

NATURA COSMÉTICOS S.A.

CNPJ/MF n.º 71.673.990/0001-77 Publicly-Held Corporation NIRE 35.300.143.183

**MINUTES OF THE SHAREHOLDERS SPECIAL AND ANNUAL MEETINGS
HELD ON APRIL 13, 2012**

1. Date, Time and Place: April 13, 2012 at 10:20 a.m., at the registered offices of the Company, located in the City of Itapecerica da Serra, State of São Paulo, at Rodovia Régis Bittencourt, Km 293, s/nº., Edifício I, ZIP Code 06882-700.

2. Statutory Publications: (i) Call Notice published in “Diário Oficial do Estado de São Paulo”, in its issued dated March 9, 10 and 13, 2012 on pages 96, 05 and 05, respectively, and in the “Valor Econômico” newspaper, in its issued dated March 9, 120 and 13, 2012 on pages C15, D4 and D5, respectively; (ii) Administration Report, Financial Statements as of and for the fiscal year ended December 31, 2011, together with the related Explanatory Notes and Opinion from Deloitte Touche Tohmatsu Independent Auditors published on February 16, 2012 in “Diário Oficial do Estado de São Paulo” (*Caderno* 122(32), pages 21 to 36) and in “Valor Econômico” (pages B3 to B14).

3. Attending Members: Shareholders representing more than two thirds (2/3) of the aggregate and voting capital stock of the Company, as evidenced by the signatures appearing on the Book of Attendance of the Shareholders. Also present were Mr. Roberto Pedote and Ms. Lucilene Silva Prado, the CFO and Investors Relations Officer and the Director of Legal Affairs of the Company, respectively, and Mr. Edimar Facco, CRC nº 1 SP 138635/O-2, representing the independent auditors of the Company at the time of audit of the Financial Statements pertaining to the fiscal year ended December 31, 2011, Deloitte Touche Tohmatsu Independent Auditors.

4. Composition of the Meeting Board: Roberto Pedote - Chairman, Lucilene Silva Prado - Secretary.

5. Agenda: In Shareholders Special Meeting: (1) amendment of article 5th of the Company’s By Laws, so as to reflect the capital increases approved by the Board of Directors, within the limits of the authorized capital, up until the date of conduction of the Annual Meeting; (2) to proceed with a broad reformulation and restatement of the

Company's By Laws, with special emphasis to the following amendments and inclusions (references to articles of the By Laws take into account the numbering of the proposal to amend the By Laws, submitted through the IPE (periodical information) system): **(a)** conforming of the Company's By Laws to the minimum statutory clauses provided for in the Novo Mercado Segment Listing Rules by means of a amendment and/or inclusion of the following provisions of the By Laws: inclusion of a sole paragraph in article 1st; inclusion of a sole paragraph in article 5th, amendment of paragraph 2nd of article 13, amendment of the *caput* and paragraph 1st of article 16, inclusion of paragraph 6th in article 16, amendment of item XXIII of article 20, inclusion of item XXVI in article 20, amendment of paragraph 3rd of article 26, amendment of article 30, amendment of article 31, amendment of article 32, inclusion of article 33, amendment of article 34, amendment of article 35, amendment of article 36, inclusion of paragraphs 1st and 2nd in article 36, amendment of article 37, inclusion of article 38, amendment of article 40, inclusion of article 41, inclusion of article 42, inclusion of article 43 and amendment of article 45; **(b)** improvement of the wording of article 6th; **(c)** exclusion of the previous paragraph 1st of article 6th, in view of the fact that the provisions contained therein are already contemplated by item XV of article 20 of the By Laws; **(d)** improvement of the wording of items I, III and V of article 12; **(e)** amendment of the *caput* of article 16, so as to increase the maximum number of members of the Board of Directors from 7 to 9 members; **(f)** exclusion of paragraph 2nd of article 16, in view of the fact that the provisions contained therein are already contemplated by article 17 of the By Laws; **(g)** exclusion of paragraph 3rd of article 16, in view of the fact that the provisions contained therein are already contemplated by paragraphs 1st and 3rd of article 13 of the By Laws; **(h)** amendment of the wording of article 18, so as to include a ceiling of three (3) members to the office of Co-Chairmen of the Board of Directors; **(i)** exclusion of paragraph 2nd of article 18, in view of the existence of a conflict between such provision and those of paragraph 1st of article 15 of the By Laws, thereby allowing the Co-Chairman presiding over the Meeting of the Board of Directors to have the casting vote, in the event of a tie in a resolution; **(j)** amendment of the wording of the previous paragraph 3rd of article 18, so as to clarify that in the event of permanent vacancy of any member of the Board of Directors, the Annual Meeting shall be called for purposes of replacing him; **(k)** amendment of the *caput* and of paragraph 3rd and inclusion of paragraph 4th of article 19, so as to add flexibility to and provide deeper details regarding the manner of remote attendance by the Directors in the Meetings of the Board of Directors and the applicable procedure in the event of temporary vacancy; **(l)** amendment of items X, XII, XV, XVIII, XX and XXII of article 20 and inclusion of item XXVII therein, so as to improve the wording and to conform the same to the provisions of the Brazilian Corporations Law; **(m)** exclusion of a portion of paragraph 1st of article 21, in view of the fact that the matter

dealt with therein is already contemplated by paragraph 3rd of article 13 of the By Laws; (n) amendment of the wording of article 22, so as to include a reference to representation and a remark on the attribution of the Officers; (o) amendment of the wording of paragraph 3rd of article 25 so as to improve the wording thereof; (p) amendment of the wording of paragraph 5th of article 28 so as to improve the wording thereof and to conform it to the provisions of the Brazilian Corporations Law.

In Shareholders Annual Meeting: (1) the taking of management accounts, the review, discussion and vote of the Financial Statements as of and for the fiscal year ended December 31, 2011; (2) the examination of the capital budget proposals for the year 2012 and of allocation of the net profit of the fiscal year ended December 31, 2011, as well as resolution on the distribution of dividends and payment of interest on shareholders' equity; (3) election of the Board of Directors of the Company; and (4) setting of the global compensation of the Company's managers to be paid until the Annual Meeting deliberating on the Financial Statements of the fiscal year ended December 31, 2012.

6. Resolutions: After review and discussion of the matters, the attending shareholders resolved, with the abstention of the legally prevented ones:

6.1. To state that the minutes referring to the Meetings will be drawn as a deed and publish with the omission of the shareholders' signatures, as permitted under paragraphs 1st and 2nd of Art. 130 of Law n° 6,404/76.

6.2. In Shareholders' Special Meeting:

6.2.1. To approve, by a majority of votes, the amendment of article 5th of the Company's By Laws, so as to reflect the capital increases approved by the Board of Directors, , within the limits of the authorized capital, up until the date of conduction of the Annual Meeting. Article 5th of the Company's By Laws shall henceforth be in force with the following wording, its paragraphs remaining unaltered:

“Article 5º - The capital stock of the Company, fully subscribed for and paid in, is of four hundred twenty-seven million, seventy-two thousand, seven hundred and seven Brazilian Reais and thirty-two cents (R\$427,072,707.32), divided into four hundred thirty-one million, two hundred thirty-nine thousand, two hundred sixty-four (431,239,264) registered common shares, with no par value.”

6.2.2. To approve, by a majority of votes, the broad reformulation of the Company's By Laws, as per the wording set forth in the Management Proposal, so as to implement the following modifications: **(a)** inclusion of a sole paragraph in article 1st, inclusion of a sole paragraph in article 5th, amendment of paragraph 2nd of article 13, amendment of the *caput* and paragraph 1st of article 16, inclusion of paragraph 6th in article 16, amendment of item XXIII of article 20, inclusion of item XXVI in article 20, amendment of paragraph 3rd of article 26, amendment of article 30, amendment of article 31, amendment of article 32, inclusion of article 33, amendment of article 34, amendment of article 35, amendment of article 36, inclusion of paragraphs 1st and 2nd in article 36, amendment of article 37, inclusion of article 38, amendment of article 40, inclusion of article 41, inclusion of article 42, inclusion of article 43 and amendment of article 45; **(b)** to improve the wording of article 6th; **(c)** exclusion of the previous paragraph 1st of article 6th; **(d)** to improve the wording of items I, III and V of article 12; **(e)** amendment of the *caput* of article 16; **(f)** exclusion of paragraph 2nd of article 16; **(g)** exclusion of paragraph 3^o of article 16; **(h)** amendment of the wording of article 18; **(i)** exclusion of paragraph 2nd of article 18; **(j)** amendment of the wording of the previous paragraph 3rd of article 18; **(k)** amendment of the *caput* and of paragraph 3rd and inclusion of paragraph 4th of article 19; **(l)** amendment of items X, XII, XV, XVIII, XX and XXII of article 20 and inclusion therein of item XXVII; **(m)** exclusion of a portion of paragraph 1st of article 21; **(n)** amendment of the wording of article 22; **(o)** amendment of the wording of paragraph 3rd of article 25; and **(p)** amendment of the wording of paragraph 5th of article 28.

6.2.3. To approve, by a majority of votes, the restatement of the Company's By Laws, which shall henceforth be in force with the wording set forth in Exhibit I to the present Minutes.

6.3. In Shareholders Annual Meeting:

6.3.1. To approve, by a majority of votes and with no disclaimer whatsoever, after having been reviewed and discussed, the management accounts and the Financial Statements of the Company as of and for the fiscal year ended December 31, 2011, which, together with the related Explanatory Notes and dos Independent Auditors Opinion, were published in full on February 16, 2012 in the "Diário Oficial do Estado de São Paulo" (*caderno* 122(32), pages 21 to 36) and in the "Valor Econômico" newspaper (pages B3 to B14).

6.3.2. To approve, by a majority of votes and with no disclaimer whatsoever, the capital budget of the Company for the year 2012 that, including fixed assets and working capital, shall be of R\$250,630,238.54, and has the following sources: (a) R\$3,530,238.54 from the Retained Earnings Reserve; and (b) R\$247,100,000.00 from third parties' proceeds.

