

## **DIVIDENDS POLICY**

### **BYLAWS**

According to our bylaws, and as permitted by the Brazilian corporation law, the mandatory distributable amount is 30% of our net profits after adjustments are made to certain of our reserve accounts. In addition, at March 17, 2004 our Board of Directors adopted a suggested dividends policy which determines a mandatory distributable amount of at least 45% of our net profits after the adjustments provided for in the Brazilian corporation law. However, our dividends policy does not prevent us from declaring dividends in an amount lower than 45% of our adjusted net income under certain circumstances.

The shareholders shall be entitled to receive, every period, as dividends, a minimum compulsory percentage of thirty per cent (30%) on the net profits, with the following adjustments:

- I. The addition of amounts resulting from the reversal, during the period, of reserves for contingencies previously formed;
- II. The decrease of amounts allocated, during the period, to the creation of legal reserves and contingencies reserves;
- III. Whenever the amount of minimum compulsory dividend exceeds the realized portion of the net profits for the year, the administration may propose, and the General Meeting may approve, to allocate the remainder to the creation of realizable profits reserve (Article 197 of the Law No. 6404/76, according to the wording given by the Law No. 10303/01).

The Meeting may attribute a profit sharing to the Administrators, in compliance with the relevant legal limits. The allocation of compulsory dividends referred to in this article to the shareholders is a condition for the payment of this profit sharing. Whenever a semi-annual balance sheet is drawn up and interim dividends are paid based thereon, in amount, at least, equal to thirty per cent (30%) on the net profits for the year, calculated under the terms of this Article, a share in the semi-annual profits may be paid to the Administrators by the Board of Directors' resolution, subject to the approval of the General Meeting.

The Meeting may resolve, at any moment, to distribute dividends on account of reserves for pre-existing profits or retained earnings of prior years, then maintained by force of decision of the Meeting, after the compulsory dividend referred to in this article has been allocated in every period to the shareholders.

The Company may draw up semi-annual or interim balance sheets. The Board of Directors may resolve on the distribution of dividends at debit on account of profit earned in those balance sheets. In addition, the Board of Directors may declare interim dividends at debit on retained earnings account or profit reserves existing in those balance sheets or in the last annual balance sheet.

The dividends not claimed within three years become time-barred in favor of the Company.

The Board of Directors may pay or credit interest on own capital, subject to the approval of the Annual General Meeting examining the financial statements related to the fiscal year in which the referred interests were paid or credited.

#### **Dividend Payment Information**

- a) Shareholders with check accounts at Banco Itaú, the dividend will be deposit into their respective check accounts;
- b) Shareholders with check accounts at other banks that have already indicated their banking information (branch and check account numbers), the payment will be done through electronic transfers or online interbank transfers;
- c) Shareholders that utilize fiduciary custodies will have dividends and interest on capital credited according to the Stock Exchange procedures.

#### **Custodian Bank**

**Banco Itaú**

**Help Desk: 11-5029-7777 or 5029-7780**