

## INDEMNITY FOR NON-COMPETITION AGREEMENT AND OTHER COVENANTS

By this private instrument:

**I – STNE PARTICIPAÇÕES S.A.**, a joint stock company enrolled with the CNPJ/ME under No. 35.767.420/0001-82, with head-office in the city of São Paulo, State of São Paulo, at Rua Gomes de Carvalho, No. 1609, 5<sup>th</sup> floor, Vila Olímpia, Zip Code (CEP) 04547-006, herein represented in accordance with its Bylaws ("Company"); and

**II – NÉRCIO JOSÉ MONTEIRO FERNANDES**, Brazilian, married, systems analyst, bearer of the Identity Card RG No. 7.760.014 SSP/SP, enrolled with the CPF/ME under No. 022.256.918-27, resident and domiciled in the City of São Paulo, State of São Paulo, with commercial address at Avenida Doutora Ruth Cardoso, No. 7221, Suite 701, Block A, Room 1, Edifício Birmann 21, CEP 05425-902, an executive officer of **LINX S.A.**, Publicly-Held Company, with head-office in the city of São Paulo, State of São Paulo, at Avenida Doutora Ruth Cardoso, No. 7221, cj. 701, Bl. A, room 1, Edifício Birmann 21, Zip Code (CEP) 05425-902, enrolled with CNPJ/ME under No. 06.948.969/0001-75 and with its acts of incorporation duly filed with the Board of Trade of the State of São Paulo - JUCESP under NIRE 35.300.316.584, herein represented in accordance with its Bylaws ("Linx") ("Executive Officer" and, jointly with the Company, "Parties"),

**III - STONECO LTD.**, company duly incorporated and valid existing under the laws of the Cayman Islands, enrolled with the CNPJ/ME under No. 31.752.270/0001-82, with head-office at Harbour Place, 4<sup>th</sup> floor, No. 103 Church St., PO Box 10240 KY1-1002, Georgetown, Cayman Islands, herein represented in accordance with its acts of incorporation ("StoneCo");

### WHEREAS:

- (i) Linx is part of an economic group that operates in the means of payment and corporate management software markets in Brazil;
- (ii) The Executive Officer has a relevant role in the Linx; and
- (iii) The Parties wish to regulate the terms and conditions of the non-competition and non-solicitation obligations of the Executive Officer, as well as to establish, in return, the indemnity to be paid by the Company on his behalf for this purpose.

**NOW, THEREFORE, THE PARTIES** decided to enter into this Indemnity for Non-Competition Agreement and Other Covenants ("Agreement"), in accordance with the following terms and conditions:

## **1. NON SOLICITATION**

**1.1.** The Executive Officer undertakes to, directly or indirectly (either in his own name or in the name of any other person, enterprise, company, association or any other entity or form of business), during the period of 3 (three) years from the closing date ("Closing") of the transaction provided in the Association Agreement, executed by and between the Executive Officer, StoneCo, DLP Capital LLC, DLPPAR Participações S.A., and, as intervening parties, Linx and the Company, on August 11, 2020 ("Association Agreement"), through which they have established the terms and conditions to the business combination between Linx and the Company ("Transaction"):

(i) not to solicit, entice, incite, divert, withdraw or attempt to solicit, incite, divert or withdraw any customer, supplier, distributor or business of the Company or its economic group companies, nor in any way interfere in the relationship maintained between the Company and its current or future customers and/or suppliers and/or distributors;

(ii) not to solicit or encourage any person to quit his job or stop providing services to the Company or any other company in its economic group, whether such person is an employee or a service provider or another executive officer;

(iii) not to solicit any of the Company's employees or executive officers; and/or

(iv) not to start dealings, negotiations, or any other type of understanding, as well as not to enter into final commitments and/or agreements with an objective equivalent or similar to the business of the Company or its subsidiaries and/or affiliates.

**1.2.** The Executive Officer declares and agrees that the restrictions and clauses set forth in this Agreement are reasonable and necessary for the protection of the business and of the interests of the Company. The Executive Officer also declares that violation of any of these clauses will cause the Company serious and irreparable losses and damages.

**1.3.** The Parties hereby agrees that the non-solicitation obligation of the Executive Officer will not apply for Mrs. Lúcia Conceição da Cunha and Mr. Simon Menache.