6.3.3. To approve, by a majority of votes and with no disclaimer whatsoever, the proposal pertaining to the allocation of the results of the fiscal year ended December 31, 2011, corresponding to R\$830,900,897.69, as follows: (i) R\$762,626,269.97, to the payment of dividends; (ii) R\$61,133,398.49, to the payment of interest on shareholders' equity; (iii) R\$3,464,223.99, to the Retained Earnings Reserve; and (iv) R\$3,677,005.24, to the Tax Incentive Reserve. Of the amount referring to payment of dividends and interest on shareholders' equity, after set-off against interim dividends paid throughout the fiscal year of 2011, there shall remain a net balance payable of R\$490,950,841.32, which shall be distributed to the shareholders as follows: (a) dividends, in the aggregate amount of R\$467,323,863.72, corresponding to R\$1.09117684 per share (excluding treasury shares), without withholding of the Income Tax, as per the applicable legislation in force. Shareholders of record as of February 24, 2012 shall be entitled to such dividends, provided that from February 27, 2012 onwards, the shares of the Company shall be traded *ex-dividends*; and (b) interest on shareholders' equity, referring to the period comprised between July 21 and December 31, 2011, in the aggregate amount of R\$23,626,977.60, corresponding to R\$0.05516776, per share (excluding treasury shares), with withholding of 15% Income Tax, resulting in net interest on shareholders' equity of R\$0.04689260 per share, except for the shareholders that demonstrate to be tax exempted or immune. Shareholders of record as of February 24, 2012 shall be entitled to such interest on shareholders' equity, provided that from February 27, 2012 onwards, the shares of the Company shall be traded *ex-interest* on shareholders' equity. In view of the fact that the balance of the Legal Reserve, added to the Capital Reserves, outreached the amount of the capital stock of the Company by 30%, the Company did not allocate 5% of its net profits for the fiscal year ended December 31, 2011 to the constitution of the Legal Reserve. Shareholders as of the aforementioned dates, entitled to receive dividends and interest on shareholders' equity and having a credit option registered with Banco Itaú S.A., the Depositary Financial Institution for shares of the Company's issuance, shall have their dividends and interest on shareholders' equity automatically credited on April 18, 2012. Shareholders that do not have such credit option registered with Banco Itaú S.A. shall appear at a branch of Banco Itaú S.A. to proceed with the updating of their identification data required for the subsequent receipt of dividends and interest on shareholders' equity, subject to a minimum term for deposit of three (3) business days

counted from the date of updating of the identification data (on or after April 18, 2012). For shareholders users of the fiduciary custody provided by CBLC – Companhia Brasileira de Liquidação e Custódia, dividends and interest on shareholders' equity shall be credited, on April 18, 2012, in accordance with their identification register (*cadastros*) kept at that Institution.

6.3.4. To approve, by a majority of votes and with no disclaimer whatsoever, that the Board of Directors shall be formed by nine (9) members, of which the first 6 are reelected, all of which having a term of tenure until the Shareholders' Annual Meeting to be held in 2013, namely: (a) Mr. **ANTONIO LUIZ DA CUNHA SEABRA**, a Brazilian citizen, married, economist, holder of Identity Card RG nº 3.524.557 SSP/SP, enrolled as a Taxpayer under CPF/MF nº 332.927.288-00, with business address in the City of São Paulo, State of São Paulo, at Rua Amauri, nº 255, 4th floor; (b) Mr. **GUILHERME PEIRÃO LEAL**, a Brazilian citizen, divorced, business manager, holder of Identity Card RG nº 4.105.990-6 SSP/SP, enrolled as a Taxpayer under CPF/MF nº 383.599.108-63, with business address in the City of São Paulo, State of São Paulo, at Rua Amauri, nº 255, 4th floor; (c) Mr. **PEDRO LUIZ BARREIROS PASSOS**, a Brazilian citizen, married, engineer, holder of Identity Card RG nº 4.700.753 SSP/SP, enrolled as a Taxpayer under CPF/MF nº 672.924.618-91, with business address in the City of São Paulo, State of São Paulo, at Rua Amauri, nº 255, 4th floor; (d) Mr. **LUIZ ERNESTO GEMIGNANI**, a Brazilian citizen, married, mechanical engineer, holder of Identity Card RG nº 3.587.626-8 SSP/SP, enrolled as a Taxpayer under CPF/MF nº 345.209.708-06, with business address in the City of São Paulo, State of São Paulo, at Avenida Presidente Juscelino Kubitschek, nº 1.830, 14th floor, Torre 4, Itaim Bibi, ZIP CODE 04543-900; (e) Mr. **JULIO MOURA NETO**, a Brazilian citizen, married, business manager and engineer, holder of Identity Card RG nº 04547S42-7 SSP/RJ, enrolled as a Taxpayer under CPF/MF nº 468.948.027-34, with business address in the City of São Paulo, State of São Paulo, at Rua Amauri, nº 255, 4th floor; (f) Mr. **MARCOS DE BARROS LISBOA**, a Brazilian citizen, divorced, economist, holder of Identity Card RG–Detran/RJ nº 006.653.074-2, enrolled as a Taxpayer under CPF/MF nº 806.030.257-49, with business address in the City of São Paulo, State of São Paulo, at Praça Alfredo Egydio de Souza Aranha, 100, Torre Olavo Setúbal, Jabaquara, ZIP CODE: 04344-902; (g) Mr. **RAUL GABRIEL BEER ROTH**, a Uruguayan citizen, married, engineer, holder of Foreigners Identity Card RNE W512502-2, enrolled as a Taxpayer under CPF/MF nº 761.608.078-20, with business address in the City of São Paulo, State of São Paulo, at Avenida Pacaembu, 1.976, Pacaembu, ZIP CODE 01234-000; (h) Mr. **PLÍNIO VILLARES MUsETTI**, a Brazilian citizen, married, civil engineer, holder of Identity Card 4.140.800-7 SSP/SP, enrolled as a Taxpayer under CPF/MF nº 954.833.578-68, with business address in the

City of São Paulo, State of São Paulo, at Rua Amauri, 255, 17th floor, Itaim Bibi, ZIP CODE 01448-000, and (i) Mr. **ROBERTO DE OLIVEIRA LIMA**, a Brazilian citizen, divorced, business manager, holder of Identity Card 4.455.053-4 SSP/SP, enrolled as a Taxpayer under CPF/MF n° 860.196.518-00, with business address in the City of São Paulo, State of São Paulo, at Rua Afonso Bráz, 579, 3rd floor, Moema, ZIP CODE 04511-011.

6.3.5. To record that: (i) Messrs. **LUIZ ERNESTO GEMIGNANI, MARCOS DE BARROS LISBOA** and **ROBERTO DE OLIVEIRA LIMA**, fulfill the requirements provided for in the Novo Mercado Segment Listing Rules of the BM&FBOVESPA, being therefore considered as independent directors; (ii) the résumés of the directors elected hereby were submitted to the Meeting in compliance with the provisions of §2nd of Art. 3rd of CVM Instruction n° 367/02; (iii) the directors, having executed the Managers' Term of Adherence to the Novo Mercado Segment Listing Rules take their offices by means of the execution of the respective investiture terms in the proper book, whereupon they shall provide the declaration of absence of impediment provided for in the law.

6.3.6. To approve, by a majority of votes and with no disclaimer whatsoever, the annual global compensation of the members of the Board of Directors and Management of the Company, in the aggregate amount of R\$22,124,765.90 to be paid from the present date until the date in which the Shareholders' Annual Meeting of 2013 shall be held.

CLOSING: With no further business to be transacted, the meeting was adjourned and these Minutes, drawn in summary form, were read, approved and executed by the attending members. .

Itapecerica da Serra, April 13, 2012.

Meeting Board:

Roberto Pedote
Chairman

Lucilene Silva Prado
Secretary

Shareholders:

Signatures: LISIS PARTICIPSHARES S.A.; ANTONIO LUIZ of the CUNHA SEABRA; UTOPIA PARTICIPSHARES S.A.; GUILHERME PEIRÃO LEAL; PASSOS PARTICIPSHARES S.A.; PEDRO LUIZ BARREIROS PASSOS; ANP PARTICIPSHARES S.A.; ANÍZIO PINOTTI; RM FUTURA PARTICIPSHARES S.A. RONUEL MACEDO DE MATTOS; LUCILENE SILVA PRADO; ALESSANDRO CARLUCCI; ROBERTO PEDOTE; JOÃO PAULO BROTTO GONÇALVES FERREIRA; JOSÉ VICENTE MARINO; MARCELO LOPES CARDOSO (p.p. Fabiana Utrabo Rodrigues); MOACIR SALZSTEIN; LUIZ ERNESTO GEMIGNANI; MERCEDES MARINA STINCO; ARLEU ALOISIO ANHALT; SERGIO FEIJÃO FILHO; ATMOS MASTER FUNDO DE INVESTIMENTO EM SHARES; NAUTILUS INVESTMENTS LLC (p.p. Renata Benacchio Regino) EDUARDO LOBATO SALLES MOULIN LOUZADA (p.p. Gustavo Fiuza Quevedez); ITAÚ SHARES DIVIDENDS - FUNDO DE INVESTIMENTO; ITAÚ INDEX SHARES IBOVESPA - FUNDO DE INVESTIMENTO; ITAÚ FLEXPREV SHARES FUNDO DE INVESTIMENTO; ITAÚ SHARES IBRX ATIVO FI (p.p. _____); PIBB FD INDICE BRASIL - 50 BRASIL TRACKER (p.p. _____); RT GALAXIA SHARES FUNDO DE INVESTIMENTO (p.p. _____); FUNDO DE INVESTIMENTO EM SHARES IP SELEÇÃO; BANESPREV MAIS VALOR SHARES FI; IP - PARTICIPSHARES INSTITUCIONAL MASTER FIA; SÃO FERNANDO V - FUNDO DE INVESTIMENTO EM SHARES (p.p. Gabriel Raoni Gomes Lopes Ribeiro); SÃO FERNANDO IV - FUNDO DE INVESTIMENTO EM SHARES; DYC FUNDO DE INVESTIMENTO EM SHARES; ASCESE FUNDO DE INVESTIMENTO EM SHARES; DYNAMO COUGAR FUNDO DE INVESTIMENTO EM SHARES; DYBRA FUNDO DE INVESTIMENTO EM SHARES; DYNAMO BETON FUNDO DE INVESTIMENTO EM SHARES; DYNAMO BRASIL I LLC; DYNAMO BRASIL II LLC; DYNAMO BRASIL III LLC; DYNAMO BRASIL V LLC; DYNAMO BRASIL VII LLC; DYNAMO BRASIL VI LLC; DYNAMO BRASIL VIII LLC; DYNAMO BRASIL IX LLC; KEMNAY DYBRA LLC; DYNAMO BRASIL XIII LLC; RAUTA FUNDO DE INVESTIMENTO EM SHARES; TNAD FUNDO DE INVESTIMENTO EM SHARES; FPRV DYN UIRAPURU FIA PREVIDENCIÁRIO (p.p. Julio Andre Kogut); EQ ADVISORS TRUST - EQ/DAVIS NEW YORK VENTURE PORT; EQ ADVISORS TRUST - EQ/MORGAN STANLEY MID CAP GROWTH PORTFOLIO; FIDELITY CENTRAL INV PORT LLC: FID CONSUMER ST C FUND; FIDELITY CENTRAL INV PORT LLC: FIDELITY EM MK EQ C F; ; FRANKLIN TEMPLETON INVESTMENT FUNDS; JNL/LAZARD EMERGING

