

Marfrig GLOBAL FOODS S.A.
CNPJ/MF 03.853.896/0001-40
NIRE 35.300.341.031
Public Company

ARTICLES OF ASSOCIATION

Chapter I Name, registered office, jurisdiction, corporate purpose and duration

Article 1. Marfrig Global Foods S.A. ("**Company**") is a corporation with authorized capital, governed by these articles of association ("**Articles of Association**") and by the applicable legal and regulatory provisions.

Article 2. The Company has its head office and registered office in the city and state of São Paulo, at Avenida Queiroz Filho, nº 1.560, Bloco 5 (Torre Sabiá), 3º Andar, Sala 301, Vila Hamburguesa, Postal Code 05319-000, and may set up and close branches, agencies, warehouses, offices, branches, representations and any other establishments in the country or abroad, by resolution of the Executive Board.

Article 3 The Company's corporate purpose is: (i) operation of meatpacking activities, with slaughter of cattle, horses, pigs, goats, sheep, poultry, buffalo and the industrialization and sale of products and by-products of animal origin, edible or not, including, but not limited to, the industrialization and sale of leather products and by-products, in its own establishment or that of third parties; (ii) purchase, sale, distribution, representation, import and export of food products in general, including alcoholic or non-alcoholic beverages and others; (iii) purchase and sale of standing cattle, horses, pigs, goats, sheep, poultry and buffaloes; (iv) supply of effective labor to other companies; (v) exploitation of agricultural and forestry activities; (vi) participation as a partner or shareholder in any commercial or civil company; (vii) distribution and sale of food products in general; (viii) production, distribution and sale of soaps, washing preparations, disinfectants, softeners and other hygiene and cleaning products; (ix) cogeneration, production and sale of energy and biodiesel; (x) participation in the financial market, as well as in the carbon credit market; (xi) marketing and production of products derived from legumes and vegetables, as well as all their derivatives and substitutes; feed, preserves, canned goods and fats; and (xii) transportation of its products and those of third parties; representations and other related ventures that are necessary for the company's objectives; (xiii) breeding, rearing and fattening cattle, horses, goats, sheep, poultry and buffaloes, in its own establishment and those of third parties; (xiv) the import and export of products related to the object of the farming activity, as well as embryos and others; (xv) the provision of effective labor to other companies; (xvi) the provision of services to third parties for the breeding, treatment, handling, fattening and transportation of cattle, horses, pigs, goats, sheep, poultry and standing buffalo; (xvii) technical testing and analysis; (xviii) manufacture of animal-derived pharmachemical products; (xix) manufacture of organic chemical products not previously specified; and (xx) ecological restoration services.

§ 1. The Company may explore other lines of business that have an affinity with the object expressed in this Article 3.

§ 2 - With the admission of the Company to the special listing segment called Novo Mercado, of B3 S.A. - Brasil, Bolsa, Balcão (“**B3**” and “**New Market**”, respectively), the Company, its shareholders, including controlling shareholders, members of the Board of Directors, the Executive Board and the Fiscal Council, if and when installed, are subject to the provisions of the New Market Regulations (“**New Market Regulations**”).

§ 3. The provisions of the New Market Regulations shall prevail over the provisions of the Articles of Association in the event of prejudice to the rights of the recipients of the public offerings provided for in these Articles of Association.

§ 4. The Company and its shareholders, including controlling shareholders, members of the Board of Directors, the Executive Board and the Fiscal Council must comply with the deadlines, obligations and procedures set out in the B3 Regulations for the Listing of Issuers and Admission to Trading of Securities, the B3 Issuer Manual and the New Market Regulations.

Article 4. The Company has an indefinite duration.

Chapter II Share Capital and Shares

Article 5 The Company’s fully subscribed and paid-up share capital is BRL 10,491,577,961.00 (ten billion, four hundred and ninety-one million, five hundred and seventy-seven thousand, nine hundred and sixty-one Brazilian reais), divided into 932,000,000 (nine hundred and thirty-two million) ordinary shares, all nominative, book-entry and without par value.

Article 6. The Company is hereby authorized, by resolution of the Board of Directors, to increase its share capital, regardless of amendment to the articles of association, by issuing up to 2,000,000,000 (two billion) ordinary shares, all nominative and without par value, including the Company’s current Share Capital.

