

VIA VAREJO S.A.

CNPJ/MF (Brazilian Taxpayer Id.) No. 33.041.260/0652-90

NIRE (State Registry) No. 33.300.141.073

BYLAWS

CHAPTER I – NAME, PURPOSE, HEADQUARTERS, AND TERM OF DURATION

Article 1. VIA VAREJO S.A. (hereinafter referred to as the “**Corporation**”) will be governed by the present Bylaws and also by the applicable laws in force.

Sole Paragraph. As the Corporation is admitted to the so-called “Corporate Governance Level 2” special listing segment of the Brazilian stock exchange known as BM&FBOVESPA S.A. – Stock Exchange, Commodities & Futures (“**BM&FBOVESPA**”), the Corporation and also its shareholders, managers, and members of the Audit Committee become subject to the provisions of the Corporate Governance Level 2 Listing Regulation of BM&FBOVESPA (“**Level 2 Regulation**”).

Article 2. The Corporation has as purpose to:

- import, export, sell, and manufacture household goods, as well as manufactured and semimanufactured goods, raw materials, secondary materials, construction and building materials intended to be used in the fields of basic and supplementary utilities, as well as in every and any vital or useful, or even merely superfluous needs, either for personal, household, business, or industrial purposes;
- purchase, sell, import, manufacture, and improve food products, raw materials, and chemical products, vegetable and mineral goods, electronic appliances in general, computer and data communication products as well as to explore computer-related and data communication services;
- purchase, sell, import, export, and manufacture clothes, ornaments, decorative goods, jewelry, and accessories for men and women;
- purchase, sale, import, manufacture, install, and assemble both its own furniture or furniture manufactured by third parties, as well as mechanical and electric goods and other household, business, or industrial goods and accessories, including those intended for children recreation;
- distribute, advertise, and promote sales of goods manufactured by itself or by third parties;
- organize, develop, and make studies to rationalize the work in private shopping malls, bazaars, markets, or other kind of marketplaces intended to meet every and any needs or consumers, and also to provide computer-related services;

- create, organize, and develop business companies, including the purchase and sale of manufacturing plants;
- provide cargo transportation services;
- provide technical assistance services, as well as to purchase, sale, and import all parts required therefor;
- trade, manufacture, import, and export or optical, photography, and photographic goods, as well as films for photography and movie, including all services connected to printing, treatment, and development services;
- distribute and sell electronic books and multimedia educational contents, by means of intermediating paid *downloads* (copies);
- intermediate and develop businesses both in Brazil and abroad;
- provide business consultancy and advisory services, including to import and export goods and services; and
- hold interests in other companies, whether Brazilian or foreign ones, and either as shareholder, holding quotas (membership interests), or even as a member of a consortium, being able to promote mergers, acquisitions, incorporations, split ups, or other kinds or business partnerships.

Paragraph 1. The Corporation can expand its activities to every an any other field of activity, whether directly or not connected to its corporate purposes.

Paragraph 2. The abovementioned activities may be developed whether directly by the Corporation or through any of its controlled and/or affiliated companies.

Article 3. The headquarters and the legal jurisdiction of the Corporation are located in the city of Sao Caetano do Sul, State of Sao Paulo (Brazil), at Rua João Pessoa, 83, Centro district.

Sole Paragraph. The Corporation may create or close branches, offices, or any other kind of shops or stores both in Brazil and abroad, upon decision by the Executive Directors.

Article 4. The Corporation's term of duration is for an unlimited period.

CHAPTER II - CAPITAL STOCK, AND SHARES

Article 5. The capital stock is of two billion, eight hundred and ninety-five million, four hundred and fifty-two thousand, five hundred and seventy Brazilian Real, with fifty-nine cents of Real (R\$2,895,452,570.59), divided into three hundred and twenty-two, six hundred and eighty-seven, seven hundred and eighty-six (322,687,786) common shares, all of them being representative and registered shares, with no par value.

Paragraph 1. Every common share entitles its holder to one (01) vote in the decisions to be made by the General Meeting.

Paragraph 2. All the Corporation shares will be representative shares, kept in a deposit account in the names of their holders with a financial entity or bank as decided and pointed out by the Board of Directors, and the shareholders may be charged a remuneration therefor as set forth by Paragraph 3 of Article 35, Brazilian Law No. 6.404 of December 15th, 1976, as amended (the “**Brazilian Corporations Act**”).

Paragraph 3. The Corporation is entitled to suspend the services of transfer and split-up of shares and certificates, including the so-called Units, to meet the decision made by the General Meeting; however, the Corporation will not be able to do it either along more than ninety (90) days throughout the year, nor for more than fifteen (15) consecutive days.

Paragraph 4. The Corporation shall not issue Founders’ shares.

Paragraph 5. The Corporation may issue preferred shares, which do not have voting rights, except as regards the subjects specifically detailed in Paragraph 6 below, and will enjoy the following benefits and preferences:

1. priority in the reimbursement of capital, with no premium in case the Corporation is liquidated;
2. right to be included in the takeover bid as a result of Selling the Corporation’s Control, pursuant to article 38 of these Bylaws, for the same price and under the same conditions as offered to the Selling Controlling Shareholder; and
3. a dividend at least equal to those entitled by common shares.

Paragraph 6. Every preferred share entitles its holder the right to a restricted vote, exclusively on the following issues:

1. transformation, incorporation, merger, or split-up of the Corporation;
- (a) approval of agreements executed by and between the Corporation and the Controlling Shareholder, whether directly or by through third parties, as well as other companies which the Controlling Shareholder is interested in, provided, however, pursuant to the law or statute, it is duly decided in the General Meeting;
- (b) appraisal of assets intended to pay a capital increase of the Corporation;
- (c) choice of a specialized entity or company to determine the Corporation’s Economic Value, pursuant to Paragraph 2, article 42 of these Bylaws; and
- (d) amendment or revocation of provisions of Bylaws that change or alter any of the requirements contained in section 4.1 of the Level 2 Regulation; provided, however, that such voting right shall prevail while the Agreement

to take part in the Corporate Governance Level 2 remains in force and valid.

Paragraph 7. The shareholders shall convert common shares into preferred shares to create the share deposit certificates (“Units”), at the ratio of one (1) common share for one (1) preferred share, provided they are fully paid in, complying with the limit set forth by the law and the chronological order of the orders placed. The conversion requests shall be submitted by the shareholders, according to the procedures and time terms determined by the Board of Directors. Those conversion requests that mean a breach of the legal ratio between common shares and preferred shares shall be subject of a proration or a draw to be structured by the Board of Directors.

Paragraph 8. Exceptionally, up to the date of publication of the notice to start the first public offer to distribute Corporation’s Units, the shareholders will also be able to convert preferred shares into common shares at the ratio of one preferred share for every common share, provided they are paid in, under the same terms and procedures as set forth in paragraph 7^o above.

Paragraph 9. The shareholder that does not pay the installments corresponding to the subscribed or acquired shares will be subject to pay interests at the rate of twelve (12) percent per year, according to the monetary adjustment measured whether by the IPCA inflation index (i.e., *Índice de Preços ao Consumidor Amplo – IPCA*) (hereinafter, “IPCA”), or such other inflation index that may replace it up to the time of payment, in addition to a ten (10) percent fine on the amount of the installment duly updated for inflation. The Corporation can charge both the principal amount and the additional amounts of interests and monetary adjustment as referred to above, by means of a competent debt collection suit as allowed for by the Brazilian civil procedure code in force, and the defaulter will have to pay also all court expenses and lawyers’ fees.

Article 6. The Corporation is allowed to increase the capital stock, regardless of an amendment to its Bylaws, up to the limit of one hundred million (100,000,000) common shares and/or preferred shares, upon decision by the Board of Directors that will determine the conditions to issue and to launch such securities.

Paragraph 1. The limit of the Corporation’s authorized capital shall be changed only upon a decision made by the General Meeting.

Paragraph 2. The Corporation, within the limit of the authorized capital and complying with the plan approved by the General Meeting, may grant a stock option purchase plan to its managers, executives, or employees, or even to individuals who provide services thereto.

Paragraph 3. Such issues of shares, subscription warrants, or debentures convertible into shares can be approved by the Board of Directors, provided, however, the Board of Directors complies with the limit of the authorized capital, by removing or reducing the time term to exercise the preemptive right, as provided for in article 172 of the Brazilian Corporations Act.

CHAPTER III – UNITS

Article 7. The Corporation can issue Units.

Paragraph 1. Each Unit will represent one (1) common share and two (2) preferred shares issued by the Corporation, and each Unit shall be issued only upon request by the shareholders that wish so, complying with the standards to be determined by the Board of Directors according to the provisions set forth in these Bylaws, in article 24 of the Brazilian Corporations Act, and in other applicable legal provisions.

Paragraph 2. Only those shares free and unhindered from any burden or encumbrance can be subject of a deposit so that Units are issued.

Paragraph 3. Once Units are issued, the deposited shares shall remain registered on a deposit account opened in the name of the shareholder appearing before the financial entity acting as trustee thereof.

Paragraph 4. The Corporation may retain a financial entity to issue Units.

Article 8. The Units shall have a representative form, and, except in case the Units are cancelled, the property of those shares represented by such Units may be transferred only upon transfer of those Units.

Paragraph 1. Holders of Units will be entitled, at any time, to request to the financial entity acting as trustee thereof that such Units are cancelled and that the corresponding Units deposited are delivered, observing the standards to be determined by the Board of Directors, as provided for in these Bylaws.

Paragraph 2. The Corporation's Board of Directors may, at any time, suspend for an indefinite period of time the possibility to cancel Units as set forth in Paragraph 1 of this Article, in case of a start of a public offer for a primary offering and/or a secondary offering of Units, whether in the local and/or in the international market, and in such case the suspension period shall not be longer than thirty (30) days.

Paragraph 3. Those Units having any burden, encumbrances or other obstacles cannot be cancelled.

Article 9. The Units will grant to their holders the same rights and benefits as granted by the shares issued by the Corporation represented by such Units.

Paragraph 1. The right to attend the Corporation General Meetings and exercise therein all privileges granted by the shares represented by the Units, upon confirmation of the holders thereof, can be exercised exclusively by the Units holder.

Paragraph 2. The Units holders can be represented in the Corporation General Meetings by a proxy appointed pursuant to Article 126 of the Brazilian Corporations Act.

Paragraph 3. In case of any split, grouping, granting of bonus, or issue of new shares by capitalizing profits or capital reserves, the following standards shall be observed as regards the Units:

- in case of any increase in the amount of shares issued by the Corporation, the financial entity acting as trustee shall register the deposit of such new shares and will credit new Units in the account of the corresponding holders thereof so as to reflect the new number of shares owned by the holders of Units; provided, however, that at all times the ratio of one (1) common share and two (2) preferred shares issued by the Corporation for every Unit shall be kept, and those remaining shares not able to be converted into Units will be credited directly to the shareholders, without issuing any Unit.
 - (a) In case the number of shares issued by the Corporation is reduced, the financial entity acting as trustee thereof shall make a debit from the deposit accounts of Units created with grouped shares, and then a sufficient number of Units will be automatically cancelled so as to reflect the new number of shares held by the Units' holders; provided, however, that at all times the ratio of one (1) common share and two (2) preferred shares issued by the Corporation for every Unit shall be kept, and those remaining shares not able to be converted into Units will be delivered directly to the shareholders, without issuing any Unit.

Paragraph 4. In case of any capital increase for subscription of shares in which the preemptive right has been granted to the Corporation's shareholders, the following standards shall be observed as regards the Units:

1. in case such capital stock increase is carried out through the issue of common shares and preferred shares of the Corporation that are able to be converted into new Units, the Units holders will be entitled to exercise the preemptive rights corresponding to the shares represented by the Units, under these conditions:
2. in case the shareholder subscribes new common shares and preferred shares issued by the Corporation, at the ratio of one (1) common share for every two (2) preferred shares issued by the Corporation, new Units corresponding to the shares subscribed by such shareholder will be issued in his/her/its name, except if the shareholder wishes otherwise; and
3. the shareholder may subscribe common shares and preferred shares issued by the Corporation without the issue of Units, or whether common shares or preferred shares issued by the Corporation, provided, however, that the shareholder must communicate such intention on the share subscription form.
4. in case only common shares or preferred shares are issued, and without any possibility to create new Units, the holder of the Units will be entitled to exercise,

directly, the preemptive right granted by each of the shares represented by Units, and in this case the issue of new Units cannot be requested.

CHAPTER IV – SHAREHOLDERS

Article 10. The General Meeting may suspend the exercise of the rights, including voting rights, held by the shareholder that fails to comply with any obligation set forth by the Brazilian Corporations Act, the regulation thereof, or by these Bylaws.

Paragraph 1. Such suspension may be decided by the General Meeting in any meeting in which such subject is included in the Agenda.

Paragraph 2. The General Meeting that approves the suspension of the political rights of the shareholder will be responsible for determining the extent of that suspension, besides other details thereof, being forbidden to suspend rights to supervise and to request information as guaranteed by the law.

Paragraph 3. Such suspension of rights will cease as soon as the corresponding obligation is fully complied with.

CHAPTER V – GENERAL MEETING

Article 11. The Shareholders' Annual General Meeting shall meet within the first four months of every year, for the legal purposes, and Extraordinary Meetings can be held whenever necessary, observing the applicable legal provisions for their notice, establishment, and decisions to be made.

Article 12. Whether the Annual or the Extraordinary General Meeting shall be called by the Board of Directors, pursuant to the law, which will be established and presided over by the Chairman of the Board of Directors. The Chairman of the Meeting will be the responsible for choosing a secretary to help him/her with all meeting procedures.

Sole Paragraph. In case the Chairman of the Board of Directors is absent, the General Meeting will be established and presided over by the Deputy Chairman of the Board of Directors, or, in case the latter is also absent, then it will be established and presided over by another member of the Board of Directors, as pointed out by the Board of Directors. In case all members of the Board of Directors are absent, the General Meeting will be presided over by a shareholder or by a representative thereof to be appointed by the majority of the attending shareholders.

Article 13. All shareholder shall submit at the Corporation's headquarters, to attend the General Meetings, besides their identity document, a document able to evidence that they hold the shares issued by the Corporation, in their original document or a fax sent by the trustee of their shares, within at least three (3) days before the date on which the General Meeting will be held. The shareholders represented by proxies shall submit the corresponding instruments of power of attorney for such purpose, complying with the same procedures required to submit the proof of title

of shares issued by the Corporation; provided, however, that only the original copy of such instruments of power of attorney shall be submitted.

Sole Paragraph. Without prejudice of what is provided for above, the shareholder that attend the General Meeting accompanied of the documents referred to in the article above, up to the moment the meeting starts its works, will be allowed to attend it and vote in it, although such shareholder had not submitted such documents beforehand.

Article 14. The General Meeting is responsible to carry out the tasks as set forth by the Brazilian Corporations Act, as well as to decide on the following matters:

- (a) decrease of the Corporation's capital stock;
- (b) to decide, complying with the legal and statute provisions about capital stock increase and/or on the issue of common or preferred shares above the limits whether of the authorized capital and/or the debentures convertible into shares issued by the Corporation itself or with a collateral;
- (c) to decide on the transformation, merger, incorporation (including incorporation of shares), split-up of the Corporation or on any other kind of restructure of the Corporation;
- (d) to approve or amend the Corporation's investment policy;
- (e) to amend the Corporation's bylaws;
- (f) to approve the acquisition of any corporate interests, whether directly or indirectly, including, but not limited to securities, bonds that can represent and/or to be converted into corporate interests, as well as the acquisition of goodwill, of any nature or form, including by means of leasing, in an amount equal to or higher than, whether in one single operation or in several connected operations within a period of twelve (12) months: (i) one hundred million Real (R\$100,000,000), or (ii) three percent (3%) of the Corporation's shareholders' equity as contained in the most recent balance sheets prepared, prevailing the higher amount of these two options;
- (g) to decide on the Corporation's dissolution and liquidation, and to elect liquidator(s);
- (h) to decide on an application by the Corporation to be declared bankrupt or to undergo a court-supervised reorganization, pursuant to the applicable laws in force;
- (i) to decide on any delisting of the Corporation from any Stock Exchange, including the delisting of Level 2;
- (j) to decide on delisting the Corporation to appear as an open corporation with the Brazilian Securities and Exchange Commission ("**CVM**"); and

- (k) to choose the entity or company specialized in economic appraisal of companies to issue an appraisal opinion on the Corporation's shares, whether in case the Corporation is delisted from the stock exchange for not being an open corporation anymore or if it is delisted from Level 2, as set forth in Chapter IX of these Bylaws, amongst those ones appearing in the triple list as defined by the Board of Directors.

CHAPTER VI – MANAGEMENT

SECTION I – GENERAL PROVISIONS

Article 15. The Corporation's management bodies are the Board of Directors and the Executive Board, as provided for in these Bylaws and also in the applicable laws in force.

Article 16. The members of the Board of Directors will be elected by the General Meeting, while the members of the Executive Board will be elected by the Board of Directors.

Paragraph 1. The term in office of the Board of Directors is unified and is valid for two (2) years, reelection being allowed, and starts with the investiture deed drawn up in the proper book, ending almost simultaneously, although some of its members had been elected subsequently to the other ones, and all members will remain in their positions up to the new elected members are duly invested with their functions.

Paragraph 2. The term in office of the Executive Directors is of two (2) years, reelection being allowed, and starts with the investiture deed drawn up in the proper book, ending almost simultaneously, although some of its members had been elected subsequently to the other ones, and all members will remain in their positions up to the new elected members are duly invested with their functions.

Paragraph 3. The positions of Chairman of the Board of Directors and of Chief Executive Officer or President Director of the Corporation shall not be exercised at the same time for the same person.

Paragraph 4. The investiture of both the members of the Board of Directors and the members of the Executive Board will be subject to the prior signature of the Management Consent Form, according to the provisions set forth in the Level 2 Regulation, being also subject to the compliance of all applicable legal requirements.

Article 17. The managers' remuneration will be determined by the General Meeting on a global basis, and the Board of Directors will be responsible for distributing it among its members and also among the Executive Board members.

Article 18. It is expressly forbidden, being deemed as null and void for all purposes of the law, any action made by any Manager, attorney, or employee of the Corporation that may involve the

Corporation in obligations connected to businesses and operations that do not make part of its corporate purpose, without prejudice of the corresponding civil and/or criminal liability.

SECTION II - BOARD OF DIRECTORS

Article 19. The Board of Directors will be composed of at least five (5), and at most seventeen (17) members, and all of them will be elected and dismissed by the General Meeting.

Paragraph 1. The Board of Directors will have a Chairman and a Deputy Chairman, both of them elected by majority of votes of its members.

Paragraph 2. The Chairman of the Board of Directors, in addition to the responsibilities provided for both by law and these Bylaws, will be responsible for the following:

- (a) presiding over the Board of Directors' meetings and the Corporation General Meetings;
- (b) guaranteeing the efficiency and the good performance of the Board of Directors;
- (c) guaranteeing the efficiency of the follow-up and evaluation system of the Executive Board and of the Board of Directors itself;
- (d) making the Board of Directors activities compatible with the interests of the Corporation, its shareholders, and all other related parties;
- (e) organizing and coordinating, with the assistance of the secretary of the Board of Directors, the Agenda of all meetings, listening to the other Directors, and, if applicable, the President Director (CEO) and all other Executive Directors;
- (f) guaranteeing that the members of the Board of Directors are provided with complete and timely information on the items contained in the Agenda of the Board of Directors' meetings;
- (g) proposing to the Board of Directors, after having listened the competent committees, if any and/or if established, the Board of Directors' annual budget, including to hire external professionals, to be submitted to the decision by the General Meeting; and
- (h) proposing to the Board of Directors an annual calendar of the Board of Directors' meetings (and also for any meetings of committees, if any and/or if established).

Paragraph 3. The shareholders that had taken part in the election of members of the Board of Directors through the multiple voting process will not be allowed to take part with those same shares of the election of the members of the Board of Directors, pursuant to article 141, paragraphs 4 and 5 of the Brazilian Corporations Act, and vice versa.

Paragraph 4. In case of temporary impediment or absence of the Chairman of the Board of Directors, such Chairman shall be replaced by the Deputy Chairman of the Board of Directors. In case the position of Chairman of the Board of Directors becomes vacant, any of the members of the Board of Directors shall call a General Meeting to be held within at most fifteen (15) days from the date on which such vacancy took place, to elect a new, non-temporary Chairman, to perform his/her duties until the end of the corresponding term in office.

Paragraph 5. In case of temporary impediment or absence of any member of the Board of Directors, the absent member shall appoint, amongst the other members of the Board of Directors, that one who will represent the absent member. In case any position of Director becomes absent, the Chairman of the Board of Directors shall call a General Meeting to be held within at most fifteen (15) days from the date on which such vacancy took place, so that such position is filled on a permanent basis until the end of the corresponding term in office.

Article 20. Out of the members of the Board of Directors, at least twenty per cent (20%) shall be Independent Directors, complying with the Level 2 Regulation, who must be expressly declared as such in the minutes of the General Meeting that had elected them, being also deemed as independent those members of the Board of Directors elected as set forth by article 141, paragraphs 4 and 5 of the Brazilian Corporations Act.

Paragraph 1. The Independent Director is characterized for: (i) not having any bond with the Corporation, except for holding shares of its capital stock; (ii) not being a Controlling Shareholder, spouse, relative up to the second degree of kinship of that one, besides not having or not having had during the past three (3) years bound whether to the Corporation or to any other entity related to the Controlling Shareholder (people bound to public education and/or research entities are excluded from this restriction); (iii) not having been, in the past three (3) years, an employee or executive director of the Corporation, of the Controlling Shareholder or of any company controlled by the Corporation; (iv) not being a supplier or buyer, whether directly or indirectly, of services and/or products of the Corporation, to an extent that imply a loss of independence; (v) not being an employee or manager of any company or entity that is offering or demanding services and/or products of the Corporation, to an extent that imply a loss of independence; (vi) not being a spouse relative up to the second degree of kinship of any manager of the Corporation; and (vii) not receiving any other remuneration from the Corporation but that one connected to the position of Director (provided, however, that any earnings in cash originating from a share in the capital stock are excluded from this restriction).

Paragraph 2. When, as a result of complying with the percentage set forth in the caption hereof, such calculation gives a fractional number of Directors, this fractional number shall be rounded up according to the terms set forth in the Level 2 Regulation.

Article 21. The Board of Directors, on a regular basis, hold a meeting every period of two (2) months, on dates to be determined in the first annual meeting, and, on an extraordinary basis, it

can meet whenever necessary. Extraordinary meetings shall be called at least eight (8) days before the meeting, and the documents supporting the Agenda, both for regular meetings and for extraordinary meetings, shall be forwarded at least five (5) days before the meetings.

Paragraph 1. The Chairman must provide the Board of Directors with a meeting notice whether by its own initiative or upon a written request by any member of the Board of Directors. All Board of Directors' meetings may be called by any member of the Board of Directors in case the Chairman of the Board of Directors does not comply, within the term of five (5) calendar days, with the request to make a meeting notice made by a Director.

Paragraph 2. The notices of meetings of the Board of Directors shall be made in writing, and send by fax, common letter, or email, return receipt requested, detailing the time, place, and agenda of the meeting.

Paragraph 3. Regardless of all formalities of a meeting notice, any meeting held by the Board of Directors to which all of its members attend in person will be deemed as regular and compliant.

Paragraph 4. The Board of Directors will have an Executive Secretary who will not be a member of the Board of Directors, elected by the majority of Directors, the functions of which will be defined in the same meeting that elects him/her.

Article 22. The meetings of the Board of Directors will be established, in a first call, with the presence of 75% of its members, and in a second call with the presence of the majority of its members. In any of the cases, the decisions made by the Board of Directors shall be approved by the favorable vote of the majority of attending members.

Paragraph 1. The President Director (CEO) may also attend the Board of Directors' meetings in his/her capacity of invited person.

Paragraph 2. The members of the Board of Directors may attend the Board of Directors' meetings by means of a telephone- or videoconference call, or even by any other electronic communication means, and in this case such members will be deemed as present to the meeting, but they shall confirm their vote by a written statement to be forwarded to the Chairman of the meeting by letter, fax, or email, immediately after the end of the meeting. As soon as such written statement is received, the Chairman of the meeting will be vested of full authority to undersign the minutes of the meeting on behalf of the corresponding Director.

Article 23. The Board of Directors has the following duties:

- (a) elect and remove the Executive Directors of the Corporation and its controlled companies, setting forth the designations and duties not expressly established herein;

- (b) set forth the general direction of the operations of the Corporation and its controlled companies, approving its corporate commercialization policies on a prior basis, including those related to pricing and assortment of products, promotions (product, price, terms of financing to consumers and deadline of delivery) and purchases (planning and negotiation), personnel and financial administrative management, application of tax incentives and make efforts toward the strict compliance with them;
- (c) approve plans, projects and annual and multiyear budgets of the Corporation and its controlled companies;
- (d) decide on any financial operation involving the Corporation, including lending or borrowing and the issue of debentures not convertible into shares, resulting in a Net Debt of the Corporation in excess of two (02) times the EBITDA (for purposes of this section, "EBITDA" means the gross income deducted from general, administrative and sales expenses, excluding special, non-recurring depreciation, amortization and income expenses, based on financial statements prepared by the Corporation under accounting practices adopted in Brazil and approved by CVM – the Brazilian Securities and Exchange Commission) concerning the prior twelve (12) months, as of 2012; "Net Debt" means financial debt minus (a) cash, (b) financial investments, and (c) receivables;
- (e) authorize the acquisition of shares of the Corporation itself, for purposes of cancellation or keeping with the treasurer;
- (f) decide on the issue of shares of any type or class or debentures convertible into shares until the authorized capital limit, establishing the respective price and the terms of payment;
- (g) authorize contributions of the Corporation and its controlled companies to employee associations, pension plans, assistance or recreational entities;
- (h) inspect the performance of the Executive Directors, by examining the minutes, books and papers of the Corporation and its controlled companies upon any occasion, requesting information on agreements entered or about to be entered, and any other acts;
- (i) call the General Meeting;
- (j) give its opinion on the Management Report and financial statements and propose how to use the net income of each fiscal year;
- (k) authorize the Corporation and its controlled companies to negotiate shares of their respective issue, and the issue, conversion, accelerated redemption and other conditions of simple debentures, not convertible into shares and without collateral, and other instruments the issue of which do not depend on General Meeting decisions;

- (l) decide on the issue of commercial promissory notes for public distribution, in compliance with CVM Instruction 134/90;
- (m) remove or replace independent auditors;
- (n) decide on the acquisition of any asset by the Corporation or its controlled companies or the performance of any investment by the Corporation or its controlled companies at an amount equal to or higher than—in one single operation or in related operations within twelve (12) months – (i) thirty million Brazilian Reals (BRL 30,000,000), or (ii) three percent (3%) of the stockholders' equity of the Corporation in the latest balance sheet, whichever is higher;
- (o) decide on the direct or indirect sale of assets or the constitution of any encumbrance, supply of endorsements, pledges, collaterals or any other guarantees in operation of the Corporation or its controlled companies involving amounts equal to or higher than—in one single operation or in related operations within twelve (12) months – (i) thirty million Brazilian Reals (BRL 30,000,000), or (ii) three percent (3%) of the stockholders' equity of the Corporation in the latest balance sheet, whichever is higher;
- (p) approve any association of the Corporation or its controlled companies with third parties involving investments or enter any non-operating agreement at an amount equal to or higher than—in one single operation or in related operations within twelve (12) months—(i) thirty million Brazilian Reals (BRL 30,000,000), or (ii) three percent (3%) of the stockholders' equity of the Corporation in the latest balance sheet, whichever is higher;
- (q) approve proposals – to be presented and examined at General Meetings – concerning amendments to the Bylaws of the Corporation or its controlled companies;
- (r) define the general conditions to enter agreements of any nature between the Corporation and any of their controlling shareholders or companies controlled by or controlling their controlling shareholders, regardless of the amount, or authorize the execution of agreements which do not meet these conditions, except in the cases set forth in laws or regulations under the competence of the General Meeting;
- (s) approve proposals to be forwarded to and decided at General Meetings, concerning takeover (including takeover of shares), split, transformation of any other form of corporate reorganization of the Corporation or its controlled companies;
- (t) authorize acts entailing the grant of guarantees of any kind for the benefit of third parties or meaning waiver of rights;

- (u) give its opinion on any matters presented by the Executive Board for its deliberation or to be submitted to the General Meeting;
- (v) decide on the organization of companies or the interest the Corporation and its controlled companies in other entities, as well as on any interests or investments in transactions foreign to the corporate object, including through consortium or special partnership, representing individual investments – or accumulated throughout one fiscal year – over thirty million Brazilian Reals (BRL 30,000,000);
- (w) decide on the suspension of the activities of the Corporation and its controlled companies;
- (x) define the triple list of companies specialized in the financial appraisal of companies to prepare appraisal reports on the Corporation shares in case of takeover bids to cancel the registry as a publicly-traded company or to leave Level 2;
- (y) give favorable or unfavorable opinions on any takeover bid the object of which are the shares issued by the Corporation, by means of a well-grounded prior opinion, announced within fifteen (15) days after the publication of the takeover bid notice, which ought to mention at least (i) both the convenience and the opportunity of the takeover bid concerning the interest of the set of shareholders and related to the liquidity of the securities held by it; (ii) the repercussions of the takeover bid on Corporation interests; (iii) the strategic plans disclosed by the offerer concerning the Corporation; (iv) other points the Board of Directors deems as pertinent, as well as the information required by applicable rules established by CVM;
- (z) develop—together with the Executive Board—and approve a plan for employees and officers to share the income of the Corporation or its controlled companies and to grant additional benefits to employees and officers, in association with the income of the Corporation or its controlled companies
- (aa) approve periodical programs to grant options object of the Share Call Option Plan of the Corporation, previously approved by the General Meeting;
- (bb) initiate upon any occasion the discussion of any matter related to the operations of the Corporation and its controlled companies, even if it is not included in the list above, and make any decision on it, which the Executive Board is required to comply with;
- (cc) approve the exercise of votes to be given by the legal representative(s) of the Corporation at General Meetings or Meetings of Members of companies in which the Corporation has corporate interests, as well as the execution of any shareholder agreements concerning such companies;
- (dd) approve the contracting of financial institutions to supply financial services to clients of the Corporation and/or its controlled companies;

- (ee) approve the exploitation, by the Corporation and/or its controlled companies, of business opportunities in the retail segment of electrical and electronic devices, home appliances and furniture in Brazil presented by any of its shareholders;
- (ff) exercise other powers established by law and hereby;
- (gg) authorize the Corporation to use “Casas Bahia” and “Ponto Frio” brands in transactions other than retail and e-commerce;
- (hh) establish the rules of the plan for Corporation Units, including rules on the issue and cancellation of Units;
- (ii) establish rules to issue and cancel Units and approve the contracting of companies to supply share bookkeeping services and Units; and
- (jj) solve cases omitted herein and exercise other duties the law or these Bylaws do not grant to other bodies of the Corporation.

Article 24. The Corporation may have Special Committees created by the Board of Directors, such as: (i) Human Resources and Compensation Committee; and (ii) Financial Committee, which shall have the function of preparing proposals or making recommendations to the Board of Directors in their specific fields of performance.

Paragraph 1. Each Special Committee shall consist of at least three (03) and at most five (05) members for a two (02) year term. Reelection is allowed. The members of each Special Committee shall be appointed by the Board of Directors, exclusively among its members. The Board of Directors shall also appoint the Chairman of each Special Committee.

Paragraph 2. In case of absence or temporary impediment of members of any Special Committees, the absent member ought to appoint his/her substitute among the other members of the Board of Directors. In case of vacancy, the Chairman of the Board of Directors must call a meeting of the Board within seven (07) days from the date on which the position vacancy was discovered, in order to elect a new member of the Special Committee to complete said term. There are no restrictions to appoint members for more than one Special Committee in one single term.

Paragraph 3. The Special Committees shall hold meetings whenever called by the Chairman of the Board of Directors, through their own initiative or upon a request in writing made by any member of the Special Committees. The Special Committee meetings may be called by any member of the respective Committee when the Chairman of the Board of Directors does not meet the call made by such member within seven (07) consecutive days counted from the receipt of such request.

Paragraph 4. The Board of Directors shall establish the duties of each Special Committee.

SECTION III – EXECUTIVE BOARD

Article 25. The Executive Board consists of at least two (02) and at most eight (08) members, whether shareholders or not, residing in Brazil, elected and removable by the Board of Directors upon any occasion. One of them must be appointed as President Director, and the others as Vice President Directors, Executive Directors and Director for Investor Relations.

Sole Paragraph: The appointment for the positions referred to in the head section of this article and the respective duties of each executive director shall be defined by the Board of Directors, except for the President Director duties, which were defined in Paragraph 1, article 30 hereof.

Article 26. The Executive Board shall meet whenever it is called by means of a call in writing issued at least twenty-four (24) hours in advance. It must state the place, date and time of the meeting, as well as the agenda. The call may be dispensed with whenever all the acting Executive Directors are present at the meeting. The quorum required to hold Executive Board meetings is the majority of the acting members.

Paragraph 1. The decisions of the Executive Board shall be made through the favorable vote of the majority of the Executive Directors present at the meeting.

Paragraph 2. The President Director ought to call the Executive Board through his own initiative or upon a request in writing made by any Executive Director. The Executive Board meetings may be called by any Executive Director when the President Director does not meet call requests presented by any Executive Director within twenty-four (24) consecutive hours.

Article 27. In acts and instruments resulting in liabilities for the Corporation or that release third parties concerning it, including its position as a plaintiff or as a defender in or out of court, in its relations with government or private entities, it shall be represented by (i) two (02) Executive Directors together or (ii) one (01) Executive Director acting together with an attorney, or (iii) two (02) attorneys acting collectively, within the limits described in their relevant powers of attorney, as provided for in Paragraph 2 below.

Paragraph 1. The Executive Board may delegate to one (01) single Executive Director or to one (01) attorney the Corporation representation under the terms and within the limits the Executive Board might define, in the following cases:

- (a) administration acts before federal, state or local public offices, government agencies, public or publicly/privately-held companies;
- (b) sign mail;
- (c) except for the duties of the President Director defined in Paragraph 1, article 30 hereof; and
- (d) Corporation representation in court and supply of depositions.

Paragraph 2. The powers of attorney granted by the Corporation shall be always signed by two (02) Executive Directors and describe the specific powers and be effective for no longer than one (01) year, except for the grant of powers for purposes of defense in administrative and legal proceedings and to be served notices addressed to the Corporation abroad, in which case said power of attorney may either establish effectiveness longer than the foregoing or not define any effectiveness.

Article 28. The Executive Directors are in charge of ensuring the permanent management of the corporate operations and cause the decisions of the Board of Directors to be performed.

Article 29. The Executive Board has the following duties in particular, when acting as a decision-making body:

- (i) submit the Board of Directors the basic organizational structure of the Corporation and its controlled companies, as well as define the duties of their several units;
- (ii) issue standards and regulations for the full performance of the services, as provided for herein;
- (iii) keep the general control of the performance of its decisions, as well as of the evaluation of the outcomes of the activities carried out by the Corporation and its controlled companies;
- (iv) prepare and submit annual and multiyear budgets, expansion and modernization projects and investment plans for approval of the Board of Directors;
- (v) submit the Board of Directors the job & salary plan and staff of the Corporation and its controlled companies;
- (vi) submit the Board of Directors policies for human resources and to retain service providers;
- (vii) submit proposals of operations related to investments, loans, association offers, joint ventures, acquisitions and similar items in Brazil or abroad to the prior, express approval by the Board of Directors,
- (viii) submit the Board of Directors every act involving liabilities for the Corporation, in compliance with the limit established in a specific delegation which might be defined by the Board of Directors in this sense;
- (ix) prepare and propose to the Board of Directors any acts under its competence and that ought to be submitted to the General Meeting;
- (x) prepare the Management Report, the financial statements and other documents to be presented to the General Meeting;
- (xi) decide on the opening, transfer or closedown of offices, subsidiaries, premises or other Corporation establishments;

- (xii) approve instructions to be given to Corporation representatives at General Meetings of companies in which it has corporate interests;
- (xiii) exercise other duties set forth in the law and herein;
- (xiv) authorize the assignment, encumbrance or acquisition (from third parties) of assets of the Corporation and its controlled companies at an individual amount – or accumulated throughout one fiscal year – over five million Brazilian Reals (BRL 5,000,000);
- (xv) constitute collateral, give endorsements, pledges, sureties or any other guarantees in operations made by the Corporation or by companies in which the Corporation holds direct or indirect interests on a majority basis in the capacity of member, shareholder or stockholder, involving individual amounts – or accumulated throughout one fiscal year – over five million Brazilian Reals (BRL 5,000,000);
- (xvi) approve any financial transaction, including lending by or borrowing to the Corporation or its controlled companies and issue of debentures not convertible into shares by the Corporation and its controlled companies, under the limits established in article 23 hereof; and
- (xvii) approve any association of the Corporation or its controlled companies with third parties, under the limits established in Article 23 hereof.

Sole Paragraph. In case the Executive Board does not approve some transaction, the President Director shall be ensured the right to call the Board of Directors to discuss the matter and make a decision on a final basis.

Article 30. The Executive Directors shall perform their duties individually pursuant to the specific competences established herein, in accordance with the paragraphs below:

Paragraph 1. The President Director has the following duties:

- (i) run the Corporation, coordinating the activities of the Executive Directors;
- (ii) ensure the performance of the decisions made by the Board of Directors and the Executive Board;
- (iii) coordinate and conduct the process to approve the annual and multiyear budget and the investment and expansion plan with the Board of Directors;
- (iv) call and preside over Executive Board meetings, establishing the agenda and conducting the relevant procedures;
- (v) submit the Executive Board for purposes of approval the basic structure of the Corporation and its controlled companies and the duties of their several units;

- (vi) supervise—with the cooperation of other Executive Directors—the activities of all the units of the Corporation and its controlled companies;
- (vii) appoint, for purposes of approval by the Board of Directors, Corporation representatives in entities, societies and associations in which the Corporation is a member;
- (viii) exercise other duties set forth herein.

Paragraph 2. In case of absence or temporary impediment of any Executive Director, he/she must be substituted provisionally by another Executive Director appointed by the Executive Board. In case of absence or temporary impediment of the President Director, he/she must be substituted provisionally by a Vice President Director appointed by him/her.

Paragraph 3. In case of vacancy of any Executive Director, he/she must be substituted provisionally by another Executive Director appointed by the Executive Board until such position is filled by means of an election made by the Board of Directors at a meeting scheduled to be held within twenty (20) days after such event. The elected executive director should then complete the term of the executive director replaced.

SECTION VII – AUDIT COMMITTEE

Article 31. The Audit Committee, with the all the duties and powers granted by the law, shall operate permanently and consist of three (03) active members and an equal number of substitutes, all of them residing in Brazil, elected by the General Meeting. They can be reelected.

Paragraph 1. The audit committee members shall take office through the signature of the office-taking record.

Paragraph 2. Taking office as an Audit Committee member is conditioned to the prior signature of the Consent Record of the Audit Committee Members, as provided for in Level 2 Regulation, as well as in compliance with applicable legal requirements.

Paragraph 3. The compensation of Audit Committee members shall be defined by the General Meeting electing them, in compliance with the legal minimum limit.

Paragraph 4. The Audit Committee shall elect its Chairman at its first meeting.

Paragraph 5. The Audit Committee shall operate under the internal rules approved by the first General Meeting which decides on its organization. It ought to hold meetings necessarily once a month.

Paragraph 6. The Audit Committee can make decisions only with the attendance of the absolute majority of its members, and such decisions shall be made through the absolute majority of the votes given by those attending the meeting. Minutes of the meeting shall be drawn up in proper books.

SECTION VIII – FISCAL YEAR

Article 32. The fiscal year coincides with the calendar year. The financial statements shall be prepared at the end of each year, as set forth in the Corporations Act and other applicable legal provisions.

Article 33. The accumulated losses and the income tax allowance shall be deducted from the fiscal year income before any sharing.

Article 34. Together with the financial statements of the fiscal year, the Executive Board shall submit to the General Meeting—for purposes of approval—a proposal on how to use the net income of the fiscal year remaining after the following deductions and additions, performed in descending order and in this sequence:

- (a) five percent (5%) to constitute legal reserves, not in excess of twenty percent (20%) do capital stock. The constitution of legal reserves may be dispensed with in fiscal years in which their balance, added with the amount of the capital reserves, surpasses thirty percent (30%) of the capital stock;
- (b) amount intended to constitute reserves for contingencies and reversal of those constituted in prior fiscal years;
- (c) profits to be realized and reversal of profits previously entered in this reserve, which have been realized in the fiscal year;
- (d) twenty-five percent (25%) to pay for the mandatory dividend; and
- (e) the remaining portion of the income adjusted after paying for the mandatory dividend shall be intended for the reserve of investment and expansion, the purpose of which is (i) to ensure funds for investments in permanent assets, without prejudice to the profit withholding under Article 196 of the Corporations Act; and (ii) reinforcement of the working capital. It can also (iii) be used in operations to redeem, reimburse or acquire Corporation shares. The General Meeting can also decide to dispense therewith in case of payment of dividends in addition to the mandatory dividend.

Sole Paragraph. Any sum the General Meeting might approve as profit-sharing for officers shall be shared among the officers at the discretion of the Board of Directors.

Article 35. The dividends granted to the shareholders shall be paid within legal deadlines. They shall inure to the Corporation if they are not claimed within three (03) years after the publication of the act which authorized their distribution.

Article 36. The Corporation may prepare six-monthly balance sheets upon a decision of the Board of Directors. It may also prepare balance sheets for shorter periods of time and declare—upon a decision of the Board of Directors—dividends to the account of the income assessed in such

balance sheets, on account of the total amount to be distributed at the end of the relevant fiscal year, under the limits set forth in law.

Paragraph 1. Dividends stated as such shall be advances of the mandatory dividend referred to in article 34 hereof.

Paragraph 2. Also upon a decision of the Board of Directors, interim dividends may be also distributed to the account of accumulated profits or of income reserves existing in the latest annual or six-monthly balance sheet. At its discretion, the Board of Directors may meet the obligation of distributing the mandatory dividend based on the dividends stated as such.

Paragraph 3. As approved by the Board of Directors, ad referendum of the General Meeting, the Corporation may either pay or credit interest to the shareholders by way of compensation of the own capital, under applicable laws. Any sums disbursed as such shall be included in the mandatory dividend amount.

SECTION IX – SALE OF SHAREHOLDING CONTROL, CANCELLATION OF THE REGISTRY AS A PUBLICLY TRADED CORPORATION AND LEAVING LEVEL 2

Article 37. For purposes hereof, the words below shall have the following meanings, whether as plural or singular:

“Controlling Shareholder” means the shareholder(s) or the Group of Shareholders exercising the Power of Control in the Corporation.

“Shares of Control” means the block of shares that ensures, either directly or indirectly, to its(their) holder(s) the individual and/or shared exercise of the Power of Control in the Corporation.

“Selling Controlling Shareholder” means the Controlling Shareholder when he/she makes the Sale of Control of the Corporation.

“Outstanding Shares” means all the shares issued by the Corporation, except for the shares held by the Controlling Shareholder, by persons associated with him/her, by Corporation Officers and those kept by the treasurer.

“Officers” means, when used as singular, the Executive Directors and the members of the Corporation’s Board of Directors referred to individually or, when used as plural, the Executive Directors and the members of the Corporation’s Board of Directors referred to collectively.

“Acquirer” means the one to whom the Selling Controlling Shareholder transfers the Shares of Control in a Sale of Control of the Corporation.

“Sale of Control of the Corporation” means the transfer of the Shares of Control to third parties for consideration.

“Group of Shareholders” means the group of persons: (i) linked by means of contracts or voting agreements of any nature, whether directly or through controlled companies, controlling entities or under common control; or (ii) among which there is a control relation; or (iii) under common control.

“Power of Control” means the power actually used to run corporate activities and direct the operation of Corporation bodies whether directly or indirectly, factually or legally, regardless of the shares held. The control held by a person or by a Group of Shareholders holding shares ensuring them the absolute majority of votes of the shareholders present at the last three (03) General Meetings of the Corporation is relatively presumed, even if they do not hold shares ensuring them an absolute majority of the voting capital.

“Consent Record of Controllers” means the record whereby the new Controlling Shareholders or the shareholders(s) which might enter the Corporation group of control take the personal responsibility of submitting themselves and acting in compliance with the Participation Agreement at Level 2, the Level 2 Regulation, the Arbitration Clause, the Sanction Regulations and the Arbitration Regulations, under the template in Schedule B of the Level 2 Regulation.

“Economic Value” means the value of the Corporation and its shares as appraised by a specialized company through a recognized methodology or based on other criteria to be defined by CVM.

Article 38. The Sale of Control of the Corporation both in one single operation and by means of successive operations ought to be contracted under suspensive or resolutive conditions, that the Acquirer undertakes to make a takeover bid to other Corporation shareholders, in compliance with the conditions and deadlines set forth in the laws in force and in the Level 2 Regulation, so that he/she is ensured treatment equal to the one given to the Selling Controlling Shareholder.

Sole Paragraph. The bid referred to in this article shall be also required: (i) when there is assignment for consideration of rights to subscribe shares and other bonds or rights related to securities convertible into shares, which might result in the Sale of Control of the Corporation; or (ii) in case of the assignment of control in a company holding the Power of Control in the Corporation. In this case, the Selling Controlling Shareholder is required to report to the Brazilian stock exchange known as BM&FBOVESPA the value ascribed to the Corporation in such assignment and attach the documentation evidencing such value.

Article 39. The one who acquires the Power of Control under a share purchase agreement entered with the Controlling Shareholder, involving any number shares is required to: (i) make the bid referred to in article 38 above; and (ii) pay for—under the terms indicated below—an amount equal to the difference between the bid price and the amount paid per any share acquired at the stock exchange during the six (06) months prior to the date of acquisition of the Power of Control, duly adjusted until the date of payment. Said amount ought to be distributed among all the persons

who sold Corporation shares at the auctions where the Acquirer made the acquisitions, proportionally to the daily selling net balance of each one. The Brazilian stock exchange known as BM&FBOVESPA is in charge of coordinating such distribution pursuant to its regulations.