MARKETS FUND; JPMORGAN INTERNATIONAL EQUITY INDEX FUND; MORGAN STANLEY INV FUNDS AMERICAN FRANCHISE FUND; NORGES BANK; OPPENHEIMER DEVELOPING MARKETS FUND; PUBLIC EMP RETIREMENT ASSOCIATION OF NEW MEXICO; SBC MASTER PENSION TRUST; T. ROWE PRICE RETIREMENT DATE TRUST; T. ROWE PRICE EMERGING MARKETS STOCK FUND; T. ROWE PRICE FUNDS SICAV; T. ROWE PRICE II F, INC. ON B OF ITS S S T. ROWE P I MK EQ F; T. ROWE P T CO, T OF THE INT C T F ON B OF ITS UT, EMET; TEMPLETON EMERGING MARKETS FUND (AUSTRALIA); THE BOEING COMPANY EMP RET PLANS MASTER TRUST; THE PUBLIC EDUCATION EMP RET SYSTEM OF MISSOURI; THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI; VANGUARD INVESTMENT SERIES, PLC; VANGUARD TOTAL INV STOCK I F, A SERIES OF VANGUARD STAR F; ABERDEEN GLOBAL - LATIN AMERICAN EQUITY FUND; ABERDEEN LATIN AMERICAN INCOME FUND LLC; THE ROYAL BANK OF SCOT PLC AS DEP OF AB L A EQ FUND; BLACKWELL PARTNERS, LLC; ARISAIG LATIN AMERICA FUND LLC; BLACKROCK KOREA LATIN AMERICAN FUND-MASTER; BURGUNDY EMERGING MARKETS FOUNDATION; BURGUNDY EMERGING MARKETS FUND; CALAMOS GLOBAL FUNDS PLC - CALAMOS EMERGING MARKETS FUND; FONDS REGROUPE CUM; RBC DEXIA INVESTOR S T AS T FOR THE CANADA POST C P PLAN; TREASURY GROUP INVEST SERV LTD AS R and F T T and M and FD; ABERDEEN LATIN AMERICA EQUITY FUND, INC; ABU DHABI RETIREMENT PENSIONS AND BENEFITS FUND; ADVANCED SERIES TRUST - AST INTERNATIONAL VALUE PORTFOLIO; ALABAMA TRUST FUND; ALASKA PERMANENT FUND; ALLIANZ VARIABLE INSURANCE PRODUCTS TRUST; ALPINE GLOBAL CONSUMER GROWTH FUND; ARKANSAS PUBLIC EMP RETIREMENT SYSTEM; AT&T UNION WELFARE BENEFIT TRUST; ATWILL HOLDINGS LIMITED; BELL ATLANTIC MASTER TRUST; BELLSOUTH CORP RFA VEBA TRUST FOR NON-REPRESENT EMPLOYEES; BELLSOUTH CORPORATION RFA VEBA TRUST; BILL AND MELINDA GATES FOUNDATION TRUST; BLACKROCK CDN MSCI EMERGING MARKETS INDEX FUND; BLACKROCK INSTITUTIONAL TRUST COMPANY NA; BMF HOLDINGS LIMITED; BT PENSION SCHEME; CAISSE DE DEPOT ET PLACEMENT DU QUEBEC; CALAMOS EVOLVING WORLD GROWTH FUND; CALAMOS INTERNATIONAL GROWTH FUND; CALAMOS INTERNATIONAL GROWTH FUND LP; CALIFORNIA IRONWORKERS FIELD PENSION TRUST; CALVERT WORLD VALUE FUND INC- INTL EQUITY FUND;

CANADA PENSION PLAN INVESTMENT BOARD; CENTRAL STATES SOUTHEAST SOUTHWEST A PE FD; CF DV EMERGING MARKETS STOCK INDEX FUND; CIBC EMERGING MARKETS INDEX FUND; CITY OF WESTMINSTER SUPERANNUATION FUND; CN CANADIAN MASTER TRUST FUND; COLLEGE RETIREMENT EQUITIES FUND; COMPASS AGE LLC; CONSULTING GROUP CAPITAL MARKETS FUNDS - INTERN EQUITY INVES; COUNTY EMPLOYEES ANNUITY AND BENEFIT FD OF THE COOK COUNTY; DTE ENERGY COMP AFFILIATES EMPLOYEE BENEFIT PLANS MASTER TRUST; DTE VEBA MASTER TRUST; EATON VANCE COLLECTIVE INVESTMENT TFE BEN PLANS EM MQ EQU FD; EATON VANCE INT (IR) F PLC-EATON V INT (IR) PAR EM MKT FUND ; EATON VANCE PARAMETRIC STRUCTURED EMERGING MARKETS FUND; EATON VANCE PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND; EATON VANCE TR CO CO TR FD - PA STR EM MKTS EQ COM TR FD; ELECTRICITY SUPPLY PENSION SCHEME; EMERGING MARKETS EQUITY GROUP TRUST; EMERGING MARKETS EQUITY INDEX MASTER FUND; EMERGING MARKETS EQUITY INDEX PLUS FUND; EMERGING MARKETS EQUITY TRUST 1; EMERGING MARKETS EQUITY TRUST 4; EMERGING MARKETS EX-CONTROVERSIAL WEAPONS EQUITY INDEX FD B; EMERGING MARKETS INDEX NON-LENDABLE FUND B; EMERGING MARKETS PLUS SERIES OF BLACKROCK QUANTITATIVE PARTNERS; EMERGING MARKETS SUDAN FREE EQUITY INDEX FUND; ENHANCED EMERGING MARKETS SER OF BLACK QUANTIT PARTNERS LP; ENVIRONMENT AGENCY ACTIVE PENSION FUND; ETHICAL GLOBAL EQUITY FUND; ETHICAL GROWTH FUND; FIDELITY INVESTMENT TRUST: FIDELITY SERIES EMERGING MARK FUN; FIDELITY INVESTMENT TRUST: FIDELITY TOTAL EMERGING MARKETS F; FIDELITY RUTLAND SQUARE T II: STRAT ADV G MULTI-MANAGER FD; FIDELITY RUTLAND SQUARE TRUST II: STRATEGIC ADVISERS GRW FD; FIDELITY SALEM STREET TRUST: FIDELITY SERIES G EX US I FD; FIDELITY SALEM STREET TRUST: SPARTAN EMERGING MARKETS IND FD; FIDELITY SALEM STREET TRUST: SPARTAN GL EX U.S. INDEX FUND; FIDELITY SELECT PORTFOLIOS CONSUMER STAPLES PORTFOLIO;FLORIDA RETIREMENT SYSTEM TRUST FUND;FORD MOTOR CO DEFINED BENEF MASTER TRUST; FUTURE FUND BOARD OF GUARDIANS; GENERAL CONF CORP OF SEVENTH DAY ADVENTIST ;GENERAL ELECTRIC PENSION TRUST; GMAM INVESTMENT FUNDS TRUST; HANSBERGER INTERNATIONAL SERIES EMERGING MARKETS FUND; HOWARD

HUGHES MEDICAL INSTITUTE; HSBC EMERGING MARKETS POOLED FUND; IBM 401 (K) PLUS PLAN; IDF INVESTMENT FOUNDATION; ILLINOIS STATE BOARD OF INVESTMENT; IMPERIAL EMERGING ECONOMIES POOL; INDIANA STATE TEACHERS RETIREMENT FUND; ING DAVIS NEW YORK VENTURE PORTFOLIO; ING INTERNATIONAL CORE FUND; ING WISDOMTREE GLOBAL HIGH- YIELDING EQUITY INDEX PORTFOLIO; IRON WORKERS DISTRICT COUNCIL OF PHILADELPHIA & VICINITY; IRONWORKERS LOCALS 40, 361 & 417 ANNUITY FUND; IRONWORKERS LOCALS 40, 361 & 417 PENSION FUND; ISHARES MSCI BRAZIL (FREE) INDEX FUND; ISHARES MSCI BRIC INDEX FUND; ISHARES MSCI EMERGING MARKETS INDEX FUND; ISHARES MSCI EMERGING MARKETS MINIMUM VOLATILITY INDEX FUND; JOHN HANCOCK FUNDS II FUNDAMENTAL VALUE FUND; JOHN HANCOCK FUNDS II INTERNATIONAL EQUITY INDEX FUND; JOHN HANCOCK VARIABLE INS TRUST FUNDAMENTAL VALUE TRUST; JOHN HANCOCK VARIABLE INS TRUST INTERN EQUITY INDEX TRUST A; JOHN HANCOCK VARIABLE INS TRUST INTERN EQUITY INDEX TRUST B; JUBAK GLOBAL EQUITY FUND; LAZARD EMERGING MARKETS EQUITY BLEND PORTFOLIO; LAZARD EMERGING MARKETS FUND; LAZARD EMERGING MARKETS GROWTH FUND; LAZARD EMERGING MARKETS INSTITUTIONAL TRUST; LAZARD EMERGING MARKETS MULTI-STRATEGY PORTFOLIO; LAZARD GLOBAL ACTIVE FUNDS, PLC; LAZARD GLOBAL INVESTMENT FUNDS PUBLIC LIMITED COMPANY; LAZARD RET EM MKTS PORT OF THE LAZARD R.S.I.; LAZARD/WILMINGTON COLLECTIVE TRUST; LEGG MASON GLOBAL FUNDS FCP (LUXEMBOURG); LEGG MASON PARTNERS EQUITY T - L M and E MARKETS EQUITY FUND; LOOMIS SAYLES GLOBAL EQUITY AND INCOME FUND; MANING & NAPIER FUND INC WORLD OPPORTUNITIES SERIES; MANNING & NAPIER FUND, INC. OVERSEAS SERIES; MANNING & NAPIER FUND, INC. PRO-BLEND EXTENDED TERM SERIES; MANNING & NAPIER FUND, INC. PRO-BLEND MAXIMUM TERM SERIES; MANNING & NAPIER FUND, INC. PRO-BLEND MODERATE TERM SERIES; MELLON BANK N.A EB COLLECTIVE INVESTMENT FUND PLAN; MFS MERIDIAN FUNDS - LATIN AMERICAN EQUITY FUND; MGI FUNDS - MGI NON-US CORE EQUITY FUND; MINISTRY OF STRATEGY AND FINANCE; MORGAN STANLEY INSTITUTIONAL F, INC. - INT ADV PORTFOLIO; MORGAN STANLEY INSTITUTIONAL F, INC. GL ADVANTAGE PORTFOLIO; MORGAN STANLEY INSTITUTIONAL FUND TRUST MID CAP GROWTH PORTF; MORGAN STANLEY INSTITUTIONAL FUND, INC -