§ 1. The Board of Directors shall set the conditions for the issue of shares referred to in the caption above, including the price and term of payment, and may, within the limit of the authorized capital, decide to issue subscription warrants.

§ 2. Within the limit of the authorized capital and in accordance with the plan approved by the General Meeting, the Board of Directors may authorize the Company to grant stock options to its managers, employees and service providers, as well as to the managers, employees and service providers of other companies that are directly or indirectly controlled by the Company, without preemptive rights for the shareholders.

§ 3. The Company is prohibited from issuing beneficiary shares.

Article 7 The share capital shall be represented exclusively by ordinary shares and each ordinary share shall carry the right to one vote in the resolutions of the General Meeting. The Company may not issue preferred shares.

Article 8. The shares issued by the Company are book-entry shares, held in deposit accounts in the name of their holders, with a financial institution authorized by the Brazilian Securities and Exchange Commission (“**CVM**”).

Sole Paragraph. Subject to the maximum limits set by the CVM, the cost of the service of transferring ownership of book-entry shares may be charged directly to the shareholder by the depository institution, as defined in the share book-entry agreement.

Article 9. At the discretion of the Board of Directors, shares, debentures convertible into shares or subscription warrants may be issued, without preemptive rights or with a reduction in the period referred to in article 171, § 4, of the Brazilian Corporate Law, and may be placed through sale on a stock exchange or through public subscription, or through exchange for shares in a public offering for the acquisition of control, under the terms established in the applicable legislation and regulations, within the limit of the authorized capital.

Chapter III General Assembly

Article 10. The General Meeting shall meet ordinarily once a year and extraordinarily when convened under the terms of the applicable legislation or these Articles of Association.

Article 11. The General Meeting shall be installed and chaired by the President of the Board of Directors or, in his absence, by any member of the Board of Directors or, in his absence, by a shareholder or manager of the Company chosen by a majority vote of those present, and the President of the General Meeting shall appoint the secretary, who may or may not be a shareholder of the Company.

Article 12. In addition to the duties provided for by law and these Articles of Association, the General Meeting is responsible for:

- I. electing and dismissing the members of the Board of Directors, as well as appointing the President of the Board of Directors;
- II. setting the overall annual remuneration of the members of the Board of Directors and the Executive Board, as well as that of the members of the Fiscal Council, if installed;
- III. take annual accounts of the directors and decide on the financial statements presented by them;

- IV. reform the Articles of Association;
- V. resolving on the dissolution, liquidation, merger, demerger, incorporation of the Company, or of any company in the Company;
- VI. approve plans to grant stock options to its managers and employees, as well as to the managers and employees of other companies that are directly or indirectly controlled by the Company;
- VII. to decide, in accordance with the proposal presented by management, on the allocation of profits for the year and the distribution of dividends;
- VIII. elect the liquidator, as well as the Fiscal Council, which shall function during the liquidation period;
- IX. deliberate on the request for cancellation of registration as a publicly-held company with the CVM and delisting from the New Market; and
- X. deliberate on any matter submitted to it by the Board of Directors.

Chapter IV Administrative bodies
Section I General Provisions

Article 13 The Company shall be managed by the Board of Directors and the Executive Board.

§ 1. The members of the Board of Directors and the Executive Board shall take office by means of a deed drawn up in the appropriate book, signed by the director or board member who has taken office and including their subjection to the arbitration clause referred to in Article 33 of these Articles of Association, with no management guarantee being required, and shall be subject to compliance with the applicable legal requirements.

§ 2. The managers shall inform the Company and, if applicable, the CVM and B3 of their ownership of and dealings in securities issued by the Company, under the terms of the law and regulations in force.

§ 3. Directors shall remain in office until their replacements take office.

§ 4. The positions of chairman of the board of directors and chief executive officer of the Company may not be held by the same person.

§ 5. The rule in § 4 does not apply in the event of a vacancy, in which case the company must: (i) disclose the accumulation of positions as a result of the vacancy by the business day following the

occurrence; (ii) disclose, within 60 (sixty) days of the vacancy, the measures taken to cease the accumulation of positions; and (iii) cease the accumulation within 1 (one) year.

§ 6. The Company must disclose the resignation or dismissal of members of the board of directors and statutory officers by the next business day on which the company is notified of the resignation or the dismissal is approved, in compliance with the regulations issued by the CVM on the disclosure and use of information on material acts or facts relating to publicly-held companies.

Article 14. The Shareholders' Meeting shall set a limit for the overall annual remuneration to be distributed among the directors and the Board of Directors shall decide on the individual remuneration of the directors, subject to the provisions of these Articles of Association.

Article 15. If regularly convened in accordance with these Articles of Association, any of the management bodies holds a valid meeting with the presence of the majority of its members and decides by the vote of the majority of those present.

Sole Paragraph. As a condition for the validity of a meeting, prior notice of the meeting to all the directors shall only be waived if all the members of the body to be met are present; for this purpose, attendance may be verified by means of written votes delivered by another member or sent to the Company prior to the meeting.

Section II Board of Directors

Article 16 The Board of Directors shall be composed of a minimum of 3 (three) and a maximum of 11 (eleven) members, all elected and removable by the General Meeting, with a unified term of office of 2 (two) years, re-election being permitted.

§ 1. At the Annual General Meeting, the shareholders must decide on the effective number of members of the Board of Directors.

§ 2. Of the members of the Board of Directors, at least 2 (two) directors or 20% (twenty percent), whichever is greater, must be independent directors, based on the criteria and requirements established by the New Market Regulations, and the characterization as an independent director must be expressly indicated in the minutes of the General Meeting that elects them, and the director(s) elected by means of the powers provided for in article 141, §§ 4 and 5, of Law 6.404, of December 15, 1976, as amended ("Brazilian **Corporate Law**").

§ 3. When, as a result of calculating the percentage referred to in § 1 above, a fractional number of independent directors results, the number shall be rounded up to the next whole number.

§ 4. The member of the Board of Directors must have an unblemished reputation and may not be elected, unless waived by the General Meeting, if he/she (i) holds positions in companies that may

be considered competitors of the Company; or (ii) has or represents an interest conflicting with the Company; the right to vote may not be exercised by the member of the Board of Directors if the same impediment factors are supervened.

§ 5. The member of the Board of Directors may not have access to information or participate in meetings of the Board of Directors relating to matters in which he/she has or represents a conflicting interest with the Company and is expressly prohibited from exercising his/her voting rights.

§ 6. In order to better perform its duties, the Board of Directors may create committees or working groups with defined objectives, made up of persons appointed by it from among the members of management and/or other persons who are not part of the Company's management.

Article 17 The President of the Board of Directors shall be appointed by the General Meeting.

§ 1. The President of the Board of Directors shall preside over General Meetings and meetings of the Board of Directors and, in the event of his absence or temporary impediment, these duties shall be performed by another member of the Board of Directors chosen by a majority of the other members.

§ 2. In the event of a vacancy on the Board of Directors that does not result in the composition of less than a majority of the positions on the body, in accordance with the number of effective directors resolved by the General Meeting, the other members of the Board of Directors may: (i) appoint substitute(s), who shall remain in office until the end of the term of office of the substituted member(s); or (ii) choose to leave the position(s) of the vacant member(s) vacant, provided that the minimum number of members set out in the *main* section of Article 16 is respected.

§ 3. In the event of a vacancy on the Board of Directors resulting in a composition of less than the majority of the body's positions, in accordance with the number of effective directors resolved by the General Meeting, the Board of Directors shall call a General Meeting to elect a replacement(s) who shall remain in office until the end of the term of office of the replaced member(s).

§ 4. In the deliberations of the Board of Directors, the President of the body shall have the casting vote, in addition to his own vote, in the event of a tied vote as a result of an even number of members of the Board of Directors. Each director shall be entitled to one (1) vote in the body's deliberations.

Article 18 The Board of Directors shall meet whenever convened by the President of the Board of Directors. Board meetings may exceptionally be held by conference call, video conference or any other means of communication in which there is unequivocal proof of voting.

§ 1. Meetings shall be called in writing at least three (3) working days in advance, by letter, telegram, fax, e-mail or any other means that allows proof of receipt of the call by the addressee and shall contain the agenda and be accompanied by documentation relating to the agenda.

§ 2. All resolutions of the Board of Directors shall be recorded in minutes drawn up in the respective Board book and signed by the directors present.

§ 3. At meetings of the Board of Directors, advance written votes and votes cast by fax, e-mail or any other means of communication are allowed, and members who vote in this way are counted as present.

§ 4. Decisions of the Board of Directors shall always be taken by the favorable vote of the majority of the members present at the meeting.

Article 19 The Board of Directors is responsible for, in addition to other duties assigned to it by law or in these Articles of Association:

- (i) setting the general direction of the Company's business;
- (ii) elect and dismiss the Company's Officers;
- (iii) establishing or altering the Executive Board's authority to issue and/or carry out a public or private offering of credit instruments to raise funds, whether simple debentures, not convertible into shares and without a real guarantee, *bonds*, *notes*, promissory notes, *commercial papers*, or others commonly used in the market, as well as to establish their conditions of issue and redemption, and may, in the cases it defines, require the prior authorization of the Board of Directors as a condition for the validity of the act;
- (iv) supervising the management of the Officers, examining the Company's books and papers at any time and requesting information on contracts entered into or about to be entered into and any other acts;
- (v) choose and dismiss the Company's independent auditors;
- (vi) summon the independent auditors to provide any clarifications it deems necessary;
- (vii) appraise the Management Report and the accounts of the Executive Board and decide on their submission to the General Meeting;
- (viii) approving the Company's annual budgets and any amendments thereto;
- (ix) previously express any proposal to be submitted to the General Meeting for deliberation;
- (x) authorize the issuance of shares of the Company, within the limits authorized in Article 6 of these Articles of Association, setting the conditions of issuance, including price and term of payment, and may also exclude (or reduce the term for) preemptive rights in the issuance of shares, subscription warrants and convertible debentures, the placement of which is

made by sale on the stock exchange or by public subscription or in a public offering for the acquisition of control, under the terms established by law;

- (xi) to decide on the acquisition by the Company of shares issued by the Company, or on the launch of put and call options, referenced to shares issued by the Company, to be held in treasury and/or subsequently canceled or sold;
- (xii) to decide on the issue of subscription warrants;
- (xiii) grant stock options to its managers, employees and service providers, as well as to the managers, employees and service providers of other companies that are directly or indirectly controlled by the Company, without preemptive rights for the shareholders under the terms of the programs approved at the General Meeting;
- (xiv) to authorize the Company to provide guarantees for its obligations and those of its controlled companies and/or wholly-owned subsidiaries, the amount of which is greater than the limit established under the terms of the Sole Paragraph below;
- (xv) to approve any acquisition or disposal of permanent assets, the value of which is greater than the limit established under the terms of the Sole Paragraph below, with the exception of the provisions of item (xvi) below;
- (xvi) authorize the Company's participation as a shareholder or shareholder in other companies, or the Company's association with other companies to form joint ventures;
- (xvii) to approve the creation of in rem liens on the Company's assets or the granting of guarantees to third parties, the value of which is greater than the amount established under the terms of the Sole Paragraph below;
- (xviii) approve the obtaining of any financing or loan, including leasing operations, on behalf of the Company, not provided for in the annual budget, the amount of which is greater than the amount of the limit established under the terms of the Sole Paragraph below;
- (xix) approving any transaction or set of transactions whose annual value is equal to or greater than the management's authority defined by the Board of Directors, involving the Company and any related party, directly or indirectly. For the purposes of this provision, a related party is understood to be any manager of the Company, employee or shareholder who holds, directly or indirectly, more than 10% (ten percent) of the Company's share capital;
- (xx) authorize the assignment of the use, disposal, transfer or licensing of any type of intellectual or industrial property belonging to the Company;
- (xxi) to decide in advance on spin-off, merger, incorporation, dissolution or liquidation operations, or any other corporate reorganization operation with similar effects involving any of the Company's subsidiaries;
- (xxii) allocate share bonuses and decide on any reverse splits or reverse stock splits; and
- (xxiii) to express support or opposition regarding any public tender offer for shares ("OPA") targeting the Company's issued shares, through a reasoned preliminary report, to be

disclosed within 15 (fifteen) days following the publication of the OPA announcement. This report must at least include (i) the convenience and appropriateness of the OPA with respect to the interests of the shareholders as a whole, concerning both the price and the potential impacts on the liquidity of the securities they hold; (ii) the strategic plans disclosed by the offerer in relation to the Company; and (iii) the alternatives to accepting the OPA available in the market. The opinion of the Board of Directors must include the opinion in favor or against the acceptance of the public tender offer, warning that it is the responsibility of each shareholder to make the final decision on said decision; and

(xxiv) to choose the specialized company responsible for preparing the appraisal report for the Company's shares, in the event of deregistration or delisting from the New Market.

Sole Paragraph. The Board of Directors may set limits for the executive officers to carry out any of the acts referred to in items (iii), (xiv), (xv), (xvii), (xviii) and (xx) of the *main body* of this Article, subject to limits on the amount per act or series of acts.

Section III Board of Directors

Article 20 The Board of Executive Officers shall be composed of 2 (two) to 7 (seven) Officers, comprising a Chief Executive Officer, a Legal Officer, an Investor Relations Officer, an Administrative-Financial Officer and the other Officers without specific designation. The position of Investor Relations Officer may be held cumulatively with the position of any other Officer, as determined by the Board of Directors.

§ 1. Officers shall be elected for a term of three (3) years and may be re-elected.

§ 2. Members of the Executive Board who are not re-elected shall remain in office until the new Officers take office.

§ 3. In the event of permanent impediment or vacancy of office, the Board of Directors shall be immediately convened to elect a replacement.

§ 4. The absence or impediment of any Officer for a continuous period of more than thirty days, unless authorized by the Board of Directors, shall determine the end of the respective term of office, and the provisions of § 3 of this Article shall apply.

§ 5. An Officer may not simultaneously replace more than one other Officer.

§ 6. The Executive Board shall meet when convened by its Chief Executive Officer or by any two members jointly, whenever the interests of the company so require. Meetings of the Executive Board, which shall be held at the registered office, shall be convened with the presence of the majority of its members, necessarily including the Chief Executive Officer or an absolute majority of the members of the Executive Board, and the respective resolutions shall be taken by the vote

of the majority of the members present, except that in the event of a tie, the Chief Executive Officer shall have the qualified vote to approve or reject the matter under discussion. Minutes shall be drawn up in the relevant book with the corresponding resolutions.

Article 21 The Officers are responsible for administering and managing the Company's business, in particular:

- (i) to comply with and enforce these Articles of Association and the resolutions of the Board of Directors and the General Meeting;
- (ii) to submit, on an annual basis, to the Board of Directors, the Management Report and the accounts of the Executive Board, accompanied by the independent auditors' report, as well as the proposal for the appropriation of the profits made in the previous financial year;
- (iii) submit the Company's annual budget to the Board of Directors;
- (iv) present to the Board of Directors, on a quarterly basis, the detailed economic-financial and equity balance sheet of the Company and its subsidiaries;
- (v) issue and approve instructions and internal regulations it deems useful or necessary; and
- (vi) represent the Company actively and passively, in or out of court, subject to the provisions of Article 26.

Article 22 The Chief Executive Officer is responsible for coordinating the actions of the Officers and directing the execution of activities related to the general planning of the Company, in addition to the functions, attributions and powers entrusted to him by the Board of Directors, and in compliance with the policy and guidelines previously drawn up by the Board of Directors:

- (i) calling and chairing meetings of the Executive Board;
- (ii) overseeing the Company's management activities, coordinating and supervising the activities of the members of the Executive Board;
- (iii) coordinating the Company's personnel, organizational, management, operational and marketing policies;
- (iv) annually, prepare and present to the Board of Directors the Company's annual business plan and budget; and
- (v) managing company affairs in general.

Article 23 The Legal Officer is responsible for establishing guidelines and supervising the Company's activities in the legal area in general and providing legal assistance to the Management Bodies.

Article 24 It is the responsibility of the Investor Relations Officer to provide information to the investing public, the Securities and Exchange Commission and the stock exchanges and organized over-the-

counter markets on which the Company is registered, and to keep the Company's public company registration up to date, complying with all legislation and regulations applicable to public companies.

Article 25 In addition to the duties, attributions and powers granted to him by the Board of Directors, and subject to the policy and guidelines previously drawn up by the Board of Directors, it is the responsibility of the Administrative-Financial Director:

- (i) proposing financing alternatives and approving financial conditions for the Company's business;
- (ii) manage the Company's cash and accounts payable and receivable; and
- (iii) running the accounting, financial planning and tax departments.

Article 26 The Company shall be represented as follows:

- (i) by 2 (two) officers jointly, one of whom is the Chief Executive Officer, the Legal Officer or the Financial Administrative Officer, necessarily jointly with another Officer without specific designation;
- (ii) by 2 (two) officers jointly, one of them being the Chief Executive Officer or the Legal Officer, necessarily together with the Financial Administrative Officer or another Officer without specific designation;
- (iii) by any director jointly with a proxy appointed in accordance with items (i) and (ii) above;
- (iv) by two (2) joint proxies, appointed in accordance with (i) and (ii) above; or
- (v) individually by the Investor Relations Officer, exclusively within the scope of his/her competence as provided for in Article 24 of these Articles of Association.

§ 1. Powers of attorney shall always be granted in the name of the Company in accordance with items (i) and (ii) above, and shall have a validity period limited to a maximum of one year, except that powers of attorney for the purposes of judicial representation or in administrative proceedings may be granted for an indefinite validity period.

§ 2. A power of attorney duly granted pursuant to § 1 above may expressly authorize the performance of specific acts binding the Company by only one of the members of the Executive Board or by an appointed proxy.

Chapter V Fiscal Council

Article 27 The Company's Fiscal Council, with the duties established by law, shall be composed of three (3) to five (5) members and an equal number of alternates.

§ 1. The Fiscal Council shall function on a permanent basis, in accordance with legal provisions.

§ 2. The members of the Fiscal Council must, immediately after taking up their respective positions, inform B3 of the quantity and characteristics of the securities issued by the Company that they hold directly or indirectly, including their derivatives.

§ 3. The members of the Fiscal Council shall have a term of office of one (1) year and may be re-elected. The members of the Fiscal Council shall take office by means of a deed drawn up in the appropriate book, signed by the member who has taken office, and subject to the arbitration clause referred to in Article 33 of these Articles of Association and subject to compliance with the applicable legal requirements.

Chapter VI Statutory Audit Committee

Article 28 The Statutory Audit Committee, an advisory body linked to the Board of Directors, is made up of at least 3 (three) members, at least 1 (one) of whom is an independent director, and at least 1 (one) of whom must have recognized experience in corporate accounting matters.

§ 1. The same member of the Statutory Audit Committee may accumulate both characteristics referred to in the *heading*.

§ 2. The activities of the audit committee coordinator are defined in its internal regulations, approved by the Board of Directors.

§ 3. The members of the Statutory Audit Committee shall have a term of office of 2 (two) years, and may be re-elected and hold office for a maximum of 10 (ten) years. Their tenure of office shall be subject to the signing of a term of office, which shall include their being subject to the arbitration clause referred to in Article 33 of these Articles of Association.

§ 4. The Statutory Audit Committee shall have the following duties:

- (i) to give an opinion on the hiring and dismissal of the independent external auditor for the conduct of the independent external audit or for any other service;
- (ii) to supervise the activities of: (a) the independent auditors, in order to assess their independence and the quality and suitability of the services provided to the Company's needs; (b) the Company's internal control area; (c) the Company's internal audit area; and (d) the area responsible for preparing the Company's financial statements;
- (iii) to monitor the quality and integrity of: (a) internal control mechanisms; (b) the Company's quarterly information, interim statements and financial statements; and (c) information and measurements disclosed on the basis of adjusted accounting data and non-accounting data that add elements not provided for in the structure of the usual financial statement reports;
- (iv) to evaluate and monitor the Company's risk exposures, and may even request detailed information on policies and procedures relating to: (a) management remuneration; (b) the use of Company assets; and (c) expenses incurred on behalf of the Company;

- (v) to evaluate and monitor, together with management and the internal audit department, the adequacy of the transactions with related parties carried out by the Company and their respective disclosures;
- (vi) to prepare a summary annual report, to be presented together with the financial statements, describing: (a) its activities, the results and conclusions reached and the recommendations made; and (b) any situations in which there is a significant disagreement between the Company's management, the independent external auditors and the Statutory Audit Committee in relation to the Company's financial statements; and
- (vii) to ensure that the Company has the means to receive and process information about non-compliance with the legal and regulatory provisions applicable to the Company, as well as internal regulations and codes, including specific procedures to protect the whistleblower and the confidentiality of the information.

§ 5. The articles of association of the Statutory Audit Committee shall be approved by the Board of Directors and shall describe its functions in detail, as well as its operating procedures.

§ 6. The remuneration of the members of the Statutory Audit Committee, in addition to the respective budget allocation, shall be set by the Board of Directors.

Chapter VII Financial Year and Financial Statements

Article 29 The fiscal year begins on January 1st and ends on December 31st of each year.

§ 1. At the end of each financial year, the Executive Board shall draw up the financial statements required by law and the New Market Regulations, in compliance with the relevant legal provisions.

§ 2. The financial statements for the financial year shall include a management proposal on the allocation of net profit, in compliance with the provisions of these Articles of Association and applicable legislation.

§ 3. The net profit for the year must be allocated as follows:

- (i) 5% (five percent) for the formation of the legal reserve, until it reaches 20% (twenty percent) of the subscribed share capital;
- (ii) payment of mandatory dividends, in compliance with the provisions of Article 30 of these Articles of Association and applicable legislation; and
- (iii) constitution of a profit reserve and distribution of dividends in addition to the mandatory dividends under the terms of the Brazilian Corporate Law.

Article 30 Shareholders shall be entitled to receive, each year, as dividends, a minimum mandatory percentage of 25% (twenty-five percent) of the net profit for the year, with the following adjustments:

- I. the decrease in the amounts set aside in the year for the constitution of the legal reserve and contingency reserves; and

II. the increase in amounts resulting from the reversal, during the year, of previously formed contingency reserves.

§ 1. Whenever the amount of the mandatory dividend exceeds the realized portion of the net profit for the year, management may propose, and the General Meeting approve, that the excess be set aside as an unrealized profit reserve (article 197 of the Brazilian Corporate Law).

§ 2. The General Shareholders' Meeting may award profit-sharing to managers of the Company or its subsidiaries, subject to the relevant legal limits. It is a condition for the payment of such participation that the shareholders receive the minimum compulsory dividend referred to in this Article.

§ 3. The Company may draw up balance sheets every six months or in shorter periods. Subject to the conditions imposed by law, the Board of Directors may: (a) decide on the distribution of dividends by debiting the profit account calculated in the half-yearly balance sheet or in shorter periods *ad referendum* of the General Meeting; and (b) declare interim dividends by debiting the profit reserve account existing in the last annual or half-yearly balance sheet.

§ 4. Dividends not claimed within three years are statute-barred in favor of the Company.

§ 5. The Board of Directors shall decide on a proposal by the Executive Board to pay or credit interest on own capital, *ad referendum* of the Annual General Meeting that appraises the financial statements for the financial year in which such interest was paid or credited, and the amounts corresponding to interest on own capital shall be imputed to the mandatory dividend.

Chapter VIII Disposal of Control,

Cancellation of Public Company Registration and Delisting from the New Market

Article 31 The direct or indirect sale of control of the Company, whether by means of a single operation or successive operations, must be contracted under the condition that the acquirer of control undertakes to carry out a takeover bid for the shares issued by the Company and held by the other shareholders, in compliance with the conditions and deadlines laid down in the legislation and regulations in force and in the New Market Regulations, in order to ensure equal treatment to that given to the seller.

Article 32 In the event of the direct or indirect sale of control of the Company, cancellation of registration as a publicly-held company, voluntary delisting from the New Market or corporate reorganization involving the transfer of the Company's shareholder base, the provisions of the applicable legislation and regulations must be observed, including, without limitation, the rules issued by the CVM and the New Market Regulations.

Chapter IX Dispute Resolution

Article 33 The Company, its shareholders, managers and members of the fiscal council, effective and alternate, if any, undertake to resolve, by means of arbitration, before the Market Arbitration Chamber, in the form of its regulations, any controversy that may arise between them, related to or

arising from their status as issuer, shareholders, managers and members of the fiscal council, and in particular, arising from the provisions contained in Law 6.385, of December 7, 1976, as amended, the Brazilian Corporate Law, the rules issued by the National Monetary Council, the Central Bank of Brazil and the CVM, these Articles of Association, as well as other rules applicable to the operation of the securities market in general, in addition to those contained in the New Market Regulations, other B3 regulations and the New Market Participation Agreement.

Chapter X Liquidation

Article 34 The Company shall be dissolved in the cases provided for by law, and it shall be incumbent on the General Meeting, where appropriate, to determine the method of liquidation and appoint the Fiscal Council and liquidator to act during the liquidation period, setting their remuneration.

Chapter XI Final Provisions

Article 35 The Company is prohibited from granting financing or guarantees of any kind to third parties, in any form whatsoever, for business outside the Company's interests.

* * * * *