Article 40. The Corporation shall not record any transfer of shares to the Acquirer or to whoever may hold the Power of Control while they do not subscribe the Consent Record of Controllers referred to in the Level 2 Regulation.

Article 41. No shareholder agreement with provisions on the exercise of the Power of Control can be recorded at the Corporation head offices while its subscribers do not subscribe the Consent Record of Controllers referred to in the Level 2 Regulation.

Article 42. At the takeover bid to be made by either the Controlling Shareholder or by the Corporation to cancel the registry as a publicly traded company, the minimum price to be offered ought to correspond to the Economic Value assessed in the appraisal report prepared pursuant to Paragraphs 1 and 2 of this article, in compliance with applicable legal and regulating standards.

Paragraph 1. The appraisal report referred to in the head section of this ought to be prepared by a specialized organization or company provenly experienced and independent concerning the decision-making power of the Corporation, its Officers and/or its Controlling Shareholder(s), in addition to meeting the requirements in Paragraph 1, article 8 of the Corporations Act, and having the liability described in Paragraph 6 of such article.

Paragraph 2. The selection of a specialized organization or company to ascertain the Economic Value of the Corporation is of exclusive competence of the General Meeting, based on a triple list submitted by the Board of Directors. Said decision must not include blank votes, and each share is entitled to one vote regardless of its type or class. The decision ought to be made by the majority of the votes of shareholders representing the Outstanding Shares attending such meeting, which, if held after the first call, must have the attendance of shareholders representing at least twenty percent (20%) of the total Outstanding Shares. If it is held after the second call, may have the attendance of any number of shareholders representing the Outstanding Shares.

Article 43. In case of a decision establishing that the Corporation is leaving Level 2 so that the securities issued by it may be registered for negotiations out of Level 2, or by virtue of a corporate reorganization operation in which the company resulting from such reorganization does not have its securities accepted for negotiation at Level 2 within one hundred and twenty (120) days counted from the date of the General Meeting that approved said operation, the Controlling Shareholder must make a takeover bid for the shares belonging to the other Corporation shareholders, at least for the respective Economic Value to be assessed in an appraisal report prepared under Paragraphs 1 and 2 of article 42 above, in compliance with applicable legal and regulating standards.

Sole Paragraph. The Controlling Shareholder is released from making the takeover bid referred to in the head section of this article if the Corporation leaves Level 2 because the Corporation entered a Participation Agreement in the special segment of the Brazilian

stock exchange known as BM&FBOVESPA called *Novo Mercado* (“**Novo Mercado**”) or if the Corporation resulting from such corporate reorganization is authorized to negotiate securities at *Novo Mercado* within one hundred and twenty (120) days counted from the date of the General Meeting that approved said operation.

Article 44. If there is no Controlling Shareholder, in case the leaving of the Corporation from Level 2 is decided so that the securities it has issued may be recorded for purposes of negotiation out of Level 2, or because of a corporate reorganization operation, in which the company resulting from such reorganization does not have its securities cleared for negotiations at Level 2 within one hundred and twenty (120) days counted from the date of the General Meeting that approved said operation, such leaving is conditioned to the performance of a takeover bid under the same conditions set forth in article 43 above.

Paragraph 1. Said General Meeting must select the person(s) in charge of making the takeover bid. If he/she(they) is(are) present at the meeting, he/she(they) ought to take the obligation to make such bid expressly.

Paragraph 2. If the persons in charge of making the takeover bid are not selected, in a case of corporate reorganization operation, in which the company resulting from such reorganization does not have its securities cleared for negotiations at Level 2, the shareholders who vote for the corporate reorganization must make said bid.

Article 45. The Corporation leaving Level 2 for the failure to comply with the obligations described in the Level 2 Regulation is conditioned to making the takeover bid at least for the Economic Value of the shares, to be assessed in the appraisal report referred to in article 42 hereof, in compliance with applicable legal and regulating standards.

Paragraph 1. The Controlling Shareholder must make the takeover bid set forth in the head section of this article.

Paragraph 2. In case there is no Controlling Shareholder and the leaving from Level 2 referred to in the head section results from a decision made by the General Meeting, the shareholders who have voted for the decision that entailed such non-compliance ought to make the takeover bid set forth in the head section.

Paragraph 3. In case there is no Controlling Shareholder and the leaving from Level 2 referred to in the head section occurs in view of a management act or fact, the Corporation Officers ought to call the General Meeting of shareholders, the agenda of which would be how to solve the non-compliance with the obligations described in the Level 2 Regulation or, as the case may be, decide on the Corporation leaving Level 2.

Paragraph 4. In case the General Meeting mentioned in Paragraph 3 above decides on the Corporation leaving Level 2, said General Meeting must select the person(s) in charge of making the takeover bid. If he/she(they) is(are) present at the Meeting, he/she(they) ought to take the obligation to make such bid expressly.

Article 46. The provisions of the Level 2 Regulation shall prevail over the bylaws in case of prejudice to the rights of the addressees of the bids described herein.

SECTION X – WINDING-UP

Article 47. The Corporation is to enter a winding-up process in the cases established in law or by virtue of decisions made by the General Meeting.

Sole Paragraph. The General Meeting is in charge of establishing the form of winding-up, electing the liquidator and the members of the Audit Committee to operate during the winding-up period of time, as well as establishing their respective fees.

SECTION XI - ARBITRATION

Article 48. The Corporation, its shareholders, Officers and the Audit Committee members undertake to solve by means of arbitration – before the Chamber of Market Arbitration – every and any dispute or divergence which might arise among them, related to or arising especially from the application, effectiveness, efficacy, interpretation, violation and their rights, concerning the provisions established in the Brazilian Corporations Act, herein, in the standards issued by the Brazilian National Monetary Council, by the Central Bank of Brazil and CVM (the Brazilian Securities and Exchange Commission), as well as by other standards applicable to the operations of capital markets in general, in addition to those described in the Level 2 Regulation, the Arbitration Regulations, the Sanction Regulations and the Participation Agreement at the Corporate Governance Level 2.

SECTION XII - GENERAL, FINAL PROVISIONS

Article 49. The Corporation shall comply with the Shareholder Agreements registered under article 118 of Brazilian Law 6404/76 (Brazilian Corporations Act). The management is in charge of not recording share transfers that do not comply with the relevant terms. The Chairman of the General Meetings and of the Board of Directors meetings must not count the votes cast against such agreements.

Signature page of Appendix I to the minutes of the Special General Meeting held on October 14, 2013.

Ivo Waisberg

Chairman

Maria Antônia Caleffi da Silva Ramos

Secretary