ADVANTAGE PORTFOLIO; MORGAN STANLEY MID CAP GROWTH FUND; MORGAN STANLEY SELECT DIMENSIONS INVEST SERIES, MID CAP G P; NATIONAL ELEVATOR INDUSTRY PENSION PLAN; NEW ZEALAND SUPERANNUATION FUND; NEWTON GLOBAL EQUITY FUND; NORTHERN TRUST INVESTMENT FUNDS PLC; NORTHERN TRUST UCITS COMMON CONTRACTUAL FUND; NOVA SCOTIA PUBLIC SERVICE SUPERANNUATION FD; NOVA SCOTIA TEACHERS PENSION FUND; NUVEEN INTERNATIONAL SELECT FUND; OFI INSTITUTIONAL EMERGING MARKETS EQ FUND LP; OFI TRUST COMPANY; OPPENHEIMER GLOBAL ALLOCATION FUND; PACIFIC SELECT FUND - MID-CAP GROWTH PORTFOLIO; PANAGORA GROUP TRUST; PAX WORLD FUNDS SERIES TRUST I - PAX WORLD BALANCED FUND; PAX WORLD FUNDS SERIES TRUST I - PAX WORLD INTERNATIONAL FUN; PENSIONDANMARK INVEST F.M.B.A. - EMERGING MARKETS AKTIER; PENSIONDANMARK INVEST F.M.B.A., STABILE AKTIER; PENSIONSKASSERNES ADMINISTRATION A/S; PICTET - EMERGING MARKETS INDEX; PICTET FUNDS S.A RE: PI(CH)-EMERGING MARKETS TRACKER; PNM RESOURCES, INC EMPLOYEES RETIREMENT PLAN; PPL SERVICES CORPORATION MASTER TRUST; PRUDENTIAL WORLD FUND, INC-PRUDEN. INTERNATIONAL VALUE FUND; PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO; PUBLIC EMPLOYEES RET SYSTEM OF MISSISSIPPI; PYRAMIS GLOBAL EX U.S. INDEX FUND LP; RAYTHEON COMPANY MASTER TRUST; ROGERSCASEY TARGET SOLUTIONS, LLC; SAN DIEGO GAS & ELEC CO NUC FAC DEC TR QUAL; SANOFI-AVENTIS US PENSION TRUST; SCHWAB EMERGING MARKETS EQUITY ETF; SCHWAB FUNDAMENTAL EMERGING MARKETS INDEX FUND; SCOTTISH MORTGAGE INVESTMENT TRUST PLC; SOUTHERN CAL ED C N F Q C DC MT S ON P VD N G; SPDR S&P EMERGING LATIN AMERICA ETF; SPDR S&P EMERGING MARKETS ETF; SSGA EMERGING MARKETS INDEX PLUS NON LENDING COMMON TR FUND; SSGA MSCI BRAZIL INDEX NON-LENDING QP COMMON TRUST FUND; SSGA SPDR ETFS EUROPE I PLC; STATE OF CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM; STATE OF IND PUBLIC EMPL RET FUND; STATE OF NEW JERSEY COMMON PENSION FUND D; STATE OF OREGON; STATE ST B AND T C INV F F T and RETIR PLANS; STATE STREET EMERGING MARKETS; STICHTING BLUE SKY ACT EQ EM MK GL FUND; STICHTING PENSIOENFONDS HOOGOEVENS; STICHTING PENSIOENFONDS VAN DE ABN AMRO BK NV; TARGET ASSET ALLOCATION FDS - TARGET MODERATE ALLOCATION FD; TARGET

ASSET ALLOCATION FUNDS - TARGET GROWTH ALLOCATION FD; TEACHER RETIREMENT SYSTEM OF TEXAS; THE ARCHDIOCESE OF HARTFORD INVESTMENT TRUST; THE EM MKT EQ INV PORT OF CONGR CAP MKT FDS; THE HARTFORD ROMAN CATHOLIC DIOCESAN CORPORATION RPMT; THE JAMES IRVINE FOUNDATION; THE KROGER CO MASTER RETIREMENT TRUST; THE LAZARD FUNDS INC; THE M T BK OF JAPAN, LTD. AS T FOR S S and M INDEX and M FUND; THE MONETARY AUTHORITY OF SINGAPORE; THE PENSION RESERVES INVESTMENT MANAG. BOARD; THE PRUDENTIAL SERIES FUND: SP INTERNATIONAL VALUE PORTFOLIO; THE ROYAL BANK OF SCOTLAND PLC AS DEP OF AB L A EQUITY FUND; THE TARGET PORTFOLIO TRUST - INTERNATIONAL EQUITY PORTFOLIO; THE UNIVERSAL INSTITUTIONAL FUNDS, INC., MID CAP GROWTH PORT; THORNBURG INTERNATIONAL EQUITY FUND; THORNBURG INTERNATIONAL VALUE FUND; THYSSENKRUPP USA INC MASTER TRUST; TIAA-CREF FUNDS - TIAA-CREF EMERGING MARKETS EQUITY I F; TREASURER OF THE ST.OF N.CAREQT.I.FD.P.TR.; TRILOGY EMERGING MARKETS EQUITY FUND; UPS GROUP TRUST; VANG FTSE ALL-WORLD EX-US INDEX FD, A S OF V INTER and I FDS; VANGUARD EMERGING MARKETS STOCK INDEX FUND; VANGUARD TOTAL WSI FD, A SOV INTERNATIONAL EQUITY INDEX FDS; VARIABLE INS PRODUCTS FUND IV: CONSUMER STAPLES PORTFOLIO; VF CORPORATION PENSION PLAN; VIRGINIA RETIREMENT SYSTEM; WHEATON FRANCISCAN SERVICES INC. INVESTMENT TRUST; WSIB INVESTMENTS PUBLIC EQUITIES POOLED FUND TRUST; EDMOND DE ROTHSCHILD LATIN AMERICA; THE BARING EMERGING MARKETS UMBRELLA FUND, SUB FUND, THE BARING LATIN AMERICA FUND (p.p. Anali Penteadó Buratin); FUNDO FCB MASTER DE INVESTIMENTO DE ACOES; BARTHE HOLDINGS LLC; LS OC LLC; CONSTELLATION LONG SHORT MASTER FIA (p.p. Luis Eduardo Bomentre Ribeiro do Vale); and LUIS EDUARDO BOMENTRE RIBEIRO DO VALE.

BY-LAWS OF NATURA COSMÉTICOS S.A.

ARTICLE I NAME, REGISTERED OFFICE, PURPOSES AND DURATION

Section 1 - NATURA COSMÉTICOS S.A. is a publicly-held corporation, which is governed by these By-laws, applicable legislation and the *Novo Mercado* Listing Regulations (*Regulamento de Listagem no Novo Mercado*).

Sole Paragraph – Given that the Company has joined the special listing segment known as *Novo Mercado*, maintained by BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros (“BM&FBOVESPA”), the Company, its shareholders, Managers and Audit Committee members, if any, are also subject to the provisions of the *Novo Mercado* Listing Regulations of BM&FBOVESPA (“*Novo Mercado* Regulations”).

Section 2 - The registered office of the Company is located in the City of Itapecerica da Serra, State of São Paulo, at Rodovia Régis Bittencourt, w/o no., km 293, Bairro Potuverá, Edifício I, ZIP CODE 06882-700.

Paragraph 1st – The Company may establish branches, agencies, warehouses, offices and other premises of any kind anywhere in Brazil, according to a resolution passed by the Board of Executive Officers.

Section 3 - The purposes of the Company are as follows:

- I. trading, export and import of beauty and personal care products, toiletry, cosmetics, apparel, jewelry, costume jewelry, home articles, foods, nutritional supplements, software, books, publishing material, entertainment products, phonographic products, medication, including phytotherapeutic and homeopathic medicines, drugs, pharmaceutical raw materials, and home cleaning products, the Company being permitted to carry on any and all activities and transactions related to such purposes;
- II. the provision of services of any kind, such as services related to beauty treatment, marketing consulting, credit information, planning, and risk analysis; and
- III. the formation and management of, and the holding of interests in, companies and businesses of any kind and in any manner whatsoever, as a shareholder or quotaholder.

Section 4 - The duration of the Company is for an indefinite period of time.

ARTICLE II CAPITAL STOCK, SHARES AND SHAREHOLDERS

Section 5 - The capital stock of the Company, fully subscribed to and paid in, is of four hundred twenty-seven million, seventy-two thousand, seven hundred and seven Brazilian Reais and thirty-two centavos (R\$ 427,072,707.32), divided into four hundred thirty-one million, two hundred thirty-nine thousand, two hundred sixty-four (431,239,264) registered common shares, with no par value.

Sole Paragraph – The Company may not issue preferred shares.

Section 6 - The Company is hereby authorized to increase its capital stock, irrespective of an amendment to these By-laws, up to four hundred forty-one million, three hundred ten thousand, one hundred twenty-five (441,310,125) common shares, with no par value, upon a resolution of the Board of Directors, which will establish the terms of issuance, including as to price and payment.

Paragraph 1st – Within the limits of the authorized capital, the Board of Directors may approve the issuance of warrants and convertible debentures.