## **2. NON-COMPETITION**

**2.1.** The Executive Officer undertakes to, directly or indirectly (either in his own name or in the name of any other person, enterprise, company, association or any other entity or form of business), during the period of 3 (three) years from the Closing:

**(i)** refrain from, directly or through any natural person or legal entity, such as, including, without limitation, any company that has an ownership interest (is controlled by, controls or is under common control with), any employee, servant, director or administrator, as well as their spouses and other related persons, by affinity or consanguinity, up to the second degree, as well as any company under the control of any of these persons, it being certain that "control" has the meaning attributed to it by art. 116 of the Brazilian Corporation Act (hereinafter referred to as "Related Parties") to: **(i.1)** own, manage, operate, advise, associate, provide services, cooperate, give information or provide documents, provide consultancy, have equity interest, control, participate in the ownership, administration, operation or control, or be bound as a partner, shareholder, employee, director, officer, service provider, consultant or otherwise acting in any business or organization, whether for profit or not, in any business developed by competing companies indicated in Clause 2.4., or with its controlled, affiliated, allied and/or companies in which the Company holds an interest; **(i.2)** own, manage, operate, advise, associate, provide services, cooperate, give information or provide documents, provide consultancy, have equity interest, control, participate in the ownership, administration, operation or control, or be bound as a partner, shareholder, employee, board member, director, service provider, consultant or otherwise acting in any business or organization, whether for profit or not, which, directly or indirectly, carries out activities related to the Company and/or its subsidiaries or their businesses, including, but not limited to, activities related to consultancy and risk management related to the means of payment and management software segments in Brazil for the retail sector; and investments in individuals or legal entities, operating in the segments of means of payment in general, financial services for retail, and management software in Brazil for the retail sector; and/or

**(ii)** not establish or maintain any business relationship with any employees and/or suppliers and/or customers and/or distributors and/or business partners and/or consultants of the Company, its controlled and affiliated companies, and companies in which the Company holds interest, which may adversely affect them and/or the relationships and business between the Company, its controlled and affiliated companies, and companies in which the Company holds interest and said employees, suppliers, customers, distributors, business partners or consultants.

**2.2.** It is agreed between the Parties, to avoid any conflict of interpretation of the previous clause, and by way of example, that the Executive Officer's commitment to non-competition also applies to companies that have as preponderant activity **(i)** Management and Operation of Credit Cards, Intermediation of Means of Payments Business in general and financial services for retail, including sub-buyers, multi-buyers and gateways to the physical online world; and **(ii)** corporate management software (ERP) for the retail sector, operating in any classification (ERP, CRM, SCM, etc).

**2.3.** The restrictions and other conditions established in this Agreement are valid and applicable

throughout the national territory, especially in the places where the Company and/or its controlled and affiliated companies, or companies in which the Company holds interest, carries out or may come to carry out its business.

**2.4.** For the purposes of this Agreement, a competitor of the Company, or of its controlled and affiliated companies those companies that have as preponderant activity **(i)** Management and Operation of Credit Cards, Intermediation of Means of Payments Business in general and financial services for retail, including sub-buyers, multi-buyers and gateways to the physical online world; and **(ii)** corporate management software (ERP) for the retail sector, operating in any classification (ERP, CRM, SCM, etc).

### **3. INDEMNITY**

**3.1.** In consideration for the Executive Officer's compliance with the obligations provided for in this Agreement, the Company will pay, on behalf of the Executive Officer, through the transfer of 394,703 (three hundred and ninety four thousand, seven hundred and three) Class A shares issued by StoneCo, being provided that 1/3 of those shares shall be transferred on the 1st (first) anniversary of the execution of the Closing, 1/3 on the date of the 2nd anniversary of the Closing, and the remaining shares shall be transferred on the date of the 3rd anniversary of the Closing ("Indemnification"), being herein established that the transfer of each installment of the Indemnification shall be conditioned to the effective fulfillment by the Executive Officer of the obligations assumed on this Agreement.

**3.2.** StoneCo undertakes to take all applicable measures to make the Company pay the Indemnification to the Executive Officer, through the transfer of the Class A shares of StoneCo, as long as the Executive Officer is in compliance with its non-competition obligations provided herein.

**3.3.** The Parties hereby agrees that the amount of class A shares to be issued by StoneCo and to be transferred to the Executive Officer shall be automatically adjusted in order to reflect any transactions of share split, reverse share split and bonus shares involving the shares issued by StoneCo.

