

KROTON EDUCACIONAL S/A

BYLAWS OF THE COMPANY

CHAPTER I. NAME, PURPOSE, HEADQUARTERS AND DURATION

Article 1. The Company is called Kroton Educacional S.A. and shall be ruled by the shareholders' agreements filed in its headquarters, by these Bylaws and by the applicable legal provisions.

§ 1. As the Company was accepted in the special listing segment referred to as the Novo Mercado of the BM&FBOVESPA S.A. - Securities, Commodities and Futures Exchange ("BM&FBOVESPA"), the Company, its shareholders, managers and members of the Fiscal Council, if instated, shall be subject to the Novo Mercado Regulations of the BM&FBOVESPA ("Novo Mercado Regulations").

§ 2. The Novo Mercado Regulations shall prevail over the provisions of the Bylaws in the event the rights of the recipients of the public offers provided for herein are infringed.

Article 2. The Company has as its corporate purpose the following activities:

- (a) the development and/or administration of educational activities and/or institutions of all levels;
- (b) the development and/or administration of educational activities, both regulated and unregulated, of all levels, using on-campus or distance-learning methodologies;
- (c) the development and/or administration of research and extension activities;
- (d) the publishing, production, distribution and marketing of educational content and materials, whether in print or digital;
- (e) the wholesale and retail trade, distribution, import, export of teaching and non-teaching books, magazines, newspapers, books and other publications aimed at all levels of education, as well as licensing for school products of pedagogic nature.
- (f) intermediating and representing the sale of teaching and non-teaching books, magazines, newspapers, books and other publications for all levels of education, as well as receiving commissions from sales;
- (g) managing the copyrights of literary works or teaching materials, both in print or digital;
- (h) the rendering of educational, training, advisory and evaluation services as well as other services related to education;
- (i) the administration of its own assets and businesses;
- (j) the storage and conservation of the educational and/or teaching goods and materials of third parties;
and

- (k) holding interests, as a shareholder or member, in other companies that commercially explore or perform the abovementioned activities, in Brazil or abroad.

Article 3. The Company's headquarters and jurisdiction is in the city of Belo Horizonte, State of Minas Gerais, and it may, by resolution of the Board of Executive Officers, create and extinguish branches, agencies and representation offices in any part of Brazil or abroad.

Article 4. The Company's duration is undetermined.

CHAPTER II. CAPITAL STOCK

Article 5. The Company's capital stock is R\$4,194,526,705.40, fully subscribed and paid-in, represented by 404,065,979 common shares, all non-par, registered, book-entry shares.

§ 1. Each common share is entitled to 1 vote in the resolutions of the Company's General Meetings.

§ 2. The compensation mentioned in § 3 of Article 35 of Law 6,404, as of December 15, 1976 (Brazilian Corporation Law) may be charged from shareholders.

§ 3. The Company may not issue Founders' Shares.

§ 4. The Company may not issue preferred shares.

Article 6. The Company is authorized to increase its capital stock through the issue of up to 500,000,000 common shares, by resolution of the Board of Directors, regardless of bylaws amendment.

§ 1°. In the event described in the *caput* of this Article, the Board of Directors is responsible for establishing the issue price and the number of shares to be issued, as well as the payment terms and conditions.

§ 2. Within the authorized capital limit, the Board of Directors may: (i) approve the issue of warrants and convertible debentures; (ii) in accordance with the plan approved by the General Meeting, approving the issue of shares resulting from the granting of stock options to the managers and employees of the Company or of its subsidiaries, or to natural persons who render services to the Company, with shareholders not attributed preemptive rights in the granting or subscription of these shares; and (iii) approving increases in the capital stock upon capitalization of profits or reserves, with or without bonuses in the form of shares.

§ 3°. The issue of new shares, convertible debentures or warrants placed via sale on the stock exchange, public subscription or exchange of shares in a public tender offer for transfer of control, in accordance with Articles 257 to 263 of Brazilian Corporation Law or, further, a special tax incentives law, may be carried out without attributing preemptive rights to shareholders in the subscription or with a reduction in the minimum period provided for by law for its exercise.

Article 7. The late payment by shareholders of the capital subscribed will be subject to interest of 1% per month, monetary restatement based on the IGP-M inflation index, at shortest intervals permitted by law, and a fine of 10% of the amount payable, without prejudice to the other remedies provided for by law.

CHAPTER III. GENERAL MEETING

Article 8. The General Meeting shall convene ordinarily within the first four months after the end of the fiscal year to deliberate on the matters provided for in Article 132 of Brazilian Corporation Law, and extraordinarily whenever the Company's interests so require.

§ 1. The General Meetings shall be called pursuant to Article 124 of the Brazilian Corporation Law, 15 days in advance, at least, counted from the publication of the first call; if the Meeting is not held, a new notice shall be published, of second call, at least 8 days before the Meeting.

§ 2. The Annual General Meeting and Extraordinary General Meeting may be convened simultaneously and held at the same place, date and time and recorded in a single minutes.

§ 3. The General Meeting shall be called by the Board of Directors, upon resolution by a majority of its members, or in the events provided for herein and in the Sole Paragraph of Article 123 of Brazilian Corporation Law.

Article 9. The General Meeting shall be chaired by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman of the Board of Directors, or, in the absence of both, by any other Board member elected by majority vote of the shareholders present. The Chairman of the General Meeting shall invite one of the attendees to be the secretary.

Article 10. Before convening the General Meeting, shareholders duly identified must sign the "Shareholder Attendance Book", informing their name and place of residence, as well as the number of shares they hold.

§ 1. The list of shareholders present will be closed by the Chairman of the Presiding Board immediately after the General Meeting is convened.

§ 2. Shareholders attending the General Meeting after the list of shareholders present has been closed may participate in the meeting, but shall not have the right to vote on any resolution.

Article 11. The documents pertaining to the matters to be deliberated on at the General Meetings shall be made available to shareholders, at the Company's headquarters, on the publication date of the call notice, except in situations in which a longer period is required by governing law or regulations.

Article 12. Without loss of the other competences provided for by the law and in these Bylaws, it is incumbent upon the General Meeting to resolve on:

- (a) the accounts from the managers, and examining, discussing and voting on the financial statements;
- (b) the allocation of net income for the fiscal year and its distribution to shareholders, based on the proposal presented by the management;
- (c) transformation, spin-off and merger of the Company, as well as its dissolution and liquidation, election and dismissal of the liquidators and judgment of its accounts;
- (d) amendment to these Bylaws;
- (e) increase, above the authorized capital limit, or decrease of the capital stock and approval of the appraisal of the assets destined for capital payment;

- (f) approval of stock option or subscription plans to its managers and employees, as well as to the managers and employees of the Company's subsidiaries or natural persons who render services to the Company;
- (g) the election and dismissal of the Board of Directors members;
- (h) electing the Fiscal Council, if installed, as well as its destitution and determining its compensation;
- (i) definition of the annual global compensation of the management members, including benefits of any nature and representation amounts, taking into account their responsibilities, the time dedicated to their functions, their professional competence and reputation and the value of their services in the market. It is incumbent upon the Board of Directors, the distribution of the compensation determined, as well as the profit sharing of managers, which shall not exceed the limits of Article 152 of the Brazilian Corporation Law;
- (j) the delisting of the Company from the Novo Mercado;
- (k) the deregistration as a publicly-held company before the Brazilian Securities and Exchange Commission ("CVM"); and
- (l) the choice of the institution or specialized company responsible for the preparation of the appraisal report of the Company's shares, in case of deregistration as a publicly-held company and/or delisting from the Novo Mercado, among the companies appointed by the Board of Directors.

Sole Paragraph. Any resolution of the General Meeting shall be taken by shareholders representing at least the majority of shares attending this General Meeting, except if a qualified majority is required by the Brazilian Corporation Law and pursuant to these Bylaws.

CHAPTER IV. MANAGEMENT

Section I. General Rules

Article 13. The Board of Directors is responsible for managing the Company and may be advised by committees and the Board of Executive Officers.

§ 1. The positions of Chairman of the Company's Board of Directors and Chief Executive Officer or top executive cannot be cumulated by the same person.

Article 14. The members of the Board Directors and the Board of Executive Officers shall be invested in their positions upon the execution of the Instrument of Investiture drawn up in the Company's records, within thirty (30) days following their election.

§ 1. The investiture of the members of the Board of Directors and Board of Executive Officers shall be subject to previous subscription of the Instrument of Agreement of the Managers, pursuant to the Novo Mercado Regulations, the Disclosure Policy of Material Act or Fact, and the Securities Trading Policy adopted by the

Company pursuant to CVM Instruction 358, as of January 22, 2002, as well as the compliance with the applicable legal requirements.

§ 2. The members of the Board of Directors and of the Board of Executive Officers are obliged, without loss of the duties and responsibilities attributed to them by the law, to keep a reservation on all businesses of the Company, treating as confidential all information they have access concerning the company, its businesses, employees, managers, shareholders or contracted parties and service providers, being obligated to use this information in the exclusive and best interest of the Company. The managers, when being invested in their positions, shall execute the Instrument of Confidentiality, as well as inspect so that the violation to the obligation of confidentiality does not occur by means of subordinates or third parties.

Section II. Board of Directors

Article 15. The Board of Directors shall be composed of, at least, 5 and at most 13 sitting members, all of them elected and removed from office by the General Meeting, with a unified term of office of 2 years, observing the provisions of Article 47 herein, with reelection permitted.

§ 1. The Board of Directors shall elect, from among its members, its Chairman and Vice-Chairman, with said election occurring at the first meeting after the investiture of the Board Members or in the first meeting following the vacancy of said position.

§ 2. The Board of Directors shall adopt an Internal Charter regulating, among other matters deemed expedient, its functioning and the rights and duties of its members, as well as its relationship with the Board of Executive Officers and with the other corporate bodies.

§ 3. At least 20% of the members of the Board of Directors shall be Independent Members, as defined by the Novo Mercado Regulations and expressly declared as independent members in the minutes of the General Meeting to elect them; in addition, the board member(s) elected pursuant to Article 141, Paragraphs 4 and 5 and Article 239 of the Brazilian Corporation Law is (are) also deemed as Independent Member(s).

§ 4. Should the percentage referred to in the paragraph above result in a fractional number of board members, it shall be rounded-off pursuant to the Novo Mercado Regulations.

Article 16. The Board of Directors will ordinarily meet on a quarterly basis and, extraordinarily, whenever requested by any member through a written call notice delivered to other members, pursuant to § 1 below.

§ 1. Board of Directors' meetings will be called by any Board member at least 10 days in advance, in writing establishing the meeting date, time and venue. At least 3 business days before the meeting, the Board members should receive the agenda and the supporting documentation that is reasonably necessary for the appropriate deliberation of all items on the agenda. Call notices and agenda of Board of Directors' meetings should be sent by the Board Chairman, in case of ordinary meetings, or by the member that called the extraordinary meeting.

§ 2. Board of Directors' meetings will preferably be held at the Company's office in the city and state of São Paulo and chaired by its Chairman or, in his absence, by the Vice-Chairman of the Board of Directors, or in the absence of both, by any other Board member elected by majority of the attending members.

Article 17. Within the deadline specified by the call notice, the Board of Directors' meetings will be conducted with the presence of majority of the members, either in person or remotely, pursuant to § 1 below, or represented pursuant to § 2 below.

§ 1. Board members will have the right to vote on issues remotely, by phone, videoconference, fax, mail or e-mail or by appointing another member, pursuant to § 2 below.

§ 2. Any sitting member of the Board of Directors may appoint another member to vote on his behalf at Board meetings on matters specified in the appointment, which should be filed at the Company's headquarters.

§ 3. Regardless of the call formalities, the meeting with the attendance of all members of the Board of Directors shall be considered regular.

Article 18. The Board of Directors' resolutions will be taken by majority vote.

Article 19. The Board of Directors is responsible for:

- (a) calling the General Meetings of the Company;
- (b) controlling and monitoring the performance of the Executive Officers of the Company and its Subsidiaries and examine the accounts of the respective management whenever the Board of Directors deems necessary. For this purpose, it can, at any time, examine the records, certificates and registers of the Company and its Subsidiaries, and request information on agreements executed or to be executed by them;
- (c) determining the general orientation of the activities of the Company and of its Subsidiaries and approving the strategic guidelines, business policies and objectives for all areas of the Company and of its Subsidiaries;
- (d) approving the long-term strategic planning and annual budget of the Company and of its Subsidiaries;
- (e) electing the Executive Officers of the Company and establishing their duties beyond those stipulated in these Bylaws and by law;
- (f) deliberating on the creation of advisory committees and on the election of their members;
- (g) allocating, from the overall compensation determined by the General Meeting, the compensation of each member of the Board of Directors and Board of Executive Officers of the Company;
- (h) appointing and removing the independent auditor of the Company and/or its Subsidiaries;
- (i) resolving on the distribution of interim dividends or interest on equity;
- (j) approving the participation of the Company or any of its Subsidiaries in the capital stock of another company or Person, incorporation of companies, associations, joint ventures involving the Company or any of its Subsidiaries with third parties, execution of any new shareholders' or partners' agreement related to the companies in which the Company holds interest, direct or indirectly, through any Subsidiary, or amendment to any existing shareholders' or partners' agreements;

- (k) giving opinions on the proposals of the management bodies to be submitted for approval by the General Meeting;
- (l) approving the contracting of debt and the issue of any credit instrument to raise funds, whether bonds, commercial paper or any other instrument commonly used in the market, that involves individual amounts equal to or greater than R\$40,000,000.00, deliberating also on the conditions of their issue, amortization and redemption;
- (m) approving all and any acquisition and/or sale or divestment of significant assets whose individual value is higher than R\$40,000,000.00;
- (n) approving the acquisition, sale or encumbrance of non-current assets of the Company or its Subsidiaries, or the execution of agreements by the Company or any of its Subsidiaries that result in the waiver or disposal of rights, whose individual value is higher than R\$40,000,000.00;
- (o) approving the pledging of any guarantees by the Company or any of its Subsidiaries, except among themselves;
- (p) approving the granting of any loan or financing by the Company or any of its Subsidiaries, except among themselves;
- (q) approving the execution of any and all contracts not mentioned in other items of this Article, by the Company or any of its Subsidiaries, whose individual amount is over R\$40,000,000.00;
- (r) granting, in accordance with the plan approved by the General Meeting, stock options to the managers and employees of the Company or its Subsidiaries, or to natural persons who render services to the Company, without attributing preemptive right to shareholders, in accordance with the provisions of Article 6 herein. Said power to grant options may be delegated by the Board of Directors to a committee of the Board of Directors, as comes to be permitted by the stock option plan approved by the General Meeting.
- (s) issuing opinions in advance about the proposals for the issue of shares and/or any securities by the Company and resolving on the issue of shares or warrants, within the authorized capital limit, if the case may be;
- (t) approving the issue of simple debentures not convertible into shares, as well as convertible debentures, within the limit of the authorized capital;
- (u) authorizing the acquisition of shares of the Company to be held in treasury, canceled or subsequently sold, observing the applicable legal provisions;
- (v) agreeing or disagreeing with any tender offer for the acquisition of the Company shares by means of substantiated opinion, published within 15 days as of the publication of tender offer public notice, which shall comprise, at least (i) the convenience and the timing of the tender offer concerning the

group of shareholders interest and in relation to the liquidity of their securities; (ii) the tender offer effects on the Company's interests; (iii) strategic plans disclosed by the offeror in relation to the Company; and (iv) other matters the Board of Directors may deem relevant, as well as the information required by applicable CVM regulations;

- (w) defining a three-name list of entities specialized in companies' economic appraisal to prepare the Company shares appraisal report, in the events of tender offer for deregistering as a publicly-held company or delisting from the Novo Mercado segment.
- (x) approving the granting of power-of-attorney for carrying out any provision in this Article;
- (y) resolving the cases not addressed herein and exercising other powers that the law, the Novo Mercado Regulations or these Bylaws do not confer to other bodies of the Company.

§ 1. The amounts mentioned in these Bylaws will be restated at the end of each calendar year by the variation of the IGP-M/FGV index or any other index that may legally substitute it.

§ 2. The Board of Executive Officers of the Company and/or its Subsidiaries cannot execute any of the acts mentioned in these Bylaws unless previously approved by the Company's Board of Directors.

§ 3. Without prejudice to other issues set forth by Article 12 or Article 19 above, the Board of Directors is empowered, by majority vote, to determine the vote to be cast by the Company or any Subsidiary in general meetings, partners' meetings, meetings of management bodies of Subsidiaries or amendments to the articles of organization.

Article 23. In case of impediment or permanent absence of any member of the Board of Directors and their alternate member, the Chairman or any other member should call a General Meeting within ten (10) days of the respective event to elect a substitute member. Absent members may also appoint another Board member as their proxy at the meeting and the latter should follow the voting instructions of the absent member.

Article 20. If the position of a member of the Board of Directors becomes vacant, a substitute may be appointed by the remaining Directors and, if elected, complete the term of the Director being replaced. In the event of the vacancy of the majority of the positions on the Board of Directors, a General Meeting shall be called within 15 days of such event to elect the replacements, who shall complete the terms of the Directors being replaced.

Article 21. In the event of absence or temporary impediment, the Director who is absent or temporarily impeded may be represented at the meetings of the Board of Directors by another Director appointed by him, who, in addition to his own vote, shall cast the vote on behalf of the absent or temporarily impeded Director. In the event of the absence or temporary impediment of the Chairman of the Board of Directors, his functions shall be temporarily performed by the Vice-Chairman of the Board of Directors, and, in the event of the absence or impediment of the Vice-Chairman, by another member of the Board of Directors appointed by the body.

§1. If the Director to be represented is an Independent Director, the Director representing him must also qualify as an Independent Director.

Section III. Advisory Committees

Article 22. The Board of Directors may create committees to advise on the Management of the Company, with limited and specific objectives, with said committees appointing their respective members and duration.

§ 1. The duties of each committee shall be defined in a specific Internal Charter for each committee, to be approved by the Board of Directors upon the creation of said committee. The Internal Charter shall contain rules governing the functioning of the committee and any other provisions that the Board of Directors deems expedient.

§ 2. The persons appointed to the advisory committees, whether managers of the Company or not, must have proven capacities related to the powers and/or duties of such committee.

Section IV. Board of Executive Officers

Article 23. The Company's Board of Executive Officers shall be composed of a minimum of 4 and a maximum of 8 Officers who are elected and may be removed at any time by the Board of Directors, with: (a) one (1) Chief Executive Officer; (b) 1 Investor Relations Officer; and the other Officers with functions and powers determined by the Board of Directors.

§ 1. The accumulation of up to 2 positions by Officer is authorized.

§ 2. All Officers shall be domiciled in Brazil, shareholders or not, and be elected by the Board of Directors with a term of office of 2 years. Reelection is allowed.

Article 24. The Board of Executive Officers is not a collective body, however, it may meet whenever needed, at the discretion of the Chief Executive Officer, who shall also chair the meeting, to deal with operational aspects.

Sole Paragraph. The meeting of the Board of Executive Officers shall be instated upon the attendance of the officers who represent the majority of the members of the Board of Executive Officers.

Article 25. The Board of Executive Officers is responsible for the duties laid down by law and for implementing the resolutions of the Board of Directors and Shareholders' Meetings, subject to other rules of these Bylaws.

§ 1. It is incumbent upon the Chief Executive Officer: (i) to ensure the implementation of the determinations of the Board of Directors and of the General Meeting; (ii) to call and chair the meetings of the Board of Executive Officers; and (iii) to have in his position the control of the Company's businesses.

§ 2. The Investor Relations Officer is responsible for the duties laid down by law, which include providing information to investors, CVM and BM&FBOVESPA, as well as keeping the Company's registration updated in accordance with CVM regulations.

§ 2. The responsibilities and powers of the other Executive Officers, as well as the responsibilities and powers of the Chief Executive Officer and of the Investor Relations Officer, in addition to those provided for herein, may be established by the Internal Charter of the Board of Executive Officers, if prepared and approved by the Board of Directors of the Company.

§ 4. The Board of Executive Officers in general is also responsible for:

- (a) complying and ensuring compliance with these Bylaws and the deliberations of Board of Directors, the Shareholders' Meeting and the Chief Executive Officer;

- (b) preparing and proposing to the Board of Directors (i) the long-term strategic plan, and (ii) the Company's annual budget, as well as for complying and ensuring compliance with the provisions herein;
- (c) proposing to the Board of Directors the Company's entry into new businesses;
- (d) representing the Company, according to the duties, authority and powers established in these Bylaws, the Shareholders' Meeting and the Board of Directors, as applicable;
- (e) analyzing and deciding on the opening, closure and alteration of addresses of branches, offices or representations of the Company in any part of Brazil or abroad;
- (f) submitting annually to the Board of Directors, the management report and accounts of the Board of Executive Officers, along with the independent auditors' report;
- (g) proposing to the Board of Directors the creation and closure of subsidiaries in Brazil and abroad;
- (h) providing and managing the Company's personnel and the Human Resource Policy;
- (i) approving any investments by the Company that are not envisaged in the annual budget and whose amounts, whether individually or jointly, do not exceed the limits established by the Board of Directors or by these Bylaws;
- (j) approving any agreements or other obligations (including bank loan agreements) of the Company that are not envisaged in the Annual Business Plan and whose amounts do not exceed, individually or jointly, the limits established by the Board of Directors or by these Bylaws, including sureties or other guarantees needed to maintain the Company's normal working capital;
- (k) approving the acquisition, sale or pledge of any shareholding interest by the Company, including wholly-owned subsidiaries, for operations whose amounts involved per operation, do not exceed the limits established by the Board of Directors or by these Bylaws;
- (l) proposing to the Board of Directors the policies on risks, scope of authority and investments applicable to the Company;
- (m) cooperating with the Chief Executive Officer in the implementation of resolutions of the Board of Directors and the Shareholders' Meeting; and
- (n) cooperating with the Chief Executive Officer in the general management of the Company and in his specific area.

Article 26. Subject to the provision in Article 19, § 2 above, all the documents that create obligations for the Company or release third parties from obligations with the Company shall, under the penalty of not producing effects against it, be executed: (a) by any 2 Officers; (b) by 1 Officer, in the situations provided for by § 2 of this Article; (c) by 1 Officer, jointly with 1 attorney-in-fact constituted pursuant to § 1 of this Article; or (d) by 2 attorneys-in-fact constituted pursuant to § 1 of this Article.

§ 1. Subject to Article 19 above, the powers of attorney granted by the Company shall be signed by any 2 Officers, specify expressly the powers granted, including for the assumption of the liabilities mentioned in this Article, and have validity term limited to, at most, 1 year, except those granted to lawyers for the representation of the Company in judicial or administrative proceedings.

§ 2. The Company shall also be represented validly by 1 Officer, in the hiring of employees, in routine issues before federal, state and municipal public bodies, independent governmental agencies and mixed-economy companies.

Article 27. It is prohibited to the Company's Officers and attorneys-in-fact obligate it in businesses different from its corporate purpose, as well as practice liberality acts on behalf of it or grant sureties and guarantees not needed to the consecution of the corporate purpose.

CHAPTER V. FISCAL COUNCIL

Article 28. The Company may have a Fiscal Council, non-permanently operating, integrated by 3 to 5 sitting members and the same number of alternate members, elected by the General Meeting, who shall be incumbent upon the attribution provided for by the law.

§ 1. The investiture of the members of the Fiscal Council will be subject to the previous subscription of the Instrument of Agreement of the Members of the Fiscal Council, as per the Novo Mercado Regulations and to the compliance with applicable legal requirements.

§ 2. Each operation period of the Fiscal Council shall end on the date of the first Annual General Meeting after its instatement.

§ 3. The members of the Fiscal Council shall have the duties and responsibilities established by the corporate legislation in force and by the Novo Mercado Regulations.

CHAPTER VI. TRANSFER OF CONTROL

Article 29. The Sale of the Company's Control, both by means of a single operation and by means of successive operations, shall be contracted under suspensive or resolutive condition, of which the Acquirer is obligated to carry out the tender offer of acquisition of shares of the other Company's shareholders, in compliance with the conditions and terms provided for in the current legislation and in the Novo Mercado Regulations, in order to ensure them treatment equal to the Selling Controlling Shareholder.

§ 1. The Company shall not register any transfer of shares to the Acquirer or that one (those) to hold the Power of Control, while the Acquirer or they do not sign the Instrument of Consent of the Controlling Shareholders mentioned in the Novo Mercado Regulations.

§ 2. No shareholders' agreement mentioning the exercise of the Power of Control may be registered in the Company's headquarters while its signatories do not sign the Instrument of Consent of Controlling Shareholders mentioned in the Novo Mercado Regulations.

Article 30. The tender offer referred to in the previous Article shall also be required: (i) whenever there is remunerated assignment of rights of subscription of shares and other titles or rights related to securities convertible into shares, which results in the Sale of the Company's Control; or (ii) in the event of sale of the Company's control which holds the Power of Control of the Company, and in this case the Selling Controlling Shareholder shall be obligated to declare to BM&FBOVESPA the value attributed to the Company in this sale and attach documentation evidencing such value.

Article 31. Those to acquire the Power of Control, due to private agreement of purchase of shares entered into with the Controlling Shareholder, involving any number of shares, shall be required to:

- (a) carry out the tender offer referred to in Article 29 above;
- (b) pay, as indicated below, the amount corresponding to the difference between the tender offer price and the amount paid per share eventually bought at the stock exchange within 6 months

prior to the acquisition date of Power of Control, duly adjusted until date of payment. Said amount shall be distributed among all individuals who sold the Company shares at the trading sessions where the Acquirer made the acquisitions, proportionally to the daily selling net balance of each share, and it shall be incumbent upon BM&FBOVESPA to carry out the distribution, pursuant to its regulations; and

(c) take the capable measures to recompose the minimum percentage of 25% of the total outstanding shares of the Company, within the 6 months subsequent to the acquisition of the Power of Control, as the case may be.

CHAPTER VII. DEREGISTER AS A PUBLICLY-HELD COMPANY

Article 32. In the tender offer to be conducted by the Controlling Shareholder or by the Company for its deregistering as a publicly-held company, the minimum price to be tendered shall correspond to the economic value determined in appraisal report, prepared as set forth in Paragraphs 1 and 2 below, in compliance with the applicable legal standards and regulations.

§ 1. The appraisal report referred to in the *caput* of this Article shall be prepared by an specialized institution or company, with proved experience and independence as to decision power of the Company, its Managers and/or Controlling Shareholder(s), in addition to complying with the requirements of § 1 of Article 8 of the Brazilian Corporation Law, and containing the responsibility provided for in § 6 of the same Article.

§ 2. The choice of the specialized institution or company responsible for the determination of the Company's Economic Value is of private competence of the General Meeting, as from the presentation by the Board of Directors of a three-name list, and the respective resolution, not computing blank votes, shall be taken by majority vote of the shareholders representing the Outstanding Shares attending that Meeting, which if instated in first call shall count on the attendance of shareholders who represent, at least, 20% of the total Outstanding Shares, or if instated in second call may count on the presence of any number of shareholders representing the Outstanding Shares.

§ 3. The costs of preparation of the appraisal report shall be fully paid by the offeror.

Article 33. When the decision to deregister as a publicly-held company is informed to the market, the offeror shall disclose the maximum value per share by which the tender offer shall be formulated.

§ 1. The tender offer shall be subject to which the value ascertained in the appraisal report is not higher than the value disclosed by the offeror, as per provisions in the *caput* of this Article.

§ 2. If the economic value of the shares is higher than the value informed by the offeror, the decision to deregister as a publicly held company is cancelled, except if the offeror expressly agrees to formulate a tender offer by the economic value ascertained. The offeror shall disclose to the market the decision it has adopted.

§ 3. The deregistering as a publicly-held company shall follow the procedures and shall meet the other requirements set forth in the rules applicable by operation of the current law, especially those in the regulations edited by the CVM on the matter, and in compliance with the precepts in the Novo Mercado Regulations.

CHAPTER VIII. DELISTING FROM NOVO MERCADO

Article 34. The Company's delisting from the Novo Mercado shall be approved at a General Meeting and notified to BM&FBOVESPA in writing, at least, 30 days in advance.

Article 35. In the event the Company's delisting from the Novo Mercado is resolved, so that its securities are then registered to be traded out of the Novo Mercado or due to corporate restructuring operation, in which the entity resulting from this restructuring does not have its securities accepted for trading at the Novo Mercado within 120 days as of the date of the General Meeting that approved said operation, the Controlling Shareholder shall conduct the tender offer for the acquisition of shares held by other Company's shareholders, at least, by the respective Economic Value, to be determined in appraisal report prepared pursuant to Paragraphs 1 and 2 of Article 32, in compliance with the applicable laws and regulations.

Article 36. In the event there is no Controlling Shareholder, if the Company's delisting from the Novo Mercado is resolved so that its securities are then registered for trade outside of the Novo Mercado, or in view of corporate restructuring operation in which the entity resulting from this restructuring does not have its securities accepted for trade on the Novo Mercado within 120 days, as of the date of the General Meeting that approved said operation, the delisting shall be subject to the materialization of the tender offer under the same conditions provided for in Article 35 above.

§ 1. Said General Meeting shall define that (those) person(s) responsible for conducting the tender offer, who in attendance of this meeting shall expressly undertake the obligation of conducting the tender offer.

§ 2. If those persons responsible for conducting the tender offer are not defined, in case of corporate restructuring operation, in which the entity resulting from this restructuring does not have its securities accepted for trading at the Novo Mercado, shareholders who voted favorably to the corporate restructuring shall conduct said tender offer.

Article 37. The Sale of Control of the Company which occurs in the 12 months subsequent to its delisting from the Novo Mercado shall obligate the Selling Controlling Shareholder and the Acquirer, jointly and severally, to offer the other shareholders the acquisition of its shares by the price and conditions obtained by the Selling Controlling Shareholder in the sale of its own shares, duly restated, pursuant to the same rules applicable to the Sale of Control of the Company set forth in the Novo Mercado Regulations.

Sole Paragraph. If the price obtained by the Selling Controlling Shareholder in the sale of its own shares is higher than the value of the tender offer of delisting carried out pursuant to the Novo Mercado Regulations, the Selling Controlling Shareholder and the Acquirer shall be jointly and severally obligated to pay the difference of value ascertained to the acceptors of the respective tender offer, in the same conditions provided for in this Article.

Article 38. In the assumption of no Controlling Shareholder and BM&FBOVESPA determines that the quotes of securities issued by the Company are separately disclosed or that the securities issued by the Company have their trading suspended in the Novo Mercado due to the noncompliance with the obligations under the Novo Mercado Regulations, an Extraordinary General Meeting for replacement of all the Board of Directors shall be called, within 2 days from the determination, computing only the days in which there is circulation of the newspapers commonly used by the Company.

§ 1. In the event the Extraordinary General Meeting referred to in the *caput* of this Article is not called in the term set forth above, it may be called by any shareholder of the Company, pursuant to the law.

§ 2. The new Board of Directors elected at the Extraordinary General Meeting referred to in the *caput* and § 1 of this Article shall remedy the noncompliance with the obligations under the Novo Mercado Regulations within the shortest term as possible or within new term granted by BM&FBOVESPA for this purpose, whichever is smaller.

Article 39. The Company's delisting from the Novo Mercado due to the failure to comply with the obligations under the Novo Mercado Regulations is subject to the materialization of the tender offer, at least,

by the share Economic Value to be calculated in appraisal report mentioned in Article 32 hereof, in compliance with the applicable laws and regulations.

§ 1. The Controlling Shareholder shall conduct the tender offer provided for in the *caput* of this Article.

§ 2. In the event there is no Controlling Shareholder and the Company's delisting from the Novo Mercado referred to in the *caput* derives from resolution at the General Meeting, shareholders who voted favorably to the resolution that implied the respective failure to comply shall conduct the tender offer provided for in the *caput*.

§ 3. In the event there is no Controlling Shareholder and the Company's delisting from the Novo Mercado referred to in the *caput* is due to Management act of fact, the Company's Management shall call for a Shareholders' Meeting, whose Agenda shall resolve on how to remedy the failure to comply with obligations provided for in the Novo Mercado Regulations or, where applicable, to resolve on the Company's delisting from the Novo Mercado.

§ 4. If the General Meeting mentioned in § 3 above resolves on the Company's delisting from the Novo Mercado, said general meeting shall define that (those) person(s) responsible for conducting the tender offer provided for in the *caput*, who in attendance of the meeting shall expressly undertake the obligation of conducting said offering.

CHAPTER IX. FISCAL YEAR, PROFITS AND THEIR DISTRIBUTION

Article 40. The fiscal year shall end on December 31 of each year, date on which the general balance sheet and other statements required by the law shall be drawn up.

§ 1. The Company, by resolution of the Board of Directors, may draw up semiannual, quarterly or monthly balance sheets, as well as declare dividends of profits ascertained in these balance sheets, in compliance with the provisions in Article 204 of the Brazilian Corporation Law.

§ 2. The Company, by resolution of the Board of Directors may also declare interim dividends from retained earnings or profit reserves existing in the last annual or semiannual balance sheet.

§ 3. In compliance with the legal limits, the Board of Directors by referendum of the General Meeting, may declare the payment of interest own on capital, based on the last annual or semiannual balance sheet drawn up by the Company.

§ 4. The interim or intercalary dividends distributed and the interest on own capital shall always be imputed to the minimum mandatory dividend provided for in Article 41 (b), below

Article 41. From the results ascertained, the accumulated deficit and the provisions for Income Tax and Social Contribution on Profit shall be initially deducted, before any profit sharing. The remaining profit shall have the following allocation:

(a) 5% to constitute the legal reserve;

(b) 25% of the adjusted net profit pursuant to Article 202 of the Brazilian Corporation Law shall be distributed to shareholders as minimum mandatory dividend.

§ 1. The dividends attributed to shareholders shall be paid within the legally stipulated periods and incur monetary restatement and/or interest only if so determined by the General Meeting.

§ 2. Dividends that are not received or claimed within 3 years from the date they were made available to the shareholder will be reversed in favor of the Company.

Article 42. The Company may allocate to the investment reserve an amount not exceeding 75% of the net income of the fiscal year, adjusted pursuant to Article 202 of Law 6,404/76, for the purpose of financing the expansion of Kroton's and its subsidiaries' operations, including subscription to capital increases, acquisition of companies and/or assets, or creation and execution of new projects and/or activities. The balance of this reserve, added to other profit reserves, excluding unrealized profit reserves, provisions for contingencies and tax incentive reserve, cannot exceed 100% of the capital stock.

Sole Paragraph. If it deems that the amount of the statutory reserve defined in the previous paragraph is sufficient to meet its purposes, the Board of Directors may: (i) propose to the General Meeting the allocation to said statutory reserve, in a given fiscal year, of a lower percentage of net income than that indicated above; and/or (ii) propose that a portion of the amounts forming said statutory reserve be distributed to the shareholders of the Company.

CHAPTER X. SHAREHOLDERS AGREEMENT

Article 43. Possible shareholders agreements that set forth the purchase and sale conditions of the shares, or the preemptive right in their purchases, or the exercise of the voting right, shall always be complied with by the Company, as long as they have been filed at the headquarters, and the respective management shall abstain from computing the votes launched against the terms of these agreements.

Sole Paragraph. The obligations or liens resulting from these agreements shall only be opposable to third parties after being registered in the Company's registration books of shares and in the certificates or receipts of shares, if issued.