Paragraph 2nd – The Board of Directors may grant stock purchase or subscription options, under the Stock Purchase or Subscription Option Plans approved by the Shareholders' Meeting, to the Managers and employees of the Company, as well as to Managers and employees of other companies directly or indirectly controlled by the Company, without preemptive rights to the shareholders at the time of either grant or exercise of such options, subject to the balance of the authorized capital limit at the time of exercise of subscription options, and the balance of treasury shares at the time of exercise of purchase options.

Paragraph 3rd – The Company is forbidden from issuing founder's shares.

Section 7 - The capital stock of the Company will be represented solely by common shares, and each common share will be entitled to one vote on the resolutions to be adopted by the shareholders.

Section 8 - All shares of the Company will be in book-entry form and will be kept, in the name of the holders thereof, in a deposit maintained with a financial institution authorized to do business by the Brazilian Securities Commission ("CVM").

Sole Paragraph – The costs of any transfers or recordal as well as the costs of services related to the shares under custody may be charged directly to the shareholder by the depositary institution , as defined in the relevant custody agreement.

Section 9 - The Board of Directors may, in its discretion, exclude or restrict preemptive rights when issuing shares, convertible debentures and subscription warrants placed by way of sale on a stock exchange, public subscription or exchange of shares in a tender offer, according to the provisions of law and within the limits of the authorized capital.

**ARTICLE III
MANAGEMENT OF COMPANY**

**PART I
SHAREHOLDERS' MEETING**

Section 10 - The Annual Shareholders' Meeting will be held once a year, and Special Shareholders' Meetings may be held whenever called in accordance with the provisions contained in the law and in these By-laws.

Paragraph 1st – The resolutions of the Shareholders' Meeting will be passed by a majority of votes.

Paragraph 2nd – The Shareholders' Meeting may only resolve on the matters listed in the agenda for the meeting, as set forth in the relevant call notice.

Section 11 - The Shareholders' Meeting will be called and presided over by a shareholder designated by the attendees, who will be allowed to appoint up to two (2) secretaries.

Section 12 - In addition to the powers and duties provided for by law, it is incumbent upon the Shareholders' Meeting:

- I. to elect and remove from office the members of the Board of Directors and the members of the Audit Committee, when applicable;
- II. to fix the aggregate remuneration of the members of the Board of Directors and of the Board of Executive Officers, as well as the compensation of the members of the Audit Committee, when in operation;
- III. to pay stock dividends and approve any stock split or reverse stock split;
- IV. to approve stock purchase or subscription option plans for the Managers and employees of the Company, as well as for the Managers and employees of other companies directly or indirectly controlled by the Company;
- V. to resolve on the allocation of the net income for the year and the distribution of dividends;
- VI. to appoint a liquidator and the Audit Committee that will serve during the period of liquidation;
- VII. to resolve on delisting the Company from the *Novo Mercado* listing segment of the BM&FBOVESPA - Bolsa de Valores Mercadorias e Futuros – (“BM&FBOVESPA”); and
- VIII. to select the specialized firm or entity charged with preparation of an appraisal report for the shares of the Company, in the case of cancellation of registration as publicly-held company or delisting from the *Novo Mercado*, as

provided in Article V hereof, from a list of specialized firms or entities produced by the Board of Directors.

Sole Paragraph - The chairman of the Shareholders' Meeting will comply with and enforce the provisions of the shareholders' agreements filed at the registered office of the Company, and will disregard any votes cast in violation of the contents thereof.

PART II MANAGEMENT BODIES

Subpart I General Provisions

Section 13 - The Company will be managed by the Board of Directors and the Board of Executive Officers.

Paragraph 1st – The Managers will take office by executing a statement of acceptance of office recorded in the appropriate book, the posting of a fidelity bond not being required.

Paragraph 2nd – Investiture of the members of the Board of Directors and of the Board of Executive Officers is contingent upon execution of the Consent of Manager, in accordance with the provisions of the *Novo Mercado* Listing Regulations and applicable legal requirements.

Paragraph 3rd – The Managers will hold their positions until such time as their replacements will have taken office.

Section 14 - The Shareholders' Meeting will set the aggregate annual amount to be distributed among the Managers of the Company, and the Board of Directors will distribute such amount individually to each director and executive officer, subject to the provisions of these By-laws.

Section 15 - A majority of members will constitute a quorum for the meetings of any of the management bodies of the Company, which meetings will pass their resolutions by a majority of votes of the attendees.

Paragraph 1st – In the event of tie in the vote at any meeting of the Board of Directors, the co-chairman of the Board of Directors presiding over the meeting will cast the tie vote.

Paragraph 2nd – The requirement of call notice for meetings may only be waived where all members are in attendance, provided further that votes cast in writing may be computed in this regard.

Subpart II Board of Directors

Section 16 - The Board of Directors will be composed of at least five (5) and no more than nine (9) members, who will be elected and removed by the Shareholders' Meeting, with a unified term of office of up to two (2) years, reelection being permitted.

Paragraph 1st - Out of the members of the Board of Directors, at least twenty percent (20%) will be Independent Directors, as defined in the *Novo Mercado* Regulations and as expressly stated in the minutes of the Shareholders' Meeting that elects such Independent Directors, provided further that a director elected as permitted under Section 141, Paragraphs 4 and 5 of Law 6,404/76 will also be deemed an Independent Director. Should compliance with the foregoing percentage requirement lead to a fractional number of directors, the rounding procedure described in the *Novo Mercado* Regulations will be followed.

Paragraph 2nd – The directors will be persons of excellent reputation and unless otherwise permitted by the Shareholders' Meeting, a person may not be elected as director that (i) holds a position in a company that could be regarded as a competitor of the Company; or (ii) has or poses a conflict of interest with the Company. A director may not cast a vote in the case of the supervening impediment as aforesaid.

Paragraph 3rd – Pursuant to Section 115, Paragraph 1 of Law No. 6,404/76, no voting rights may be exercised for the election of directors where a conflict of interest with the Company exists.

Paragraph 4th – A director may not have access to information or take part in meetings of the Board of Directors that involve matters as to which such director has a conflict of interest with the Company or matters that could pose such a conflict of interest.

Paragraph 5th – In furtherance of its duties, the Board of Directors may establish committees or work groups having defined objectives and comprised of persons designated by the Board from among the management of the Company and/or persons directly or indirectly affiliated with the Company.

Paragraph 6th – A single person may not concurrently hold the offices of chairman of the Board of Directors and President or Chief Executive Officer of the Company.

Section 17 – At the time of election of directors, the Shareholders' Meeting will first determine by a majority of votes the number of directors to be elected. If the cumulative voting system has not been requested pursuant to law, the Shareholders' Meeting will vote on slates of directors filed in advance with the chair, which will ensure that shareholders owning, individually or as a block, fifteen percent (15%) or more of the common shares of the Company will be entitled to nominate one director, subject to the limitation in the leading paragraph of Section 16. The chair may not acceptance for filing a slate in violation of the provision of this section.

Section 18 - The Board of Directors will have up to three (3) co-chairmen, who will be elected by a majority of votes of the directors at the first meeting of the Board held after investiture of the directors, or whenever a resignation or vacancy occurs.

Paragraph 1st – Additionally, at such first meeting of the Board of Directors, the directors will designate one among the co-chairmen to preside over the meetings of the Board of Directors during the entire term of office of the directors.

Paragraph 2nd – In the event of permanent impediment or vacancy on the Board of Directors, the Board will call a Shareholders' Meeting to fill in the open position.

Section 19 - The Board of Directors will hold regular meetings four (4) times a year, and may hold special meetings whenever called by the co-chairman selected as described in Paragraph 1st of Section 18 hereof, or by a majority of directors. The Board meetings may exceptionally be held by telephone conference, video conference, e-mail or any other means of communication that allows identification of each director and simultaneous communication with all other persons attending the meeting.

Paragraph 1st – Notice to all meetings will be given at least seventy-two (72) hours in advance.

Paragraph 2nd – All resolutions passed by the Board of Directors will be recorded in minutes transcribed on the appropriate book of the Board of Directors and executed by all directors in attendance.

Paragraph 3rd – A director attending a meeting of the Board of Directors by telephone conference, video conference or other means of communication, as aforesaid, will confirm its vote in a statement to be sent to the chairman of the meeting by letter, fax, e-mail or other means of communication that allows identification of each director, promptly after the closing of the meeting. Upon receipt of such statement, the chairman will have full authority to execute the minutes of the meeting on behalf of the director in question.

Paragraph 4th – In the event of temporary absence of any director, he or she may be substituted at Board meetings by another director that he or she may have expressly appointed under a specific power of attorney, stating, among other things, the votes to be cast on the items of the agenda for each meeting. In such case, the substitute, in addition to his or her own vote, will cast the vote previously indicated by the absent director. Only an Independent Director may substitute for an absent Independent Director.

Section 20 - In addition to other powers and duties assigned by law or these By-laws, it is incumbent on the Board of Directors:

- I. to regulate the affairs of the Company, and to take charge of, examine and deliberate on, any matters that do not fall within the exclusive authority of the Shareholders' Meeting or the Board of Executive Officers;
- II. to set the general guidelines for the business of the Company;

- III. to elect and remove from office the executive officers of the Company;
- IV. to assign the duties of each executive officer, and to designate the Investor Relations Officer, in compliance with the provisions hereof;
- V. to take action to call the Shareholders' Meeting, at such times as the Board deems fit, or in the case of Section 132 of the Corporation Law (Law No. 6,404/76);
- VI. to oversee the performance of the executive officers; to examine at any time the books and records of the Company; and to request information on any contracts made or about to be made and any other acts;
- VII. to review the quarterly results of operations of the Company;
- VIII. to select and replace the independent auditors;
- IX. to call for the presence of the independent auditors to provide clarification as required;
- X. to issue an opinion on the Management Report and the accounts of the Board of Executive Officers, and to resolve on the submission thereof to the Shareholders' Meeting;
- XI. to approve annual and multi-annual budgets, strategic plans, expansion projects and investment programs, and to follow up on the implementation thereof;
- XII. to approve the creation and dissolution of subsidiaries and the taking of ownership interests in other companies, in Brazil or abroad, as well as the establishment of branch offices, warehouses, offices and any other premises abroad;
- XIII. to order any inspection, audit or taking of accounts with respect to subsidiaries, Controlled companies or affiliates of the Company, or any foundations maintained by the Company;
- XIV. to previously discuss any matters to be submitted to the Shareholders' Meeting;
- XV. to authorize the issuance of shares in the Company within the limits authorized in Section 6 hereof, and to set the terms for any such issuance of shares, including as to price and payment, provided, further, that the Board may exclude preemptive rights or reduce the time period for exercise thereof in the case of shares, convertible debentures and warrants to be placed by way of sale on a stock exchange, public subscription or tender offer, in keeping with the provisions of law;
- XVI. to resolve on the purchase by the Company of the shares of its own capital stock to be kept as treasury shares and/or for subsequent retirement or disposal;

- XVII. to resolve on the issuance of warrants, as provided for in Paragraph 1st of Section 6 hereof;
- XVIII. to grant stock purchase or subscription options, under Stock Purchase or Subscription Option Plans adopted by the Shareholders' Meeting, to the Managers and employees of the Company, as well as to the Managers and employees of other companies directly or indirectly controlled by the Company, without preemptive rights to the shareholders at the time of either award or exercise of such options, with due regard for the balance of the authorized capital at the time of exercise of stock subscription options, and the balance of treasury shares at the time of exercise of the stock purchase options;
- XIX. to set the amount of any profit-sharing to the executive officers, managers and employees of the Company;
- XX. to resolve on the issuance of debentures;
- XXI. to authorize the Company to give a guaranty or security for the obligations of third parties;
- XXII. to approve the levels of authority and the policies of the Board of Executive Officers, as well as any modifications thereof, including rules governing (a) acquisition of fixed assets and incurrence of financial obligations; (b) encumbrance of fixed assets; (c) raising of money and issuance of debt securities for the raising of money, such as bonds, notes, commercial papers, promissory notes and others generally used in the marketplace, and to approve the terms of issuance and redemption thereof, among other rules as to levels of authority; and to oversee compliance with such policies by the executive officers;
- XXIII. to define the list of three firms specialized in economic appraisal in charge of preparing an appraisal report for the shares of the Company in the case of the Tender Offer for cancellation of registration as a publicly-held company or delisting from the *Novo Mercado*;
- XXIV. to approve engagement of the institution that will serve as transfer agent for the book-entry shares of the Company;
- XXV. with due regard for the provisions of these By-laws and prevailing legislation, to regulate the proceedings of the Board and to issue or adopt internal regulations for its operation;
- XXVI. to issue a favorable or unfavorable opinion on any tender offer to purchase shares of the capital stock of the Company, such opinion to be well-reasoned and to be issued no later than fifteen (15) days after publication of the notice for the tender offer, covering at least (i) the convenience and timeliness of the tender offer, in view of the interests of the shareholders as a whole and the liquidity of their securities; (ii) the repercussions of the tender offer on the interests of the Company; (iii) the strategic plans communicated by the offeror with regard to the Company; and (iv) other points that the Board of Directors

may deem relevant, as well as any information required by the applicable rules issued by CVM; and

- XXVII. to resolve on (i) payment of interim dividends, pursuant to Section 28, Paragraph 3rd; and (ii) payment or credit to the shareholders of interest on shareholders' equity during the fiscal year, in accordance with applicable legislation.

Subpart III Board of Executive Officers

Section 21 - The Board of Executive Officers, whose members will be elected and removed by the Board of Directors at any time, will be composed of the Chief Executive Officer, a Chief Marketing Officer, a Chief Legal Officer and a Chief Financial Officer, who will each serve for a term of three (3) years, reelection being permitted.

Paragraph 1st – The Board of Executive Officers will be elected preferably on the date the Annual Shareholders' Meeting is held.

Paragraph 2nd – The Chief Financial Officer will substitute for the Chief Executive Officer in the temporary impediments and absences of the latter, provided, further, that in the event the position of Chief Executive Officer becomes vacant, the Chief Financial Officer will occupy such position until the next meeting of the Board of Directors, which will appoint a replacement to serve for the unexpired portion of the term.

Paragraph 3rd – The remaining executive officers will be replaced, in the case of temporary absence or impediment, by another executive officer selected by the Board of Executive Officers. In the case of the vacancy, the Board will appoint an interim replacement who will serve until the Board of Directors elects a permanent replacement for the unexpired portion of the term.

Section 22 - The Board of Executive Officers will have full authority to take all action required for representation of the Company and achievement of its purposes, no matter how special such action may be, including authority to waive rights and to settle and compromise, subject to the applicable provisions of law and these By-laws, the resolutions adopted by the Shareholders' Meeting and the Board of Directors, and the provisions and levels of authority specified by the Board of Directors. In particular, it is incumbent on the Board of Executive Officers:

- I. to comply with and enforce these By-laws and the resolutions passed by the Board of Directors and the Shareholders' Meeting;
- II. to prepare and submit each year to the Board of Directors a strategic plan, the annual revisions thereof, and the general budget of the Company, and to see to their implementation;
- III. to resolve on the opening, relocation and closing of branch offices, warehouses, offices and any other premises of the Company in Brazil;

- IV. within the limits of authority set by the Board of Directors, to make decisions concerning the acquisition, disposal and/or encumbrance of fixed assets, as well as incurrence of financial obligations related to the investment projects of the Company;
- V. to submit each year for review to the Board of Directors a Management Report and the accounts of the Board of Executive Officers, together with the report of the independent auditors and the proposed application of the income for the preceding year; and
- VI. to submit every quarter to the Board of Directors a detailed trial balance sheet of the Company and its Controlled Companies.

Section 23 - It is incumbent on the Chief Executive Officer, in addition to coordinating the action of the executive officers and guiding the general planning activities of the Company:

- I. to call and preside over the meetings of the Board of Executive Officers;
- II. to keep the members of the Board of Directors abreast of the affairs of the Company and the progress of its operations;
- III. to propose to the Board of Directors, on its own non-exclusive initiative, the duties to be assigned to the executive officers; and
- IV. to carry out such other duties as are assigned by the Board of Directors.

Section 24 – It is incumbent on the executive officers, in addition to carrying out the activities assigned to them by the Board of Directors, to discharge the following duties:

Paragraph 1st – It is incumbent on the Chief Financial Officer:

- (a) to plan, implement and coordinate the financial policies of the Company, and to organize, prepare and monitor its budget;
- (b) to prepare financial statements, and to manage the accounting activities and the treasury of the Company, in keeping with applicable legal requirements;
- (c) to provide guidance to the Company on any decision-making that involves financial risks;
- (d) to prepare financial reports and to provide information on his or her areas of responsibility to the bodies of the Company; and
- (e) to plan and carry out management policies for his or her areas of responsibility.

Paragraph 2nd – It is incumbent on the Chief Marketing Officer:

- (a) to plan, define and manage marketing strategies;

(b) to set up and manage the sales structure and the policies on business relations;

(c) to provide guidance to the Company on any decision-making that involves commercial risks;

(d) to prepare commercial reports and to provide information on his or her areas of responsibility to the bodies of the Company; and

(e) to plan and carry out management policies for his or her areas of responsibility.

Paragraph 3rd – It is incumbent on the Chief Legal Officer:

(a) to organize, control, coordinate and oversee the legal matters and activities of the Company, in all technical, operational and strategic respects;

(b) to counsel the Company on any decision-making that involves legal risks and on the implementation of such decisions, in compliance with applicable legal requirements;

(c) to retain and oversee legal services to be provided by outside professionals;

(d) to prepare legal reports and to provide information on his or her areas of responsibility to the bodies of the Company; and

(e) to plan and carry out management policies for his or her areas of responsibility.

Section 25 - As a general rule, and except for the cases mentioned in the following paragraphs, the Company will be bound by two (2) executive officers, or one executive officer acting together with one attorney in fact, or two (2) attorneys in fact, acting within the limits of their powers of attorney.

Paragraph 1st – The acts for which these By-laws require the prior consent of the Board of Directors may only be performed after this condition has been met.

Paragraph 2nd – The Company may be represented by one (1) single executive officer or one (1) single attorney in fact in the following cases:

(a) where the act to be performed requires a single representative, the Company will be represented by any executive officer or any attorney in fact holding special powers; and

(b) in the case of release and discharge of amounts payable to the Company, issuance and trading, including endorsement and discount, of trade papers for sales made, as well as in the case of correspondence not involving an obligation to the Company and performance of routine acts of management, including those

before governmental agencies, mixed-capital companies, the Federal Revenue Service, State and Local Treasury Departments, the Boards of Trade, the National Health Surveillance Agency, Labor Courts, INSS, FGTS and related collecting banks, and other similar acts.

Paragraph 3rd – The Board of Directors may authorize a single executive officer or attorney in fact acting alone to perform other acts that bind the Company. The Board may also adopt criteria for limitation of authorities and may define certain cases where the Company will be represented by a single executive officer or attorney in fact.

Paragraph 4th – The following rules will apply to the appointment of attorneys in fact:

- (a) all powers of attorney will be issued jointly by any two (2) executive officers;
- (b) where a power of attorney involves performance of acts that require a prior consent from the Board of Directors, execution will be expressly contingent on the securing of such consent, which will be mentioned in the text of the power.

Paragraph 5th – Any acts performed in unconformity with the provisions of this section will be devoid of validity and will not be binding on the Company.

PART III AUDIT COMMITTEE

Section 26 - The Audit Committee of the Company, having such powers and duties as are established by law, will be composed of three (3) acting members and three (3) alternates.

Paragraph 1st – The Audit Committee will not operate on a permanent basis and will only operate when called by the shareholders, in accordance with the provisions of law.

Paragraph 2nd – The internal regulations applicable to the Audit Committee will be approved by the Shareholders' Meeting that convenes the Audit Committee.

Paragraph 3rd - Investiture of the members of the Audit Committee is contingent on execution of the Consent of Audit Committee Member, in accordance with the terms of the *Novo Mercado* Listing Regulations and with applicable legal requirements.

ARTICLE IV DISTRIBUTION OF INCOME

Section 27 - The fiscal year of the Company will start on January 1 and will end on December 31 of each year.

Paragraph 1st – At the end of each fiscal year, the Board of Executive Officers will cause the following financial statements to be prepared, in compliance with applicable legal requirements:

- (a) balance sheet;
- (b) income statement;
- (c) statement of changes in shareholders' equity;
- (d) statement of cash flows;
- (e) statement of added value; and
- (f) notes to the financial statements.

Paragraph 2nd – Together with the financial statements for the fiscal year the Board of Directors will submit to the Annual Shareholders' Meeting the proposed allocation of the net income, in compliance with the provisions of law and these By-laws.

Section 28 - The shareholders will be entitled to receive as dividends each year a mandatory minimum percentage of thirty percent (30%) of the net income, as adjusted by:

- I. adding the amounts resulting from reversal during the year of contingency reserves previously established;
- II. deducting the amounts set aside during the year for establishment of the statutory reserve and contingency reserves; and
- III. where the mandatory minimum dividend exceeds the realized portion of the net income for the year, the management may propose, and the Shareholders' Meeting may approve, allocation of the excess to an unrealized profits reserve (Section 197 of Law 6,404/76, as amended by Law 10,303/01).

Paragraph 1st – The Shareholders' Meeting may approve profit sharing for the Managers, subject to applicable legal limitations. Payment of any profit sharing will be contingent on distribution of the mandatory dividend to the shareholders, as aforesaid. Whenever a semi-annual balance sheet is prepared and interim dividends are paid based on such balance sheet equivalent to at least thirty percent (30%) of the net income for the period, as determined according to the terms of this section, profit sharing may be paid to the Managers with respect to such semi-annual income, upon a resolution of the Board of Directors and subject to subsequent confirmation by the Shareholders' Meeting.

Paragraph 2nd – The Shareholders' Meeting may approve at any time a payment of dividends out of existing profits reserves or earnings from prior years retained pursuant to a resolution of the Shareholders' Meeting, after distribution of the aforesaid mandatory dividend to the shareholders during each year.

Paragraph 3rd – The Company may prepare semi-annual or other interim balance sheets, and the Board of Directors may approve a distribution of dividends out of income determined as per such balance sheets. The Board of Directors may also declare an interim dividend out of retained earnings or existing profits reserves, as shown on such balance sheets or the most recent annual balance sheet.

Paragraph 4th – Any dividends that fail to be claimed within a period of three (3) years will revert to the Company.

Paragraph 5th - The Board of Directors may pay or credit interest on shareholders' equity in accordance with the provisions of prevailing regulations.

Section 29 - The Shareholders' Meeting may approve the capitalization of any reserves established in a semi-annual or other interim balance sheet.

ARTICLE V

SALE OF CONTROLLING INTEREST, CANCELLATION OF REGISTRATION AS A PUBLICLY-HELD COMPANY, AND DELISTING FROM THE *NOVO MERCADO*

Section 30 - The sale of a Controlling Interest in the Company in a single transaction or series of successive transactions must be agreed upon under a condition precedent or subsequent that the Purchaser will make a tender offer to purchase the remaining shares of the Company, subject to the terms of, and within the time limits prescribed by, prevailing legislation and the *Novo Mercado* Listing Regulations, so that the holders of such remaining shares may receive the same treatment as accorded to the Selling Controlling Shareholder.

Section 31 - A tender offer as referred to in the preceding section must also be made:

- I. upon assignment for financial consideration of interests exercisable for newly-issued shares and other securities or interests to convertible securities that may result in the Sale of the Controlling Interest in the Company; or
- II. in the event of sale of the controlling interest in a company that holds Controlling Power over the Company, in which case the Selling Controlling Shareholder will be required to disclose to BM&FBOVESPA the value assigned to the Company in such sale as well as the relevant supporting documentation.

Section 32 - Any person that acquires Controlling Power over the Company as a result of the share purchase agreement entered into with the Controlling Shareholder for any number of shares will be required:

- I. to make a tender offer as provided in Section 30 of these Bylaws; and
- II. to pay, as stated below, a sum equivalent to the difference between the tender offer price and the value per share paid for shares purchased on a stock exchange

within a period of six (6) months next preceding the date of acquisition of Controlling Power, duly adjusted for inflation up to the date of payment. Said sum will be distributed among all persons that sold shares of the Company on the trading sessions where the Purchaser made purchases, pro rata to the net daily selling balance thereof, BM&FBOVESPA to arrange for such distribution in accordance with its regulations.

Section 33 - For the purposes of these By-laws, the following capitalized terms will have the following meanings:

“Controlling Shareholder” and “Selling Controlling Shareholder” have the meanings assigned to such terms in the *Novo Mercado* Regulations.

“Relevant Shareholder” means any person (including, without limitation, any natural person or legal entity, investment fund, joint ownership arrangement, securities portfolio, pooling of interests or other organization residing, domiciled or headquartered in Brazil or abroad) or group of persons bound to a Relevant Shareholder under a voting agreement and/or representing the same interests as a Relevant Shareholder, that subscribes to and/or purchases shares of the Company. Examples of the person representing the same interests as a Relevant Shareholder include any person (i) that is directly or indirectly controlled or managed by such Relevant Shareholder, (ii) that controls or manages in any manner such Relevant Shareholder, (iii) that is directly or indirectly controlled or managed by any person that directly or indirectly controls or manages such Relevant Shareholder, (iv) in which the controlling person of such Relevant Shareholder directly or indirectly has an ownership interest equal to or greater than thirty percent (30%), (v) in which such Relevant Shareholder directly or indirectly holds an ownership interest equal to or greater than thirty percent (30%), or (vi) that directly or indirectly holds an ownership interest in such Relevant Shareholder equal to or greater than thirty percent (30%).

“Managers” when used in the singular mean an executive officer or director of the Company, and when used in the plural mean the executive officers and the directors of the Company collectively.

“Purchaser” means a person to whom a Selling Controlling Shareholder transfers Controlling Shares in a Sale of the Controlling Interest in the Company.

“Sale of the Controlling Interest in the Company” has the meaning assigned to such term in the *Novo Mercado* Regulations.

“Independent Director” has the meaning assigned to such term in the *Novo Mercado* Regulations.

“Group of Shareholders” means a group of two or more persons (a) bound by voting agreements or arrangements of any kind whatsoever, including a shareholders’ agreement, whether written or oral, and whether directly or through a Controlled company, a Controlling Person or a company under common Control; or (b) having a relationship of

Control among themselves, whether directly or indirectly; or (c) under Common Control.

“Controlling Power” (and the correlative terms “Controlling”, “Controlled”, “under Common Control” or “Control”) means the power actually exercised to direct the corporate activities and guide the operation of the bodies of the Company, whether directly or indirectly, and whether *de facto* or *de jure*, irrespective of ownership interest held. There will be a relative presumption of control with respect to a person or Group of Shareholders that owns shares corresponding to an absolute majority of the votes cast by the shareholders attending the three most recent Shareholders’ Meetings of the Company, even though such person or Group of Shareholders may not own shares representing an absolute majority of the voting capital stock.

“Economic Value” has the meaning assigned to such term in the *Novo Mercado* Regulations.

Section 34 - Any Relevant Shareholder that acquires or becomes the owner of shares of the capital stock of the Company corresponding to twenty-five percent (25%) or more of the total shares of the capital stock of the Company must, within no more than sixty (60) days after the date of acquisition or the event giving rise to ownership of shares corresponding to twenty-five percent (25%) of more of the total shares of the capital stock of the Company, make or apply for registration of, as the case may be, a tender offer to purchase all shares of the capital stock of the Company (“Tender Offer”), subject to the provisions of the applicable regulations issued by the Brazilian Securities Commission – CVM, the regulations issued by BM&FBOVESPA, and the terms of this section.

Paragraph 1st – The Tender Offer must be (i) addressed generally to all shareholders of the Company, (ii) take the form of an auction conducted on BM&FBOVESPA, (iii) launched at a price determined according to the terms of Paragraph 2 below, and (iv) call for payment in cash and in local currency, as consideration for the shares of the capital stock of the Company to be purchased in the Tender Offer.

Paragraph 2nd – The purchase price per share of the capital stock of the Company in the Tender Offer may not be less than the result of the following formula:

$$\text{Tender Offer Price} = \text{Share Value}$$

Where:

“Tender Offer Price” corresponds to the purchase price of each share of the capital stock of the Company in the Tender Offer mentioned in this section.

“Share Value” corresponds to the greater of (i) the highest quoted price per share of the capital stock of the Company during the period of twelve (12) months next preceding the Tender Offer on any stock exchange trading shares of the Company, (ii) the highest price per share paid by the

Relevant Shareholder at any time for a share or block of shares of the capital stock of the Company; and (iii) an amount corresponding to twelve (12) times the Average Consolidated EBITDA of the Company (as defined in Paragraph 11th below) minus the net consolidated indebtedness of the Company, divided by the total number of shares of the capital stock of the Company.

Paragraph 3rd – A Tender Offer made as aforesaid in this section will not exclude the possibility of another shareholder of the Company or, as the case may be, the Company itself making a competing Tender Offer, pursuant to applicable regulations.

Paragraph 4th – A Tender Offer as aforesaid in this section may be waived by the affirmative vote of shareholders representing a majority of the capital stock at a special shareholders' meeting of the Company called especially to consider such Tender Offer.

Paragraph 5th – The Relevant Shareholder will be under an obligation to comply with any requests or requirements that may be made by the Brazilian Securities Commission – CVM concerning the Tender Offer, within the maximum time limits prescribed by applicable regulations.

Paragraph 6th – In the event the Relevant Shareholder fails to meet the obligations imposed by this section, including as regards compliance with maximum time limits (i) to make or apply for registration of the Tender Offer, or (ii) to comply with any requests or requirements made by the Brazilian Securities Commission – CVM, the Board of Directors of the Company will call a Special Shareholders' Meeting, at which the Relevant Shareholder will be barred from voting, to consider suspension of the rights of the Relevant Shareholder defaulting under any obligation imposed by this section, in accordance with the terms of Section 120 of Law No. 6,404, dated December 15, 1976.

Paragraph 7th – Any Relevant Shareholder that purchases or becomes the holder of other rights, including rights of usufruct or fideicommissum, to shares of the capital stock of the Company in an amount of twenty-five percent (25%) or more of the total shares of the capital stock of the Company will also be required, within no more than sixty (60) days after such purchase or event giving rise to the holding of rights to shares in an amount of twenty-five percent (25%) or more of the total shares of the capital stock of the Company, to make or apply for registration of, as the case may be, a Tender Offer as described in this Section 34.

Paragraph 8th – The obligations under Section 254-A of Law No. 6,404/76, and Sections 30, 31 and 32 of these By-laws will not circumvent compliance by the Relevant Shareholder with the obligations under this section.