**3.4.** The rights related to the payment of the Indemnification to the Executive Officer, in the context of this Agreement, shall not be affected by statement of inability, permanent or temporary disability and/or death of the Executive Officer, being provided that the Executive Officer and/or its inheritors or successors, as the case may be, shall be entitled to the payment of the total amount of the Indemnification not yet paid and which would be due until the end of this Agreement, provided that this Agreement also obliges and imposes constraints to the relatives and family members of the Executive Officer.

**3.5.** The Company shall reduce the number of Class A shares to be transferred to the Executive

Officer in order to proceed to the tax deductions required by Law, provided that the Executive Officer will receive the net value of the Indemnification, after the applicable deductions.

**4. ACKNOWLEDGMENT OF PAYMENT**

**4.1.** The Executive Officer herein acknowledges and agrees that the transfer of StoneCo shares, under the terms of this Agreement, constitute fair, adequate and sufficient compensation for the continuous fulfillment of the terms and timeframes of this Agreement, particularly the non-solicitation and non-competition obligations.

**5. DEFAULT**

**5.1.** Failure by the Executive to comply with the obligations provided for in this Agreement will give rise to payment of a compensatory fine to the Company, equivalent to 100% of the total amount of the Indemnification, that have already been paid to the Executive Officer, net from taxes, without prejudice to the losses and damages incurred and any actions the Company may take to cease the competing activity by the Executive Officer, except if the infringement is resolved by the Executive Officer within 30 (thirty) days after written notice by the Company.

**6. MISCELLANEOUS**

**6.1.** This Agreement is executed on the date hereof and it will be automatically through the occurrence of the closing of the Transaction.

**6.2.** The Parties declare that they have carefully reviewed the terms of this Agreement and that they have fully understood its content. The Parties further declare that they have freely and voluntarily agreed to all terms and conditions set forth in this Agreement.

**6.3.** Neither Party may assign this Agreement or any of its rights or obligations hereunder to any third party without the prior and express consent of the other Party.

**6.4.** This Agreement is binding on, benefits and will be enforceable by the Parties and their respective successors and authorized assigns. This Agreement is entered into on an irrevocable and irreversible basis. The Parties undertake to fully comply with and enforce all that is agreed between them in this Agreement, and, therefore, acknowledge and claim that any attitude and/or action taken in disagreement with the provisions hereof and/or that represents a violation of the obligations assumed by the Parties in this Agreement, shall be null and void, as regards them or any third party.

**6.5.** If any provision of this Agreement is declared unenforceable or invalid for any reason, the validity of the other provisions, terms and clauses of this Agreement will not be affected.

**6.6.** The eventual abstention of any of the Parties from exercising the rights and privileges provided for in this Agreement will not mean their waiver or novation, which may be invoked or exercised at any time, in compliance with the legislation in force. Any waiver can only be challenged when granted in writing.

**6.7.** The Parties recognize that the duties and obligations provided for in this Agreement are subject to specific performance, under the terms of the applicable legislation, and this agreement, executed by two witnesses, constitutes an extrajudicial execution instrument for all purposes and effects of the applicable legislation.

**6.8.** This Agreement will be governed and interpreted in accordance with the laws of the Federative Republic of Brazil. Any controversies or disputes arising from or in relation to this Agreement will be heard and settled by the court of the central district of the City of São Paulo, State of São Paulo, at the exclusion of any other, however privileged it may be.

**6.9.** The Parties and the two witnesses execute this Agreement through electronic means, provided that the Parties hereby declare and expressly agrees, for the purposes of the article 10, paragraph 2, of the Provisional Measure (*Medida Provisória*) No. 2.200-2, of August 24, 2001, that their signatures through electronic means are binding, effective, efficient and provides authenticity, integrity and legal validity to this instrument, being this Agreement an extrajudicial executive title for all legal purposes.

In witness whereof, the Parties execute this Agreement in 2 (two) counterparts of equal content and form, before the 2 (two) witnesses below.

São Paulo, August 11, 2020

**STNE PARTICIPAÇÕES S.A.**

\_\_\_\_\_  
By:  
Title:

\_\_\_\_\_  
By:  
Title:

\_\_\_\_\_  
**NÉRCIO JOSÉ MONTEIRO FERNANDES**

Witnesses:

1. \_\_\_\_\_

Name:

CPF:

2. \_\_\_\_\_

Name:

CPF: