

**ALPARGATAS S.A.**  
Publicly-held corporation – CVM Code no. 10456  
CNPJ 61.079.117/0001-05  
NIRE 35300025270

**BY-LAWS**

**CHAPTER I - NAME, HEADQUARTERS, DURATION AND PURPOSE**

**Article 1 - ALPARGATAS S.A.** (“Corporation”), organized on April 3, 1907, is a stock corporation governed by these by-laws (“By-laws”) and the applicable legal provisions.

**Sole Paragraph** - By virtue of the Corporation’s listing on the special listing segment called Level 1 Corporate Governance of B3 S.A. - Brasil, Bolsa, Balcão (respectively “Level 1” and “B3”), the Corporation, its shareholders, Managers and members of the Supervisory Board, when convened, are subject to the provisions of the Level 1 Listing Regulations of Corporate Governance of B3 (“Level 1 Regulations”).

**Article 2** - The Corporation’s headquarters and venue are located in the City of São Paulo, State of São Paulo. The Corporation may open and close any branches and other offices in Brazil, at the discretion of the Executive Board.

**First Paragraph** - The Board of Directors is in charge of authorizing the organization and termination of companies abroad, in specified countries and regions.

**Second Paragraph** - Once the organization of subsidiaries in a given country or specified region has been authorized by the Board of Directors, the organization of new subsidiaries and/or the opening of branches or offices in such country or specified region may be carried out at the Executive Board’s discretion, subject to the provisions set forth in article 17, item “j” of these By-laws.

**Article 3** - The Corporation’s term of duration is indefinite.

**Article 4** - The Corporation’s purpose consists of:

- a. the industrialization, marketing, import and export of (i) footwear and fashion items, clothing and accessories in general, including those used as Personal Protective Equipment - PPE; (ii) sporting goods; (iii) leather goods, fabric and other textile artifacts; (iv) gifts and promotional materials; (v) yarn, fabrics, synthetic resins and natural or artificial rubber and any other inputs and components of these products;
- b. the exploitation of brands, patents and any other industrial or intellectual property rights;
- c. commercial representation of national or foreign companies in Brazil or abroad;
- d. industrialization of other products and exploration of related activities that are directly or indirectly related to the Corporation’s purpose;
- e. the import and export of machinery, components, accessories, equipment and raw materials, as well as the industrialization and marketing of machinery, parts and accessories for machinery;
- f. the industrialization and marketing of packaging materials;

- g. the cultivation, preparation and marketing of any species of fibers;
- h. development of franchise activities as a franchisor or franchisee; and
- i. participation in other companies, in Brazil and abroad, whatever their form and purpose, as partner, quotaholder or shareholder.

## **CHAPTER II - CAPITAL AND STOCKS**

**Article 5** - The Corporation's fully subscribed and paid-up capital stock is three billion, eighty-eight million, two hundred and fifty-seven thousand, three hundred and eighty-one Brazilian Reais and thirty-three cents (R\$ 3,088,257,381.33), represented by six hundred and eighty-three million, sixty-two thousand, two hundred and twenty-two (683,062,222) registered, book-entry shares, with no par value, of which (i) three hundred and thirty-nine million, five hundred and ten thousand, six hundred and eighty-nine (339,510,689) common shares; and (ii) three hundred and forty-three million, five hundred and fifty-one thousand, five hundred and thirty-three (343,551,533) preferred shares.

**First Paragraph** - The Board of Directors will be in charge of fixing the issue price of shares arising from capital increases, and one part of this price may be allocated to the creation of capital reserve under the legal requirements.

**Second Paragraph** - The Corporation is authorized to increase its capital stock by additional forty-two million (42,000,000) common shares and/or up to ninety million (90,000,000) registered, book-entry preferred shares, with no par value, without an amendment to the By-laws upon resolution of the Board of Directors which will establish the conditions for the issuance, provided that in such an issuance the ratio between common shares and preferred shares will not be required to be kept.

**Third Paragraph** - Within the limits of the authorized capital, upon issuance of new shares, debentures convertible into shares or warrants, the placement of which is made through sale on the stock exchange, public subscription or exchange for shares, in a public offering for the acquisition of controlling shareholding, the Board of Directors may exclude the preemptive right for old shareholders in the subscription, or reduce the term for its exercise.

**Fourth Paragraph** - The Board of Directors may create a long-term incentive plan involving shares or stock options, as approved by the General Meeting, managers and/or employees of the Corporation or companies under its control. There will be no preemptive rights for shareholders either in the granting or in the exercise of any stock option.

**Fifth Paragraph** - In the event that any subscribed securities are not paid-up by their Subscribers within the established period, such Subscribers shall be deemed in default by operation of law and shall pay the Corporation the legal interest and inflation adjustment, plus a fine of five percent (5%) on the amount of the installment.

**Sixth Paragraph** - The capital stock may be represented by up to two thirds (2/3) of the preferred shares.

**Seventh Paragraph** - The Corporation may, at any time and at the discretion of its General Meeting, create new classes of preferred shares or increase the quantity of preferred shares of existing classes, without keeping ratio with the others, provided that

the amount of non-voting preferred shares does not exceed two thirds (2/3) of the capital stock.

**Article 6** - All the Corporation's shares are book-entry, without certificate issuance, and remain in a deposit account in the name of their holders at a financial institution authorized by the Brazilian Securities Commission ("CVM") and designated by the Board of Directors.

**Article 7** - The shares representing the capital stock are indivisible with respect to the Corporation. Each common share entitles its holder to one (1) vote at the General Meeting's resolutions, and preferred shares shall not be entitled to vote.

**Article 8** - The preferred shares shall be entitled to the following advantages: (i) receipt of a dividend, per preferred share, that is ten percent (10%) greater than the dividend attributed to each common share; and (ii) priority in the reimbursement of capital, without premium, up to the amount of the portion of capital represented by these shares, in the event of liquidation of the Corporation.

### **CHAPTER III – GENERAL MEETING**

**Article 9** - The General Meeting will meet ordinarily, every year, within the first four months following the end of the fiscal year and, extraordinarily, when the corporate interests require, upon call pursuant to the law and the By-laws. The General Meeting will be convened and presided over by the Chairman of the Board of Directors or, in his absence or impediment, by another Board Member, Officer or shareholder elected by the shareholders present.

**First Paragraph** - The General Meeting shall be convened by the Board of Directors, or by the Chairman of the Board of Directors, pursuant to the law, at first call, with at least fifteen (15) days' prior notice, counted from the first publication of the notice. If the General Meeting is not held, a new announcement of second call will be published at least eight (8) days in advance. The call will be waived if all shareholders are present at the General Meeting.

**Second Paragraph** - In order to take part and vote at the General Meeting, the shareholder must prove, by means of original documentation or a copy sent by email to the Corporation, his/her status as a shareholder, presenting, preferably within two (2) business days prior to the date of the respective General Meeting (i) an identity card and (ii) proof issued by the depository institution in relation to his/her shares. The shareholders' proxies shall show the respective powers of attorney until the same moment and by the same means mentioned above.

**Article 10** - The General Meetings shall be held on the day and time stated in the respective call notice, to resolve on the matters included in the agenda and may be held exclusively digitally, partially digital (hybrid) or in person, as defined in the respective call notice.

**Article 11** - In addition to the duties provided for in law and in these By-laws, the General Meeting will be in charge of:

- a. taking the accounts of the directors for the last fiscal year;
- b. examining, discussing and voting on the financial statements;
- c. resolving on the allocation of net income for the year and the distribution of dividends;
- d. electing and removing the members of the Board of Directors and the Supervisory Board;
- e. fixing the overall compensation of members of the Board of Directors and the Executive Board, as well as the members of the Supervisory Board;
- f. electing the liquidator and the Supervisory Board that shall operate during the liquidation period;
- g. amending these By-laws;
- h. resolving on merger, takeover, incorporation of shares, total or partial spin-off, and transformation;
- i. resolving on the delisting as a publicly-held corporation before the CVM or the change in the level of governance;
- j. allocating bonuses in shares issued by the Corporation, as well as resolving on any redemptions, amortizations, reverse share split and share splits issued by the Corporation;
- k. deciding on the Corporation's dissolution and liquidation, as well as on the election and removal of the Corporation's liquidators and the approval of their accounts;
- l. deciding on the Corporation's request for judicial or extrajudicial recovery or request for self-bankruptcy; and
- m. choosing the institution or specialized company responsible for the valuation of the Corporation in the cases set forth in Law 6,404/76 and in these By-laws.

**Article 12** - Except as provided for in law and subject to the provisions of these By-laws, the resolutions and approvals will be made by shareholders representing the majority of the Corporation's voting capital stock present at the General Meeting.

#### **CHAPTER IV – MANAGEMENT**

**Article 13** - The Corporation will be managed by a Board of Directors and an Executive Board.

**First Paragraph** - The taking of office of the managers will be subject to the signing of the respective deed of investiture drawn up in a proper book within thirty (30) days following the election and to the prior execution of the Consent of Managers required by the Level 1 Regulation, as well as to compliance with the applicable legal requirements.

**Second Paragraph** - If the deed of investiture is not signed within thirty (30) days following the appointment, the appointment will become void, unless there is a justification accepted by the administrative body to which the administrator was elected.

**Third Paragraph** - The term of office of the Board of Directors or the Executive Board shall extend until the investiture of the newly elected managers.

**Fourth Paragraph** - The alternate elected to fill a vacant position will complete the term of the substituted manager.

### **SECTION I – BOARD OF DIRECTORS**

**Article 14** - The Board of Directors will be composed of up to nine (9) acting members and an equal number of alternates, resident or not in Brazil, all of them elected and removed by the General Meeting at any time.

**First Paragraph** - In the event of absence or impediment of acting members, each will be replaced by his respective alternate. In the event of a vacancy in the position of Director, if there is no alternate, the Board of Directors shall elect as many alternate directors as there are vacant positions, and the term of office of the directors elected under this Article shall expire at the next General Meeting held.

**Second Paragraph** - The members of the Board of Directors will be elected for a term of office of one (1) year, and the reelection is allowed.

**Article 15** - The Board of Directors shall elect a Chairman from among its members, by a majority of the votes of the Directors present at the first meeting of the Board of Directors held immediately after the end of each term of office of the Board of Directors, or whenever the Chairman's position is resigning or vacant.

**Sole Paragraph** - In the event of absence or temporary prevention of the Chairman, the Chairman's functions shall be exercised by another member of the Board of Directors appointed by majority vote of the other Directors.

**Article 16** - The Board of Directors shall meet ordinarily, at least six (6) times per fiscal year, on the day and time established in the annual corporate calendar, and extraordinarily, when called by its Chairman or by one-third (1/3) of its members, with at least five (5) days prior notice of the meeting date.

**First Paragraph** - The calls for the meetings will be made in writing, by means of a letter, electronic mail (email) or any form that allows proof of receipt of the call by the addressee, and must contain the agenda, the place and the time at which the meeting will be held, and be accompanied by documentation relating to the agenda. Notwithstanding the above, in cases of urgency, the meetings of the Board of Directors may be convened, exceptionally, with at least two (2) business days prior notice of the date of the meeting.

**Second Paragraph** - The call notice under this Article will be waived if all of the acting members of the Board of Directors are present at the meeting. The members of the Board of Directors may participate and vote in the meetings of the Board, even if they are not physically present at such meetings, provided that (i) all of them are allowed to participate in the discussions by conference call, video conference or by any other electronic communication system; and (ii) such directors express their vote by written vote in advance or by written vote transmitted by fax, electronic mail (email) or by any other means of communication before the end of the meeting in question. The respective minutes must be subsequently signed by all members who participated in the meeting.

**Third Paragraph** - The quorum for convening a meeting of the Board of Directors will be the majority of the acting members.

**Fourth Paragraph** - The meetings of the Board of Directors will be presided over by the acting President, who will appoint the Secretary of the meeting, and the resolutions of meeting will be taken by the majority of votes of those present.

**Fifth Paragraph** - In the resolutions of the Board of Directors, each Director, including the Chairman of the Board of Directors, will be entitled to one vote. In the event of an equality of votes, the Chairman of the Board of Directors will be entitled to the casting vote.

**Sixth Paragraph** - Minutes of the meetings of the Board of Directors will be kept in a specific book.

**Article 17** - In addition to the duties set forth in other provisions of these By-laws or the law, the Board of Directors will be in charge of:

- a. setting the general direction of the Corporation's business;
- b. supervising the management of the members of the Executive Board;
- c. electing and removing the Corporation's Executive Officers, establishing their duties and supervising their respective management, as well as giving prior opinion on the election of the members of the Board of Directors of its subsidiaries;
- d. defining the policies and strategic issues relevant to the success of the undertaking explored by the Corporation and its subsidiaries, including, but not limited to, the approval of industrial projects and the establishment of annual investment plans.
- e. submitting to the General Meeting the proposals involving the carrying out of transactions that result in alterations to the Corporation's capital stock, merger, takeover, incorporation of shares, spin-off or any other forms of corporate reorganization involving the Corporation and its subsidiaries;
- f. defining the vote with respect to the matters in charge of the Board of Directors listed in this Article to be resolved at General Meetings and at Meetings of the Board of Directors of companies in which the Corporation holds an interest;
- g. appointing and removing the Corporation's and its subsidiaries' independent auditors;
- h. creating or terminating advisory and/or consulting committees to the Board of Directors, establishing their duties and any remuneration;
- i. electing the Chairman of the Board of Directors of the Corporation and its subsidiaries;
- j. approving any direct or indirect investments and divestments in equity holdings, as well as the organization of subsidiaries, including a wholly-owned subsidiary, in those cases in which the amount represents more than ten percent (10%) of the shareholder's equity, according to the Corporation's financial statements for the immediately preceding fiscal year;
- k. authorizing the acquisition of shares issued by the Corporation for the purpose of cancellation or holding in treasury, as well as subsequent disposal and approval of capital increases within the authorized capital limit;
- l. expressing its opinion about the management report and the Executive Board's accounts, together with the independent auditors' report;
- m. previously resolving on the disposal of or encumbrance of the Corporation's real estate property, in cases representing an amount higher than ten percent

- (10%) of the shareholder's equity, according to the Corporation's financial statements for the immediately preceding fiscal year;
- n. previously resolving on the creation of liens, encumbrances, guarantees, sureties or any other personal guarantees or collaterals in favor of third parties, including subsidiaries, except (i) if a wholly-owned subsidiary; and (ii) sureties provided by the Corporation in residential lease agreements entered into by its employees, which shall fulfill the provisions of Article 25, paragraph 1 below;
  - o. execution, amendment, acceleration, prepayment of loans or financings (including by means of debt issuance) that result in (i) consolidated net debt of the Corporation exceeding three times (3x) the Corporation's consolidated EBITDA; and/or (ii) in the case of contracting by a subsidiary, consolidated net debt of the subsidiary exceeding three times (3x) the consolidated EBITDA of the relevant subsidiary;
  - p. related-party agreements (as such term is defined by the accounting rules), regardless of the amount involved;
  - q. issuance of debentures non-convertible into shares, promissory notes and other debt securities non-convertible into shares;
  - r. execution, termination or amendment of contracts of any nature, including with customers and suppliers, the value of which, per operation or series of operations, exceeds ten percent (10%) of the shareholder's equity, according to the Corporation's financial statements for the immediately preceding fiscal year; and
  - s. resolving on the convening of General Meetings.

**Article 18** - The maximum overall compensation of managers will be fixed by the General Meeting, and its distribution will be at the Board of Directors' discretion.

**Article 19** - The Board of Directors shall designate an Audit Committee, an internal body of a statutory and permanent nature, directly linked to the Board of Directors, to be composed of not less than three (3) and not more than five (5) members.

**First Paragraph** - The Board of Directors will define the amount allocated to the remuneration of the members of the Audit Committee, subject to the market parameters, as well as the budget allocated to cover the expenses for its operation, including the contracting of specialists to assist in the performance of its duties.

**Second Paragraph** - The Audit Committee will be governed by the applicable legislation and by its own internal regulations approved by the Board of Directors.

## **SECTION II – EXECUTIVE BOARD**

**Article 20** - The Corporation's Executive Board shall be composed of not less than two (2) and not more than five (5) members, whether shareholders or not, resident in Brazil, with one (1) President, one (1) Vice-President of Finance and Investor Relations, and the other Vice-Presidents with no specific designation.

**First Paragraph** - The members of the Executive Board will be elected for a term of one (1) year, and the reelection is allowed.

**Second Paragraph** - The members of the Executive Board shall be elected by the Board of Directors, which may designate up to one-third (1/3) of its total members to exercise positions in the Executive Board, and any one of them may hold the position exercised in the Board of Directors with the one he/she may exercise in the Executive Board, subject to the provisions of paragraph 3 of this Article.

**Third Paragraph** - The positions of Chairman of the Board of Directors and President or chief executive officer of the Corporation may not be held by the same person.

**Article 21** - In cases of absence or temporary prevention, the members of the Executive Board may be replaced by any of their peers, at the discretion of the Chairman of the Board of Directors. In case of vacancy of any position in the Executive Board, the Board of Directors will be responsible for filling the position, if it deems expedient.

**Article 22** - It is the responsibility of the:

(a) Chairman: (i) faithfully carrying out the policies and guidelines established by the General Meeting and the Board of Directors; (ii) presiding over the Executive Board's Meetings; and (iii) determining the specific duties of each of the other Vice-Presidents, including, without limitation, any other duties that may be established by the Board of Directors, subject to the limits determined by the Corporation's Board of Directors;

(b) Vice-President of Finance and Investor Relations: managing the investor relations area under the applicable legislation, including, without limitation, any other duties that may be established by the Board of Directors; and

(c) Vice-President with no specific designation: carrying out the guidelines established by the Board of Directors in their respective areas of activity, including, without limitation, any other duties that may be established by the Board of Directors.

**First Paragraph** - The Board of Directors may establish additional duties and powers to those described above, as well as duties and powers to the Officers with no specific designation, in accordance with the interests of the Corporation.

**Second Paragraph** - The Executive Board is responsible for the management of the Corporation's business, exercising its powers in accordance with the law, these By-laws, and the decisions of the General Meeting and the Board of Directors.

**Article 23** - Any acts and documents that imply responsibility or obligation for the Corporation will be mandatorily signed:

by any two (2) Officers;

(a) by any one (1) Officer jointly with one (1) attorney-in-fact, provided that by means of a power of attorney granted with specific powers, appointed by any two (2) Officers jointly; or

(b) by two (2) attorneys-in-fact, provided that by means of a power of attorney granted with specific powers, appointed by any two (2) Officers jointly.

**First Paragraph** - The Corporation may be represented by only one (1) Officer or one (1) attorney-in-fact in the cases of the practice of simple routine administrative acts, including those practiced before governmental agencies, quasi-public corporations, the

Brazilian Internal Revenue Service, State Finance Offices, Municipal Finance Offices, Boards of Trade, Labor Courts, INSS, FGTS and its collecting banks and others of identical nature.

**Second Paragraph** - The Board of Directors may authorize the practice of other acts not provided for in the first paragraph above by only one (1) Officer or one (1) attorney-in-fact, acting alone, or also by means of the approval of criteria for delimitation of powers that allow, in certain cases, the representation of the Corporation by only one (1) Officer or one (1) attorney-in-fact.

**Third Paragraph** - The Corporation shall be represented individually by any of the members of the Executive Board, without the formalities provided for in this Article, in the cases of receipt of summons or judicial and extrajudicial notifications and in the rendering of personal testimony.

**Article 24** - The appointment of attorneys-in-fact shall always be executed by means of an express and written power of attorney bearing the joint signatures of any two (2) members of the Executive Board and the power of attorney shall have their powers duly specified and their validity periods determined, except for the judicial powers of attorney, which may be for an indefinite term.

**Article 25** - Within the limits set forth by law and by these By-laws, the Executive Board is empowered with management powers that enable the normal operation of the Corporation, and for this purpose it may practice all legal acts necessary for the creation, modification or termination of obligations on behalf of the Corporation.

**First Paragraph** - The Executive Board shall resolve on the provision of surety by the Corporation in residential lease agreements entered into by its employees.

**Second Paragraph** - The act practiced by any manager, attorney-in-fact or employee of the Corporation that involves the Corporation in any obligations related to business and operations other than the corporate purpose is expressly forbidden and will be null and void by operation of law, without prejudice to the civil or criminal liability, as the case may be, to which the breaching party of this provision will be subject.

**Article 26** - The Executive Board validly meets with the presence of two (2) Officers, one of them always being the Chairman, and resolves by the vote of the majority of those present, and in the event of an equality of votes, the Chairman will have the casting vote.

**First Paragraph** - The Executive Board will meet whenever called by the President or by the majority of its members. The meetings of the Executive Board may be held by conference call, video conference or by any other means of communication that allows the identification and simultaneous communication between the Officers and all other persons present at the meeting.

**Second Paragraph** - Notices of meetings shall be made by written communication delivered at least one (1) business day in advance, which shall include the agenda, date, time and place of the meeting.

**Third Paragraph** - Minutes of the meetings of the Executive Board shall be kept in a specific book and signed by the Officers present.

## **CHAPTER V – SUPERVISORY BOARD**

**Article 27** - With the duties set forth by law, the Supervisory Board shall be of a non-permanent nature and shall be composed of not less than three (3) acting members and three (3) alternates and not more than five (5) acting members and five (5) alternates, whether shareholders or not, elected by the General Meeting, with a term of office that shall be in effect until the date of the Annual General Meeting held in the fiscal year following that in which the election occurred.

**First Paragraph** - The members of the Supervisory Board who are in the effective exercise of their functions will be entitled to monthly fees established by the General Meeting that elects them, subject to the legal minimum.

**Second Paragraph** - The General Meeting shall establish the number of members of the Supervisory Board, within the limits set forth in the caption of this Article.

**Third Paragraph** - The investiture of members of the Supervisory Board will be subject to the signature of the respective term of office.

## **CHAPTER VI – FISCAL YEAR, FINANCIAL STATEMENTS AND PROFITS**

**Article 28** - The fiscal year begins in January 1 and ends in December 31 of each year, the base date for which the financial statements corresponding to the fiscal year will be prepared and the respective profits calculated, in compliance with the legal provisions.

**First Paragraph** - Upon resolution of the Board of Directors, the Corporation may prepare extraordinary balance sheets in June 30 and September 30 of each year, on the basis of which the Board of Directors may declare prepayments of the annual dividend and/or the payment of interest on equity, as provided for in Article 30, as well as establish the payment conditions.

**Second Paragraph** - Notwithstanding the provisions set forth in the first paragraph of this Article, the Corporation may at any time prepare other extraordinary balance sheets and, by resolution of the Board of Directors, distribute dividends and/or interest on equity based on the profits calculated therein, pursuant to the provisions of Article 204, first paragraph of Law 6,404/76, and the Board of Directors shall be responsible for defining the payment conditions.

**Third Paragraph** - The interim dividend and the interest on equity paid to the shareholders shall be imputed, net of the withholding income tax, to the amount of the mandatory annual dividend established in Article 30, first paragraph of these By-laws.

**Article 29** - The accumulated losses, if any, and the provision for income tax shall be deducted from the profits for the year.

**First Paragraph** - The Board of Directors may propose to the General Meeting the management profit sharing for the year, which may not exceed their annual compensation or 0.1 (one tenth) of the remaining profits after the deductions set forth in the caption of this Article, and the smallest limit will prevail.

**Second Paragraph** - Subject to the limits set forth in this Article, the overall management profit sharing for the fiscal year and its distribution shall be established by the Board of Directors.

**Article 30** - The Board of Directors shall propose to the Annual General Meeting the allocation to be given to the net income for the year, with a mandatory appropriation of five percent (5%) to create the legal reserve, until reaching the maximum limit provided for in law, also appropriating the portion necessary for the creation of the contingency reserve, when circumstances so recommend.

**First Paragraph** - At least twenty-five percent (25%) of the remaining profit, after legal deductions, shall be set aside for the payment of the minimum mandatory dividend to shareholders, and may be paid in the form of interest on equity under the applicable legislation.

**Second Paragraph** - By proposal of the Board of Directors, the General Meeting may resolve on the allocation of funds to the Special Reserve, which will have the purpose of guaranteeing (i) financial funds for the Corporation's operation; (ii) funds for the payment of dividends, including in the form of interest on equity or its prepayments; and (iii) the exercise of the preferential subscription right in capital increases in participated companies; and such Special Reserve is formed by up to the totality of the remaining portion of the net income for the fiscal year adjusted, pursuant to article 202 of Law no. 6,404/76 that remains after the legal deductions and payment of the minimum mandatory dividend provided for in Paragraph 1 of this Article, and may not exceed ninety-five percent (95%) of the capital stock.

**Third Paragraph** - The balance of the profit reserves, plus the legal reserve, except those for contingencies, tax incentives and unrealized profits, may not exceed the capital stock. Upon reaching this limit, based on a proposal to be made by the Board of Directors, the General Meeting shall resolve on the appropriation of the excess for capitalization or distribution of dividends to shareholders.

**Article 31** - The dividend shall not be mandatory in the fiscal year in which the Board of Directors deems it incompatible with the Corporation's financial situation, with due regard for the provisions set forth in Article 202, fourth paragraph of Law 6,404/76.

**Sole Paragraph** - In the case provided for in this Article, the managers shall not be entitled to statutory profit sharing.

**Article 32** - The dividend for each fiscal year may be paid in four or more quarterly installments in advance, or in smaller intervals, on account of the income of the fiscal year, of retained earnings or profit reserves, in compliance with the provisions set forth in Article 204, Paragraphs 1 and 2 of Law 6,404/76 or as interest on equity under the applicable legislation.

**First Paragraph** - The advance of dividends and/or payment of interest on equity will be declared by the Board of Directors, and will be based on the latest quarterly and year-end balance sheets, as the case may be.

**Second Paragraph** - The dividend and/or interest on equity will be paid within a maximum period of sixty (60) days as of the date of the meeting of the Board of Directors or the General Meeting that declared it.

**Third Paragraph** - The General Meeting may extend the term set forth in second paragraph of this Article, but the payment of the dividend and/or interest on equity shall always be made within the fiscal year in which it is declared.

#### **CHAPTER VII – DISSOLUTION AND LIQUIDATION**

**Article 33** - If the Corporation is dissolved in the events provided for in law, or as determined by the General Meeting, the Board of Directors will be maintained, which will appoint the liquidator and fix the liquidator's remuneration, and may remove him at any time.

#### **CHAPTER VIII – MISCELLANEOUS**

**Article 34** - Any doubtful cases or matters not expressly covered by these By-laws shall be resolved by the General Meeting and regulated in accordance with the provisions of Law 6,404/76, of the Level 1 Regulation and other applicable legal provisions.

**Article 35** - The provisions of Level 1 Regulation shall prevail over the provisions of these By-laws, in the event of prejudice to the rights of the recipients of public offerings provided for in these By-laws.

**Article 36** - The capitalized terms used and not expressly defined herein shall have the meaning ascribed by the Level 1 Regulation.

**Article 37** - The Shareholders Agreements duly filed at the Corporation's headquarters that, among other provisions, establish clauses and conditions for purchase and sale of shares issued by the Corporation, preference to acquire them, exercise of voting rights or power of control, shall be respected by the Corporation, by its Managers and by the Chairmen of the General Meetings and the Board of Directors' Meetings.