Cia.Hering

NATIONAL CORPORATE TAXPAYERS REGISTER (CNPJ) No. 78.876.950/0001-71
STATE REGISTRATION (NIRE) No. 42300020401
PUBLICLY-HELD CORPORATION

BYLAWS

CHAPTER I

CORPORATE NAME, HEAD OFFICE, PURPOSE AND DURATION

ARTICLE 1 - CIA. HERING, a publicly-held company, shall be governed by these Bylaws and by the applicable laws.

PARAGRAPH ONE – Upon entry of the Company in *Novo Mercado* of B3 S.A. – Brasil Bolsa Balcão ("Novo Mercado" and "B3", respectively), the Company, its shareholders, including the controlling shareholders, managers and members of the Fiscal Council, whenever installed, shall be subject to the provisions of Novo Mercado Regulations ("Novo Mercado Regulations").

PARAGRAPH TWO – The provisions of Novo Mercado Regulations shall prevail over the bylaws provisions, in the cases of prejudice to the rights of the recipients of the public offerings provided for in these Bylaws.

ARTICLE 2 - The Company's head office and jurisdiction shall be in the City of Blumenau, State of Santa Catarina, at Rua Hermann Hering, No. 1.790, and it may open branches, agencies, establishments or offices in any place of the Brazilian territory or abroad.

ARTICLE 3 – The business purpose of the Company is the textile industry in general; the manufacturing, marketing, and intermediation, in the wholesale and retail trade, of spinning, weaving, knitting, and clothing industry products in general, textile women's, men's, and children's clothing articles and accessories, as well as trade in perfumery, cosmetics, and toiletry products, sporting goods, footwear, handbags, toys, stationery, accessories, and other customary department store products; import and export of any goods connected with the achievement of the company's purposes; the development of franchise and brand licensing activities; and holding equity interests in other companies, both in Brazil and abroad.

ARTICLE 4 – The Company's term of duration is indefinite, and the Shareholders Meeting may resolve at any time on the dissolution and liquidation thereof.

CHAPTER II

CAPITAL STOCK, AUTHORIZED CAPITAL AND SHARES

ARTICLE 5 - The capital stock of the Company, subscribed and paid in, three hundred and sixty-nine million nine hundred and forty-seven thousand eight hundred and ninety *Reais* and eighty-seven cents (R$369,947,890.87), represented by one hundred and sixty-one million eight hundred and forty-three thousand six hundred and thirty-four (161,843,634) common shares, all of which are registered book-entry shares without par value

PARAGRAPH ONE – The issuance, regardless of amendment to the bylaws and by resolution of the Board of Directors, of up to the limit of three hundred and fifty million (350,000,000) common shares, all of which are registered book-entry shares with no par value, is authorized.

PARAGRAPH TWO – The Company, within the limit of the authorized capital and by resolution of the Board of Directors, may grant stock option to its managers or employees, or to individuals who provide services thereto or to the company under its control.

PARAGRAPH THREE – The Company, by resolution of the Board of Directors, may issue subscription warrants, with due regard for the authorized capital limit.

PARAGRAPH FOUR – In any issuance of shares, debenture stock or subscription warrants, whose placement is made under the terms of article 172 of Law No. 6.404, of December 15, 1976, the right of first refusal of the former shareholders may be reduced or excluded by resolution of the proper body for the respective issuance.

PARAGRAPH FIVE – In the capital increases by subscription of shares, or conversion therein of bonds or credits, the Board of Directors may establish that the new shares issued are ascribed dividends calculated *pro-rata-temporis*, in view of the time of ratification or conversion thereof, as long as the fact is early notified to the interested parties.

PARAGRAPH SIX – The Company shall be forbidden from issuing preferred shares and founder shares.

ARTICLE 6 – All shares or the Company are registered book-entry shares, remaining in escrow accounts with the accredited Depository Institution in the name of their holders, without issuance of certificates, under the terms of articles 34 and 35 of Law No. 6.404/76.

SOLE PARAGRAPH – With due regard for the maximum limits established by the Brazilian Securities Commission ("CVM"), the depository Institution may charge from the shareholder the cost of the service for transfer of the ownership of the book-entry shares.

ARTICLE 7 - Each common share corresponds to one vote in the resolutions of the Shareholders Meeting.

CHAPTER III

THE COMPANY'S MANAGEMENT

SECTION I – GENERAL PROVISIONS

ARTICLE 8 – The Company shall be managed:

I – By a Board of Directors, a collective body of resolution; and

II – An Executive Board, a management body.

ARTICLE 9 – The elected Managers shall be vested in their positions upon execution of an instrument drawn up in the proper book.

PARAGRAPH ONE – The investiture of the members of the Board of Directors and the Executive Board to their respective positions shall be conditioned upon the previous subscription of the Instrument of Investiture comprising being subject to the arbitration clause included in art. 45 of the Bylaws, as well as to compliance with the applicable legal requirements. The managers shall, immediately after investiture in the position, notify B3 S.A. – Brasil Bolsa Balcão of the number and characteristics of the securities issued by the Company that are held by them, whether directly or indirectly, including their derivatives.