Paragraph 9th – The provisions of this Section 34 will not apply to a person that comes to hold shares of the capital stock of the Company in an amount in excess of twenty-five percent (25%) of the total shares of

the capital stock of the Company as a result of (i) merger of another company into the Company, (ii) a stock-for-stock transaction (*incorporação de ações*) with another company, or (iii) subscription for shares of the Company in a single primary issue approved at a Shareholders' Meeting of the Company called by the Board of Directors, where the proposed capital increase includes an issue price based on economic value as determined by an appraisal report for the Company prepared by a specialized entity or firm having recognized expertise in the valuation of publicly-held companies.

Paragraph 10th – In the calculation of the percentage of twenty-five percent (25%) of the total shares of the capital stock of the Company referred to in the leading sentence of this section, there shall not be computed an involuntary increase of equity interest resulting from a retirement of treasury shares or from a reduction of the capital stock of the Company by way of the retirement of shares.

Paragraph 11th – For the purposes of these By-laws, the capitalized terms below will have the following meanings:

“Average Consolidated EBITDA of the Company” is the arithmetic mean of the Consolidated EBITDA’s of the Company for the two (2) most recent full fiscal years.

“Consolidated EBITDA of the Company” means the consolidated earnings of the Company before net financial expenses, income tax and social contribution, depreciation, depletion and amortization, as determined based on the most recent audited consolidated year-end financial statements made available to the market by the Company.

Paragraph 12th – Should the regulations issued by the Brazilian Securities Commission – CVM applicable to the Tender Offer under this section require adoption of the method of calculation of the purchase price for each share of the Company in the Tender Offer that arrives at a purchase price greater than that calculated according to the terms of Paragraph 2 above, the purchase price to prevail in the Tender Offer made under this section will be the purchase price determined according to the regulations issued by the Brazilian Securities Commission – CVM.

Section 35 - Any Relevant Shareholder that subscribes to and/or purchases shares of the capital stock of the Company in an amount equal to or greater than thirty percent (30%) of the total Outstanding Shares (as defined in the *Novo Mercado* Regulations) of the Company, and subsequently wishes to purchase additional shares of the Company on a stock exchange, will be required, prior to any such additional purchase, to advise in writing the Company and the trading director of BM&FBOVESPA, through the brokerage house serving as intermediary in the transaction, of the intention of such Relevant Shareholder to purchase additional shares of the capital stock of the Company, at least three (3) business days prior to the intended date of the additional purchase of shares, so that such director may arrange for an auction for the purchase of shares to be conducted on the trading floor of BM&FBOVESPA, in which intervening third parties and/or the Company may participate, in compliance at all times with applicable

legislation, the regulations of the Brazilian Securities Commission – CVM, and the regulations of BM&FBOVESPA.

Sole Paragraph – In the event the Relevant Shareholder fails to meet the obligations imposed by this section, the Board of Directors of the Company will call a Special Shareholders’ Meeting, at which the Relevant Shareholder will be barred from voting, to consider suspension of the rights of the Relevant Shareholder that failed to comply with the obligation imposed by this section, as provided in Section 120 of Law No. 6,404, dated December 15, 1976.

Section 36 - In the tender offer for purchase of shares to be made by the Controlling Shareholder or the Company, in the case of cancellation of registration as a publicly-held company, the minimum offered price will correspond to Economic Value, as determined by an appraisal report prepared pursuant to the *caput* and to Paragraph 1st of Section 39, subject to applicable rules and regulations.

Section 37 - In the case of the resolution to delist the Company from the *Novo Mercado* in order to register Company securities for trading outside the *Novo Mercado*, or a resolution to delist as a result of the corporate reorganization in which the surviving company does not have its securities traded in the *Novo Mercado*, the Controlling Shareholder must make, within one hundred and twenty (120) days after the Shareholders’ Meeting that approves the transaction in question, a tender offer to purchase the shares of the remaining shareholders of the Company for at least the Economic Value thereof, as determined by an appraisal report prepared pursuant to the *caput* and to Paragraph 1st of Section 39, subject to applicable rules and regulations.

Section 38 – If no Controlling Shareholder exists and a resolution is made to delist the Company from the *Novo Mercado* in order to register securities for trading outside the *Novo Mercado*, or such a resolution is made as a result of the corporate reorganization in which the surviving company does not have its securities traded in the *Novo Mercado*, delisting will be contingent on a tender offer being made for the purchase of shares on the terms described in the preceding section, within one hundred and twenty (120) days after the Shareholders’ Meeting that approves the transaction in question.

Paragraph 1st – Such Shareholders’ Meeting will define the person(s) responsible for making the tender offer to purchase shares, which person(s) will be present at the Shareholders’ Meeting and will expressly undertake the obligation to carry out the offer.

Paragraph 2nd – In the absence of definition of the persons responsible for making the tender offer to purchase shares, in the case of the corporate reorganization in which the surviving company does not have its securities traded in the *Novo Mercado*, those shareholders voting in favor of the corporate reorganization will be responsible for making such tender offer.

Section 39 - The appraisal report referred to in Sections 36 and 37 hereof will be prepared by a specialized entity or firm of recognized expertise and independent from the decision-making power of the Company, its Managers and controlling persons, provided, further, that such appraisal report will meet the requirements in Paragraph 1

of Section 8 of Law No. 6,404/76, and will provide for the liability mentioned in Paragraph 6 of said Section 8.

Paragraph 1st - Selection of the specialized entity or firm charged with determination of the economic value of the Company falls within the exclusive authority of the Shareholders' Meeting and will be made from a list of three names submitted by the Board of Directors. The relevant decision will disregard any blank votes and will be made by a majority of votes of the shareholders owning Outstanding Shares in attendance at the meeting, which will transact business, on first call, upon attendance by shareholders representing at least twenty percent (20%) of the total Outstanding Shares and, on second call, upon attendance by any number of shareholders owning Outstanding Shares.

Paragraph 2nd – The costs related to preparation of the appraisal report will be fully borne by the offeror.

Section 40 - The Company will only register the transfer of shares to the Purchaser or the person(s) that come of hold Controlling Power after they have executed a Consent of Controlling Person, as mentioned in the *Novo Mercado* Regulations.

Section 41 – No shareholders' agreement providing for exercise of Controlling Power may be filed with the registered office of the Company before its signatories have signed a Consent of Controlling Person, as mentioned in the *Novo Mercado* Regulations.

Section 42 - Delisting of the Company from the *Novo Mercado* for failure to comply with the obligations under the *Novo Mercado* Regulations is contingent on the making of the tender offer for purchase of shares for at least the Economic Value thereof, based on an appraisal report prepared according to Section 39 of these By-laws, subject to applicable rules and regulations.

Paragraph 1st – The Controlling Shareholder will be required to make such tender offer for purchase of shares.

Paragraph 2nd – If no Controlling Shareholder exists and delisting from the *Novo Mercado* as aforesaid results from a resolution passed by the Shareholders' Meeting, those shareholders voting in favor of the resolution leading to noncompliance will be required to make the tender offer to purchase shares.

Paragraph 3rd – If there is no Controlling Shareholder and delisting from the *Novo Mercado* as aforesaid results from action or failure to act on the part of the management, the Managers of the Company will call a Shareholders' Meeting to pass a resolution to cure noncompliance with the obligations under the *Novo Mercado* Regulations or, as the case may be, a resolution to delist the Company from the *Novo Mercado*.

Paragraph 4th – If the Shareholders' Meeting mentioned in Paragraph 3 above passes a resolution to delist the Company from the *Novo Mercado*, such Shareholders' Meeting will define the person(s) responsible for making the tender offer to purchase shares, which person(s) will be

present at the meeting and will expressly undertake the obligation to carry out the offer.

Section 43 – The provisions of the *Novo Mercado* Regulations will prevail over the provisions of these By-laws where the rights of the offerees in the tender offer contemplated herein are adversely affected.

Section 44 - The cases as to which these By-laws are silent will be disposed of by the Shareholders' Meeting, in accordance with the precepts of Law No. 6,404, dated December 15, 1976.

ARTICLE VI ARBITRATION

Section 45 – The Company, its shareholders, Managers and Audit Committee members agree to settle by arbitration conducted before the Market Arbitration Chamber any and all disputes and controversies between them arising from or in connection with the application, validity, effectiveness, construction, breach and the effects of breach of the provisions of Law No. 6,404/76, the By-laws of the Company, the rules issued by the National Monetary Council, the Central Bank of Brazil and the Brazilian Securities Commission, as well as other regulations applicable to the operation of the capital markets in general, the *Novo Mercado* Regulations, the Arbitration Rules, the Rules on Sanctions, and the *Novo Mercado* Agreement.

ARTICLE VII LIQUIDATION OF COMPANY

Section 46 - The Company will be liquidated in the cases provided for by law, it being incumbent on the Shareholders' Meeting to elect the liquidator or liquidators and the Audit Committee that will serve during the period of liquidation, in compliance with applicable legal requirements.

ARTICLE VIII FINAL AND TEMPORARY PROVISIONS

Section 47 - The Company will comply with the shareholders' agreements filed with its registered office. The officers presiding over the proceedings of the Shareholders' Meeting and the members of the Board of Directors may not acceptance a vote that is cast by a shareholder signatory to a shareholders' agreement duly filed with the registered office, at variance with the provisions of such shareholders' agreement, and the Company is expressly barred from accepting and recording any transfer of shares and/or encumbrance and/or assignment of preemptive rights and/or other securities made in breach of the provisions and precepts of such shareholders' agreement.

Section 48 - The Company is forbidden from providing financing or offering a guarantee or collateral of any kind whatsoever to third parties in connection with business outside the scope of the corporate purposes.

Sole Paragraph – The Company may not provide financing or offer a guarantee or collateral of any kind whatsoever to its controlling shareholders.

Section 49 - The provisions of Section 34 hereof will not apply to the current shareholders of the Company that already own fifteen percent (15%) of more of the total shares of the capital stock of the Company or to the successors of such shareholders, including in particular the controlling shareholders of the Company signatories to the Shareholders' Agreement dated April 26, 2004 and filed with the registered office of the Company, in accordance with the terms of Section 118 of Law No. 6,404, dated December 15, 1976, but will apply only to those investors that purchase shares and become shareholders of the Company after registration of the Company as a publicly-held company with the Brazilian Securities Commission – CVM and after its shares have commenced trading on BOVESPA.

Roberto Pedote
Chairman of the Meeting Board

Lucilene Silva Prado
Secretary of the Meeting Board