CHAPTER XI. ARBITRATION COURT

Article 44. The Company, its shareholders, managers and members of the Fiscal Council are obligated to resolve, by arbitration before the Market Arbitration Panel, all any and disputes or controversies that may arise between them, related or coming, especially, from the application, validity, efficiency, interpretation, violation and their effects, of the provisions contained in Brazilian Corporation Law, the Company's Bylaws, the rules issued by the National Monetary Council (CMN), the Central Bank of Brazil and the Securities and Exchange Commission of Brazil (CVM), as well as in the other rules applicable to the operation of the capital markets in general, in addition to those in the Novo Mercado Regulations, the Arbitration Regulations, the Sanction Regulation and the Listing Agreement of the Novo Mercado.

CHAPTER XII. LIQUIDATION

Article 45. The Company shall enter into liquidation in the events provided for by the law, or by resolution of the General Meeting, which shall set forth the form of liquidation, elect the liquidator and, if the case may be, shall instate the Fiscal Council, for the liquidation period, electing its members and determining their respective compensations.

CHAPTER XIII. DEFINITIONS

Article 46. In addition to terms set forth in these Bylaws, the terms mentioned below, when used in capital letters, both in singular and plural, shall have the following meaning:

I. "Controlling Shareholder" means the shareholder(s) or Group of Shareholders exercising the Company's Power of Control.

II. "Selling Controlling Shareholder" means the Controlling Shareholder when he promotes the Sale of the Company's Control.

III. "Control Shares" mean a block of shares that ensures, directly or indirectly, their holder(s), the individual and/or shared exercise of the Company's Power of Control.

IV. "Outstanding Shares" mean all the shares issued by the Company, except for those held by the Controlling Shareholder, its related parties, Company's management, treasury shares and preferred golden shares which aim at ensuring special political rights, i.e., they cannot be transferred and are exclusively held by the state-owned and privatizing entity.

V. "Acquirer" means the one to whom the Selling Controlling Shareholder transfers the Control Shares in a Sale of the Company's Control.

VI. "Sale of Control of the Company" means the transfer to a third party, remunerated, of the Control Shares.

VII. "Independent Board Member" means the one who (i) does not have any connection with the Company, except capital interest; (ii) is not a Controlling Shareholder, spouse or relative up to the second degree of that, or is not or has not been, in the last 3 (three) years, connected to a company or entity related to the Controlling Shareholder (persons connected to public educational and/or research institutions are excluded from this restriction); (iii) has not been, in the last 3 (three) years, an employee or officer of the Company, of the Controlling Shareholder or of the company controlled by the Company; (iv) is not a supplier or buyer, direct or indirect, of the services and/or products of the Company, in an extent that implies loss of independency; (v) is not an employee or manager of a company or entity which is offering or demanding services and/or products to the Company, in magnitude to imply loss of independence; (vi) is not a spouse or relative up to the second degree of any manager of the Company; and (vii) does not receive another compensation of the Company in addition to the amount related to the position of board member (cash dividends coming from interest in the capital are excluded from this restriction). Those elected by means of provisions in Paragraphs 4 and 5 of Article 141 of the Brazilian Corporation Law shall also be considered Independent Board Members.

VIII. "Group of Shareholders" means the group of persons: (i) bound by contracts or voting agreements of any nature, whether directly or through subsidiaries, parent companies or under common control; or (ii) with control relationship among them; or (iii) under common control.

IX. "Novo Mercado" means the special trading segment of the BM&FBOVESPA referred to as the Novo Mercado.

X. "Founders' Shares" mean the marketable securities without par value that do not represent the capital stock, as described in Article 46 of Brazilian Corporation Law.

XI. "Person" means any individual or corporate person, as well as any entity without legal personality, constituted in accordance with Brazilian or foreign laws, such as company, partnership, limited liability

company, joint venture, association, a special partnership, trust, investment fund, foundation, association without legal personality or any other entity or organization.

XII. "Power of Control" means the power effectively used to direct the social activities and guide the operations of the Company's bodies, directly or indirectly, *de jure, de facto*, regardless ownership interest held. There is a relative assumption of ownership of the control concerning the Person or Group of Shareholders that is the holder of shares ensuring the absolute majority of votes of shareholders attending the 3 (three) last General Meetings of the Company, even they are not holders of shares ensuring the absolute majority of the voting capital.

XIII. "Arbitration Rules" means the Regulations of the Market Arbitration Chamber, as amended.

XIV. "Sanction Regulations" means the Regulations on the Application of Pecuniary Sanctions of the Novo Mercado, as amended.

XV. "Economic Value" means the value of the Company and its shares to be calculated by expert company by using recognized methodology or based on another criterion to be defined by CVM.

CHAPTER XIV. TRANSITORY CONDITIONS

Article 47. Since, as a result of the conversion of preferred shares into common shares approved at the Extraordinary General Meeting held on November 30, 2012, the Company no longer has a Controlling shareholder owning more than fifty percent (50%) of the capital stock, the terms of Office of the Members of the Board of Directors elected September 28, 2012 was transformed into 3 years, pursuant to item 4.6.1 of the Novo Mercado Regulations and to item 7.8 of the minutes of the Extraordinary Shareholders' Meeting held on September 28, 2012, ending therefore on September 28, 2015.

Belo Horizonte, Minas Gerais, July 03, 2014.

Leonardo Augusto Leão Lara
Secretary