PARAGRAPH TWO – The term of office of the Managers shall extend until the investiture of the successors.

PARAGRAPH THREE – The positions of Chairman of the Board of Directors and Chief Executive Officer or main executive of the Company cannot be accumulated by the same person.

ARTICLE 10 – The Shareholders Meeting shall fix the global amount of the annual remuneration of the Company's managers, including benefits of any nature and representation amounts, considering their responsibilities, the time dedicated to their duties, their professional reputation and authority and the amount of their services in the market, and the Board of Directors shall establish the criteria for *pro rata* payment of the remuneration of each Director and Officer.

SOLE PARAGRAPH – The remuneration ascribed to the position of Officer shall exclusively prevail whenever the respective holder thereof cumulatively exercises the position of member of the Board of Directors.

SECTION II – BOARD OF DIRECTORS

ARTICLE 11 – The Board of Directors is formed by, at least five (5) and at most nine (9) members, all elected and removable by the Shareholders Meeting, with an unified term of office of two (2) years, reelection being permitted.

PARAGRAPH ONE – At least two (2) or twenty percent (20%) of the members of the Board of Directors, whichever is greater, shall be Independent Directors, as defined by *Novo Mercado* Regulations, and those designated as Independent Directors shall be characterized as resolved at the Shareholders Meeting that elects them, and in case there is a controlling shareholder, the Directors elected according to the authority provided for in article 141, paragraphs 4 and 5 of Law 6.404/76 shall also be considered to be independent.

PARAGRAPH TWO – Whenever the application of the percentage defined above results in a fractional number of directors, it shall be rounded up to the whole number immediately higher.

PARAGRAPH THREE – The Board of Directors shall elect a Chairman from among its members.

PARAGRAPH FOUR – The Chairman, having the duty of calling and presiding over the meetings, shall be replaced, in his/her transitory impediments by another director to whom he/she has granted specific powers for such purpose, or, if no powers are granted, by the sitting director designated by the other directors.

ARTICLE 12 - The Board of Directors shall meet whenever called by its Chairman or by two members of the Board of Directors or the Executive Board.

ARTICLE 13 - The Board of Directors shall meet at the Company's head office.

PARAGRAPH ONE – The meetings of the Board of Directors shall be called by notice in writing issued at least three (3) days in advance, which shall include the location, date, hour and agenda. The absence of call notice shall be considered remedied upon attendance of all of the members to the meeting.

PARAGRAPH TWO – The majority of the sitting members shall constitute a quorum for calling the meeting to order, and the resolutions shall be taken by the majority of those present, which shall be drawn up in the proper book.

PARAGRAPH THREE – The Chairman of the Board of Directors shall have the casting vote in case of tie, in addition to the ordinary vote.

ARTICLE 14 – It shall be incumbent upon the Board of Directors:

a) to establish the general guidance of the Company's business;
b) to elect and remove the members of the Executive Board and members of the Statutory Audit Committee, specifying their duties, with due regard for the provisions in these Bylaws;

c) to inspect the Officers' management, analyze at any time the Company's books, request information on agreements executed or to be executed, as well as any other act that has been performed by the Officers;

d) to pronounce itself on the Management's Report and Financial Statements prepared by the Executive Board;

e) to call the Annual Shareholders Meeting and the special meeting whenever required;

f) to choose and remove Independent Auditors;

g) to authorize the Executive Board to sell or encumber movables and immovable assets and to perform any act resulting in financial obligation for the Company, above the amount of forty million *Reais* (R$40,000,000.00), adjusted for inflation by the variation of the General Market Price Index/Getúlio Vargas Foundation (IGPM/FGV), or by another index that may legally replace it, with due regard for the guidelines established by the Board of Directors;

h) to authorize the Executive Board to provide guarantees or suretyships exclusively in transactions of interest to the Company itself or to companies in which it holds equity interest;

i) to authorize the purchase of shares issued by the Company itself, for purposes of cancellation or permanence in treasury and future sale;

j) to resolve and authorize the Executive Board to issue Promissory Notes, *commercial papers*, which shall grant its holders a credit right against the issuer, intended for public placement;

k) to resolve on the issuance of new shares within the limits of the authorized capital;

l) to resolve on the payment of intermediary dividends, as provided for in article 33 and its paragraphs;

m) to resolve on the payment of interest on equity, under the terms of the laws in effect;

n) to resolve on the issuance of simple debentures, not convertible into shares and without collateral and of debentures convertible into shares, within the limits of the authorized capital;

o) to designate a specialized company with a fair price to prepare the share valuation report of the Company in cases of IPO for cancellation of registration as a publicly-held company or exit from *Novo Mercado*; and

p) to pronounce itself as favorable or contrary to any public offering whose subject-matter refers to shares of the Company by means of previous grounded legal opinion disclosed within up to fifteen (15) days from the publication of the call notice of the public offering, which shall address, at least, i) the convenience and opportunity of the public offering regarding the interest of the company and that of the group of shareholders, including in regards to the price and the liquidity of the securities held by it; ii) the repercussions of the public offering on the Company's interests regarding alternatives to the acceptance of the IPO available in the market; iii) the strategic plans disclosed by the offering party in regards to the Company; iv) other points that the Board of Directors considers relevant, as well as the information required by the applicable rules established by CVM;

q) to establish the guidelines regarding the authority limit of duties of the Executive Board.

