged by such a conduct, or his/her representatives at the Board of Directors, may vote with the shares of that shareholder or in place of the absent or inactive Director, as the case may be; and **(ii)** the Company is expressly forbidden to accept and make any share transfer, encumbrance or assignment of preemptive right to subscribe share or other securities does not respect the provisions hereunder and under a shareholders' agreement.

41. *Conditions to Register Some Transfers.* The Company shall not register any share transfer to the purchase of the control power, or to the one(s) who may hold the control power, while they do not sign the controllers' consent agreement under the New Market Regulation. The Company shall not register any shareholders' agreement which contemplates the exercise of control power while its signatories have not signed the controllers' consent agreement under the New Market Regulation.

42. *List of Shareholders.* The Company shall provide, at request for the purposes of Paragraph 2 of article 126 of the S.A. Act, to any shareholder who holds at least 0.5% (half percent) of the share capital of the Company, a list with the address of the other Company shareholders. The request has to be duly grounded and sent in a registered letter to the CEO of the Company, who shall provide the list within up to 5 (five) business days from the date of arrival of the letter.

43. *Omitted cases.* The cases which have been omitted in these Articles of Incorporation shall be settled by the Shareholders' Meeting and regulated by the S.A. Act.

44. *Exception to Article 14 "i".* The Shareholders' Meeting, exceptionally, may elect other persons to joint the Board of Directors even if they do not meet the requirement under item "i" of Article 14, provided such persons have not turned 75 (seventy-five) years old on the election date to become a Director. Should such persons turn 75 (seventy-five) during their term of office, they may follow it through.

CHAPTER XI **TRANSITORY PROVISIONS**

45. *Exception to Article 23 "i".* The CEO who may elected during the first meeting of the Board of Directors held after the approval of these Articles of Incorporation may be elected as an Officer (including the position of CEO) of the Company even if he/she does not meet the requirement under item "i" of Article 23, provided he/she has not turned 67 (sixty-seven) years old on the date of his/her election to become an Officer. Should such a CEO turn 67 (sixty-seven) during his/her term of Office, he/she follow it through.