SOLE PARAGRAPH – The minutes of the meetings of the Board of Directors, including resolution intended to produce effects against third parties, shall be filed and published.

SECTION III – AUDIT COMMITTEE

ARTICLE 15 – The Company will have a Statutory Audit Committee.

ARTICLE 16 - The Audit Committee, an advisory body reporting to the board of directors, is formed by, at least three (3) members, at least one (1) of whom being an independent director, and at least one (1) being required to have recognized experience with corporate accounting affairs, all with a unified term of office of two (2) years, reelection being permitted.

PARAGRAPH ONE – One same Audit Committee member may cumulatively have both characteristics set forth in this article.

PARAGRAPH TWO – At the time of appointment of the members of the Audit Committee, the coordinator thereof shall be designated.

PARAGRAPH THREE – The Audit Committee shall report directly to the Company's Board of Directors.

PARAGRAPH FOUR - The Board of Directors shall provide, in Internal Regulations, for the rules of procedure for the Audit Committee.

PARAGRAPH FIVE - The compensation for the Audit Committee shall be fixed by the Board of Directors.

ARTICLE 17 - The Audit Committee shall, among other things:

(a) opine on the hiring and removal of independent audit services;

(b) assess the quarterly information, interim financial statements and annual financial statements;

(c) monitor the activities of the Company's Internal Audit and Internal Controls teams;

(d) assess and monitor the Company's risk exposures;

(e) assess, monitor and recommend to Management correcting or improving the Company's internal policies, including the policy for related-party transactions; and

(f) have the means to receive and handle information on any noncompliance with any statutory and regulatory provisions applicable to the Company, as well as internal regulations and codes, including by reviewing specific procedures to protect the providers and confidentiality of information."

SECTION IV - EXECUTIVE BOARD

ARTICLE 18 – The Executive Board shall be composed of a minimum of four (04) and a maximum of nine (9) members, shareholders or not, elected by the Board of Directors, for a unified term of office of two (2) years, reelection permitted, being one (01) Chief Executive Officer, one (01) Chief Investor Relations Officer, one (01) Chief Financial Officer, one (01) Chief Administrative Officer, one (01) Chief Commercial Officer, one (01) Chief Marketing Officer, one (01) Chief Industrial Officer, one (01) Chief Supply Officer and one (01) Officer with no specific designation.

ARTICLE 19 – The Officers shall be replaced:

I – in temporary impediments, by another Officer indicated by the Chief Executive Officer;

II – in definite impediments:

a) by a substitute elected by the Board of Directors to complete the respective term of office;

b) by a substitute indicated by the Board of Directors among the remaining Officers to complete the respective term of office.

SOLE PARAGRAPH – The Chief Executive Officer shall be replaced, in case of absences or temporary impediments, by another officer to whom he or she has granted specific powers for that purpose, or if no such powers were granted, by the substitute indicated by the Board of Directors.

ARTICLE 20 – The following are duties of the Executive Board:

a) to comply and cause compliance with these Bylaws and with the resolutions of the Shareholders' Meeting and of the Board of Directors;

b) to establish rules for proper development of the internal services;

c) to direct the performance of the Company's business;

d) to resolve on the creation or discontinuation of positions and duties, set remunerations, and establish the personnel and compensation policies;

e) to appoint, hire and dismiss representatives and commercial inspectors;

f) to dispose of or encumber assets or properties and perform any commercial act that creates any financial obligations to the Company up to the amount of forty million *Reais* (R$40,000,000.00), adjusted for inflation by the variation of the IGPM/FGV, or any other index that may replace it by law, with due regard for the provisions in article 14, sub-item "g" of these Bylaws;

g) to provide sureties or guarantees exclusively in transaction of interest of the Company itself or of any company in which the Company has an equity interest, provided that previously authorized by the Board of Directors;

h) to submit to the Shareholders' Meeting the Annual Report of business and, after previous consultation with the Board of Directors, to propose the reapplication and distribution of the profits in the balance sheets;

i) to appoint special attorneys-in-fact on behalf of the Company to represent it in the management, defining their powers and obligations in the respective powers of attorney; and

j) to resolve on the opening and closing of branches, warehouses, offices and other facilities, with attribution of the required capital installment and the appointment of managers and persons in charge.

PARAGRAPH ONE – It is incumbent upon the Chief Executive Officer: (i) to represent the Company at the shareholders' meetings and/or members' meetings of any companies in which the Company may have an interest or designate a Director or proxy to do so; (ii) to render account to the Board of Directors, working on the Company's corporate issues and leading the development of innovations and new business; (iii) to manage the company in compliance with the bylaws provisions, the resolutions of the Shareholders' Meetings and of the Board of Directors; (iv) to represent the company as a defendant and a plaintiff, in court or out of court, with powers to appoint attorneys-in-fact for that purpose; (v) to preside over meetings of the Executive Board and the Shareholders' Meeting; (vi) to indicate a substitute to any of the Officers in case of temporary impediment; (vii) to coordinate and oversee the actions of the Executive Board; (viii) to keep the members of the Board of Directors informed on the Company's activities and the progress of its operations; and (ix) to carry out any other duties inherent to such position.

PARAGRAPH TWO – It is incumbent upon the Chief Business Officer: (i) to prepare the Company's business planning; (ii) to plan, outline and monitor the integrated Trademarks and Channels strategy; (iii) to define the positioning of each of the Trademarks, so that they may be competitive and meet consumer requirements; (iv) to ensure the best product distribution strategy for the Franchise, Owned Stores, Multi-Brands and Ecommerce channels; (v) to lead the activities related to the generation of business opportunities; and (vi) to perform any other activities inherent in the office.

PARAGRAPH THREE – It is incumbent upon the Chief Investor Relations Officer: (i) to represent the Company before any regulatory agencies and other institutions engaged in the capital market; (iii) to provide information to the community of investors; the Brazilian Securities Commission CVM, the Stock Exchanges on which the Company may have its securities traded and any other control bodies related to the activities carried out in the capital market, in accordance with the applicable laws, in Brazil and abroad; (iv) to keep the Company's registrations with the CVM updated; and (v) to maintain and advance the relationship with shareholders and the market in general.

PARAGRAPH FOUR – It is incumbent upon the Chief Financial Officer: (i) to direct and lead the administration and management of the Company's and its subsidiaries' financial activities, including by reviewing investments and setting risk exposure limits, proposing and contracting borrowings and financing transactions, to conduct treasury operations and to carry out the Company's financial planning and control; (ii) to plan, follow, control and assess the activities of a financial nature; (iii) to supply and provide reports or information to the Company's bodies on the financial situation whenever requested; and (iv) to carry out any other duties inherent to such position.

PARAGRAPH FIVE – It is incumbent upon the Chief Administrative Officer: (i) to plan, follow, control and assess the activities related to the Company's administrative areas, including Accounting, Legal, Technology and Information Technology and Institutional Communication areas; (ii) to organize the quarterly and yearly trial balance sheets, the budget proposal and the general balance sheet to be submitted to the Board of Directors and the Shareholders' Meeting for examination; and (iii) to carry out any other duties inherent to such position.

PARAGRAPH SIX –It is incumbent upon the Chief Industrial Officer: (i) to plan and assess the industrial operation involving internal plants and third parties; (ii) to monitor the activities of production management, excellence practices, strategies and projects aiming at industrial competitiveness and at the search for technological innovation; and (iii) any other activities inherent to such position.

PARAGRAPH SEVEN – It is incumbent upon the Chief Supply Officer: (i) to plan the production process of the supply chain in the purchases of raw materials, inputs and finished products; (ii) to monitor and ensure the performance of the developments and new products/projects of each collection, and the distribution of the finished products to the customers; and (iii) any other activities inherent to such position.

PARAGRAPH EIGHT – It is incumbent upon the other Officers with no specific designation, if elected, to support the Chief Executive Officer in the coordination, management, direction and supervision of the Company's business, in accordance with the duties that may be attributed to them by the Board of Directors.

ARTICLE 21 – It is also incumbent upon the Officers:

a) to carry out any duties that may be attributed to them by the Board of Directors;
b) to support the Chief Executive Officer in the management of the company's business; and
c) to replace another Officer, with due regard for the provisions in article 16 of these Bylaws.

ARTICLE 22 – The Company shall be bound where represented as a defendant or a plaintiff, in court and out of court, before any federal, state or municipal governmental agencies, unions and associations:

(i) by two (02) Officers jointly;

(ii) by one (01) Officer jointly with one (01) attorney-in-fact duly appointed with special powers;

(iii) by two (02) attorneys-in-fact jointly, duly appointed with special powers;

PARAGRAPH ONE - The Company undertakes liability for any act involving property or financial liability, such as: agreements, deeds, powers of attorney, operation of bank accounts, issue and endorsement of checks, payment orders, commercial papers, bills of exchange and credit notes in general, correspondence and any other documents, by the joint signature of two Officers or by an Officer jointly with an attorney-in-fact, duly appointed with special powers.

PARAGRAPH TWO – Any powers of attorney granted by the Company shall be signed by two (02) members of the Executive Board. Such powers of attorney shall specify the extent of the powers granted thereunder and shall provide that their duration shall not exceed 2 years of the time of granting, except for powers of attorney with an *ad judicia* clause, which may be effective indefinitely.

ARTICLE 23 – Resolutions shall be passed at meetings of the Executive Board by a majority of votes of those present at each meeting. In case of tie vote, the Chief Executive Officer shall have the casting vote in addition to the regular vote.

ARTICLE 24 – The Executive Board shall meet whenever required, to be called by the Chief Executive Officer or by two Officers jointly.

CHAPTER IV

FISCAL COUNCIL

ARTICLE 25 – The Fiscal Council shall operate on a non-permanent basis.

PARAGRAPH ONE – The Fiscal Council, composed of a minimum of three (3) and a maximum of five (5) permanent members and the same number of alternate members, elected by the Shareholders' Meeting, shall operate in the fiscal years when it is set up at the request of shareholders, as provided for by law.

PARAGRAPH TWO – Each period of operation shall start on the date of setup and end at the first subsequent Annual Shareholders' Meeting.

PARAGRAPH THREE – The investiture of the members of the Fiscal Council in their respective positions is conditioned to execution of the Instrument of Investiture including submission to the arbitration clause established in article 45 of the Bylaws, and to compliance with the applicable legal requirements.

ARTICLE 26 – If the Fiscal Council is set up in successive fiscal years, the reelection of its members shall be permitted.

ARTICLE 27 – The rules on establishment and duties of the Fiscal Council, requirements, impediments, remuneration opinions, representation, duties and liabilities of its members are those established by Law.

CHAPTER V

SHAREHOLDERS' MEETING

ARTICLE 28 – The Shareholders' Meeting, to be called as provided for by law, shall be ordinarily held within the first four months after the end of the fiscal year and on a special basis whenever so required by the company's interests.

ARTICLE 29 – The Shareholders' Meeting shall be presided over by the Chief Executive Officer in office, who shall invite one or more shareholders to act as secretaries thereof.

ARTICLE 30 – The persons attending the Shareholders' Meeting shall provide evidence of their capacity as shareholders upon submission of a proper document to confirm their identity.

SOLE PARAGRAPH – The shareholder may be represented at Shareholders' Meetings by an attorney-in-fact appointed for less than one year, who is a shareholder, a Company's manager or an attorney or financial institution, and the administrator of investment funds shall represent the co-owners.

CHAPTER VI

FISCAL YEAR AND DISTRIBUTION OF PROFITS

ARTICLE 31 – The fiscal year shall begin on January 1 and end on December 31 of the same year, when the Financial Statements required by law shall be prepared.

ARTICLE 32 – Any accrued losses and income tax provision shall be deducted from the result of the fiscal year prior to any equity interest.

SOLE PARAGRAPH – The loss of the fiscal year shall be mandatorily absorbed by the retained profits**,** the reserve of retained earnings and the legal reserve, in this order.

ARTICLE 33 – From the remaining profit after the deductions established in the previous article, an amount shall be distributed to the Managers, by way of equity interest, of up to six percent (6%), with due regard for the limits established by article 152, paragraph 1 of Law No. 6.404/76, to be distributed by the Board of Directors.

ARTICLE 34 – The net income for the fiscal year shall be allocated as follows:

I – five percent (5%) for creation of the legal reserve, which shall not exceed twenty percent (20%) of the capital stock.

II – at least twenty-five percent (25%) by way of mandatory dividend, calculated on the balance, after the deductions and increases established by article 202, items I, II and III of Law No. 6.404/76, as amended by Law No. 10.303/2001.

PARAGRAPH ONE – Unless otherwise resolved by the Shareholders' Meeting, the dividends shall be paid within sixty days as from the date of its declaration, and the shares arising out of any capital increase shall be delivered within the same term.

PARAGRAPH TWO – The Executive Board, after previous consultation with the Board of Directors and in accordance with the results ascertained in the balance sheet, may determine the payment of interim dividends at any time.

PARAGRAPH THREE – The amount to be paid or credited by way of interest on equity by resolution of the Board of Directors and in accordance with the applicable law may be attributed to the dividends established by item II of this article, to integrate the respective amount for all legal effects.

ARTICLE 35 – The Company's Management bodies shall submit to the Annual Shareholders' Meeting, together with the financial statements of the fiscal year, with due regard for the provisions in articles 193 to 203 of Law No. 6.404/76, as amended by Law No. 10.303/2001, and in the previous articles of these Bylaws, a proposal for allocation of the remaining net income.

CHAPTER VII

DISPOSAL OF EQUITY CONTROL

ARTICLE 36 – The disposal of the Company's equity control, directly or indirectly, by means of a single transaction or successive transactions, shall be contracted subject to the condition that the control acquirer undertakes to make the public offering of shares in relation to the shares issued by the Company and held by the other shareholders, in compliance with the conditions and terms established by the applicable law and regulations and by the *Novo Mercado* Regulations, in such a manner as to provide them with equalitarian treatment compared to those provided to the selling shareholder.

PARAGRAPH ONE – For purposes of these Bylaws, capitalized terms shall have the following meaning:

"Outstanding Shares" means all shares issued by the Company, except the shares held by the Controlling Shareholder, by any persons related thereto, by managers of the Company and treasury shares.

"Control" (and its related terms, "Controlling", "Controlled", "under common Control" or "Control Power") means the power actually used to direct the company's activities and guide the operation of the Company's bodies, directly or indirectly, *de facto* or by law, regardless of the equity interest held. Title to control is presumed in relation to the person or group of persons bound by a shareholders agreement or under common control ("control group") that holds the shares that ensured a qualified majority of the votes of the shareholders present at the last three Shareholders' Meetings of the Company, even if such person or group of persons is not the holder of the shares that ensure the qualified majority of the voting capital.

"Fair Price" means the value of the Company and of its shares as may be determined by a specialized company using a recognized methodology or based on another criterion that may be defined by the CVM.

PARAGRAPH TWO – The purchase price in the public offering of shares established in this article shall be the highest of the prices determined in compliance with this article and with article 39, paragraph two of these Bylaws.

CHAPTER VIII

PROTECTION OF DISPERSED OWNERSHIP

Article 37 – Any Purchasing Shareholder that purchases or becomes the owner of shares issued by the Company in an amount equal to or in excess of twenty percent (20%) of the total number of shares issued by the Company shall, within at most sixty (60) days as from the date of purchase or of the event that resulted in the ownership of shares in an amount equal to or in excess of twenty percent (20%) of the total number of shares issued by the Company, make a public offering ("IPO") for the purchase of all shares issued by the Company, subject to the provisions of the applicable CVM regulation, including with respect to the need or not to register such public offering, to the regulations of B3 S.A. – Brasil Bolsa Balcão and to the terms of this Chapter IX.

PARAGRAPH ONE – The IPO shall be (i) indistinctly addressed to all of the Company's shareholders; (ii) made in an auction to be conducted in B3 S.A. – Brasil Bolsa Balcão; (iii) launched for the price determined in accordance with the provisions of paragraph two of this article; and (iv) for payment on demand, in Brazilian currency, against the purchase in the IPO of shares issued by the Company.

PARAGRAPH TWO – The price to be offered for the shares issued by the Company that are the subject matter of the IPO cannot be lower than the highest amount among: (i) the Fair Price ascertained in the valuation report mentioned in article 39 below; (ii) one hundred and thirty percent (130%) of the highest issue price of the shares in any capital increase of the Company made upon public distribution occurred in the period of twelve (12) months preceding the date on which conduction of the IPO becomes mandatory, duly adjusted by the General Market Price Index (IGP-M) until the time of payment; and (iii) one hundred and thirty percent (130%) of the average unit quotation of the shares issued by the Company during the ninety (90)-day period preceding conduction of the IPO.

PARAGRAPH THREE – Exclusively for purposes of this article 37, if the Board of Directors, after a request presented by the offeror to prepare the report set forth in article 39 below, fails to take, within up to 30 days as from receipt of the request, the necessary initiative to choose an expert company responsible for determining the Fair Price, the offeror shall make this choice.

PARAGRAPH FOUR – Conduction of the IPO shall not exclude the possibility that other shareholder of the Company or, should this be the case, the Company itself, makes a competing public offering, pursuant to the provisions of the applicable regulation.

PARAGRAPH FIVE – In case the Purchasing Shareholder fails to comply with any of the obligations set forth in this article, the Company's Board of Directors shall call a Special Shareholders' Meeting, in which the Purchasing Shareholder cannot vote, to resolve on suspension of the exercise of the rights of the Purchasing Shareholder that has failed to comply with any obligation set forth in this article, in accordance with the provisions of article 120 of Law No. 6.404/76, without prejudice to the liability of the Purchasing Shareholder for losses and damages caused to the other shareholders as a result of noncompliance with the obligations set forth in this article.

PARAGRAPH SIX – The Purchasing Shareholder that acquires or becomes the owner of other rights relating to the shares issued by the Company, including, for example, usufruct or trust, in an amount equal to or in excess of twenty percent (20%) of the total number of shares issued by the Company shall also be required to make the public offering, whether registered with the CVM or not, according to the applicable regulation, pursuant to the provisions of this article, within at most sixty (60) days.

PARAGRAPH SEVEN – The provisions of this article shall not apply in case a person becomes the owner of shares issued by the Company in an amount in excess of twenty percent (20%) of the total number of shares issued by it, as a result of (i) legal succession; (ii) merger of another company into the Company; (iii) merger of shares of another Company into the Company; or (iv) subscription of shares of the Company, made in a single primary public issue, which has been approved at a Shareholders' Meeting of the Company.

PARAGRAPH EIGHT – The involuntary increases of equity interest resulting from the cancellation of treasury stock or reduction of the capital stock of the Company with cancellation of shares shall not be taken into consideration for purposes of calculating the amount of twenty percent (20%) of the total number of shares issued by the Company.

PARAGRAPH NINE – In case the CVM regulation applicable to the IPO set forth in this article determines the adoption of a calculation criterion to set the purchase price of each share of the Company in the IPO, which results in a purchase price in excess of the price determined pursuant to the provisions of paragraph two of this article, that purchase price calculated pursuant to the provisions of the CVM regulation shall prevail upon implementation of the IPO set forth in this article.

PARAGRAPH TEN – The provisions of this article shall not apply to the shareholders that, on the date of publication of the announcement of commencement relating to the first public distribution of common shares issued by the Company conducted after the company is admitted to the *Novo Mercado* ("Date of the First Public Offering"), are the owners of twenty percent (20%) or more of the total number of shares issued by

the Company and its successors ("Original Shareholders"). After such date, in case any Original Shareholder exceeds the respective percentage of shares of the Company in excess of the number it held on the Date of the First Public Offering, the provision of this Article and its paragraphs shall apply in full to that Original Shareholder.

CHAPTER IX

CANCELLATION OF THE REGISTRATION AS PUBLICLY-HELD COMPANY

ARTICLE 38 – In the public offering for the purchase of shares to be made by the Controlling Shareholder or by the Company, for cancellation of the registration as a publicly–held company, the minimum price to be offered shall correspond to the Fair Price ascertained in the valuation report prepared pursuant to the provisions of article 39 of these By-laws, subject to the applicable laws and regulations.

SOLE PARAGRAPH – In case there is no Controlling Shareholder, the public offering for the purchase of shares set forth in this article shall be made by the Company itself. In this case, the Company may only purchase the shares owned by the shareholders that have voted for the cancellation of registration in a resolution passed at a Shareholders' Meeting, after having purchased the shares of the other shareholders that have not voted for said resolution and which have accepted said public offering.

ARTICLE 39 - The valuation report referred to in article 37 shall be prepared by an expert institution or company, with proven experience and independence with respect to the decision-making power of the Company, of its managers and/or of the Controlling Shareholder, in addition to meeting the requirements of paragraph one of article 8 of Law No. 6.404/76, and it shall contain the liability set forth in paragraph 6 of said article.

PARAGRAPH ONE – The expert institution or expert company responsible for determining the Company's Fair Price shall be exclusively chosen by the Shareholders' Meeting, based on the presentation, by the Board of Directors, of a triple list, and the respective resolution, without counting the blank votes, shall be taken by a majority vote of the shareholders representing the Outstanding Shares present at the Shareholders' Meeting, which, if installed on first call, shall count on the presence of shareholders representing at least twenty percent (20%) of the total Outstanding Shares, or which, if installed on second call, may count on the presence of any number of shareholders representing the Outstanding Shares.

PARAGRAPH TWO – The costs to prepare the valuation report shall be fully incurred by the offeror.

ARTICLE 40 – When the decision to cancel the registration as publicly-held company is informed to the market, the offeror shall disclose the maximum price per share or lot of one thousand shares for which it will formulate the public offering.

PARAGRAPH ONE – The public offering shall be conditional upon the price ascertained in the valuation report not exceeding the price disclosed by the offeror.

PARAGRAPH TWO – If the Fair Price of the shares, ascertained in the form of article 39, exceeds the amount informed by the offeror, the decision to cancel the registration as publicly-held company shall be automatically revoked, except if the offeror expressly agrees to formulate the public offering for the economic value ascertained, it being understood that the offeror shall disclose its decision to the market.

PARAGRAPH THREE – The procedure for cancellation of the Company's registration as publicly-held company shall meet the other requirements established in the rules applicable to publicly-held companies and the provisions of the *Novo Mercado* Regulations.

CHAPTER X

EXIT FROM THE *NOVO MERCADO*

ARTICLE 41 - The Company's exit from the *Novo Mercado* may occur as a result of (i) a decision of the Controlling Shareholder or of the Company; (ii) noncompliance with obligations of the *Novo Mercado* Regulations; and (iii) cancellation of registration as public-held company of the Company or conversion of category of the registration with the CVM.

ARTICLE 42 – The Company's voluntary exit from the *Novo Mercado* shall follow an IPO, subject to the applicable statutory and regulatory provisions, and subject to the following requirements:

(i) the offered price shall be fair, and it shall be obtained as provided in these By-laws and in the other applicable statutory and regulatory provisions, it being understood that the request for new valuation of the Company is possible; and

(ii) shareholders holding more than one third (1/3) of the Outstanding Shares shall accept the IPO or expressly agree to the exit from the *Novo Mercado* without selling the shares.

PARAGRAPH ONE – Those that accept the IPO cannot be submitted to proration in the disposal of their equity interest, subject to the procedures to waive the limits set forth in the applicable regulation.

PARAGRAPH TWO – The Offeror shall be required to purchase the remaining Outstanding Shares, for a term of one (1) month as from the date of conduction of the auction, for the final price of the auction of the IPO, adjusted until the date of actual payment, pursuant to the provisions of the bid notice, of the applicable law and regulation, which shall occur within at most fifteen (15) days as from the date of exercise of the power by the shareholder.

PARAGRAPH THREE – Irrespectively of the provision set forth in the head provision of this article, the voluntary exit of the Company from the *Novo Mercado* may occur in the event of waiver of conduction of the IPO approved by a majority of the votes of shareholders owning Outstanding Shares that attend a Shareholders' Meeting, provided it is opened (i) on first call, with the presence of shareholders representing at least two thirds (2/3) of the total number of the Outstanding Shares, or (ii) on second call, with the presence of any number of shareholders owning Outstanding Shares.

PARAGRAPH FOUR – In the IPO to be made by the Offeror for cancellation of the registration as publicly-held company or for exit from the *Novo Mercado*, the minimum price to be offered shall correspond to the Fair Price ascertained in a valuation report prepared pursuant to the provisions of these By-Laws, subject to the applicable laws and regulations.

ARTICLE 43 – The valuation report set forth in these By-laws shall be prepared by an expert company, with proven experience and independent from the decision-making power of the Company, its managers and controlling shareholders, it being understood that the report shall also meet the requirements of Paragraph 1 of Article 8 of the Corporation Law and contain the liability set forth in Paragraph 6 of the same Article 8.
SOLE PARAGRAPH – The choice of the financial institution responsible for determining the fair price of the Company is exclusively incumbent upon the Shareholders' Meeting.

ARTICLE 44 – The Company's exit from the *Novo Mercado* due to noncompliance with obligations set forth in the *Novo Mercado* Regulation is conditional upon the implementation of an IPO to be conducted with the same characteristics described in these By-laws.

SOLE PARAGRAPH – In the event of failure to reach the percentage set forth in the head provision in item "ii" of article 42 of these By-laws, after the IPO is made, the shares issued by the Company will still be traded for a term of six (six) months in the *Novo Mercado*, counted as from conduction of the IPO's auction.

CHAPTER XI

ARBITRAL TRIBUNAL

ARTICLE 45- The Company, its shareholders, managers, sitting and alternate members of the Fiscal Council, if any, agree to resolve, by means of arbitration in the Market Arbitration Chamber, in the form of its regulation, any dispute that may arise among them, relating to or resulting from their capacity as issuer, shareholders, managers, and Fiscal Council members, especially as a result of the provisions contained in Law No. 6.385/76, in Law No. 6.404/76, in these By-Laws, in the rules enacted by the Brazilian Monetary Council, by the Central Bank of Brazil and by the CVM, as well as the other rules applicable to the operation of the capital market in general, in addition to those set forth in the *Novo Mercado* Regulations, in the other regulations of B3 and in the Agreement for Participation in the *Novo Mercado*.

CHAPTER XII
GENERAL AND TRANSITIONAL PROVISIONS

ARTICLE 46 – The Company may temporarily suspend the share transfer services, but it can neither make it for more than 90 alternate days during the year nor for more than 15 consecutive days.

SOLE PARAGRAPH – The exercise of the suspensions set forth in this article shall be informed to the Stock Exchanges in which the Company's shares are traded and published in announcements to the shareholders 15 days in advance. The provisions of this article shall not adversely affect registration of the transfer of the shares traded in the Stock Exchange before commencement of the suspension period.

ARTICLE 47 – In the event of dissolution of the Company, resolved in a Shareholders' Meeting, it shall be incumbent upon the Board of Directors to determine the form of liquidation and to appoint the liquidator.

ARTICLE 48 – The formulation of a single public offering aiming more than one of the purposes set forth in Chapters VIII through XI of these By-laws, in the *Novo Mercado* Regulations or in the regulation issued by the CVM is permitted, provided it is possible to reconcile the procedures of all public offering modalities, there is no loss to the addressees of the offering and CVM's authorization is obtained whenever required by the applicable law.

ARTICLE 49 – The Company or the shareholders responsible for conduction of the public offering set forth in Chapters VII through X of these By-laws, in the *Novo Mercado* Regulations or in the regulation issued by the CVM may ensure the implementation thereof by means of any shareholder, third party and, as the case may be, by the Company, provided compliance with the applicable regulation. The Company or the shareholder, as the case may be, shall not be exempt from the obligation to conduct the public offering until it is completed in compliance with the applicable rules.

ARTICLE 50– The applicable rules on joint-stock companies shall apply whenever these By-Laws are silent, in compliance with the *Novo Mercado* Regulations.

Blumenau, April 29, 2019.