

**TOTVS S.A.**  
**PUBLICLY-HELD COMPANY**

**Corporate Taxpayer's ID (CNPJ/MF) 53.113.791/0001-22**

**Corporate Registry ID (NIRE) 35.300.153.171**

**GENERAL MEETING OF THE DEBENTUREHOLDERS**  
**OF THE 1ST PRIVATE ISSUE OF CONVERTIBLE DEBENTURES**  
**HELD ON AUGUST 26, 2009**

- 1.- DATE, TIME AND PLACE:** held on second call on August 26, 2009, at 10:30 am, at the Company's headquarters, located at Avenida Braz Leme, 1631, 2o andar, Jardim São Bento, in the City of São Paulo, State of São Paulo.
- 2.- CALL NOTICE:** published on the Official Gazette of the State of São Paulo, on August 5-7, 2009, on pages 15, 11 and 16, respectively, and in the Valor Econômico Newspaper on August 5-7, 2009, on page E2, C4 and E3, respectively.
- 3.- ATTENDANCE:** the meeting was attended by debentureholders representing approximately 98.64% of the outstanding debentures of the 1st issue of debentures TOTVS S.A. ("Company" or "Issuer"), the executive officers Khalil Kaddissi, Marcelo Rehder Monteiro and Weber George Canova, and Gustavo Dezouzar Teixeira Pinto, the representative from the fiduciary agent, Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A. ("Fiduciary Agent").
- 4.- PRESIDING BOARD:** Chairman: Mr. Khalil Kaddissi; Secretary: Mr. Gustavo Dezouzar Teixeira Pinto.
- 5.- AGENDA:** (i) To amend the Private Deed of the 1st Private Issue of Convertible Debentures ("Deed of Issue of Debentures"), for the purpose of detailing the form of calculation of the monetary restatement as well as the remuneration on the convertible debentures of both series of the Company's 1st Private Issue ("Debentures"); (ii) To amend the Deed of Issue of Debentures for the purpose of detailing the form of calculation and restatement of the premium on the non-conversion of the Debentures, provided for in item 3.15 and subsequent items of the Deed of Issue of Debentures; (iii) To amend the Deed of Issue of Debentures for the purpose of detailing the form of calculation of the conversion rates, as well as their monetary restatement; (iv) To amend the Deed of Issue of Debentures for the purpose of detailing the form of calculation of the premium and the monetary restatement in case of the mandatory conversion of the Debentures, provided for in item 3.18 and subsequent items of the Deed of Issue of Debentures; and (v) To authorize the Executive Board to adopt all the necessary measures to formalize the amendments mentioned above, including, but not limited to, the execution of an

addendum to the Deed of Debentures and (v) to change the mass-circulation newspaper normally used for the Company's statutory publications.

**6.- RESOLUTIONS:** Debentureholders representing 98.64% of the debentures of the 1st Issue, attending the Meeting approved the following matters:

(i) With no restrictions or reservations, to amend the Private Deed of Issue of the 1st Private Issue of Convertible Debentures ("Debenture Deed of Issue") with the objective of detailing the method for calculating the monetary restatement and remuneration of the convertible debentures for both series of the Company's 1st Private Issue ("Debentures"), as defined by the draft addendum to the Private Deed of Issue attached to these Minutes as Exhibit I.

(ii) With no restrictions or reservations, to amend the text of the Debenture Deed of Issue with the objective of detailing the calculation method and the method for restating the premium for not converting the Debentures provided for in item 3.15 and subsequent items of the Debenture Deed of Issue, as defined by the draft addendum to the Private Deed of Issue attached to these Minutes as Exhibit I.

(iii) With no restrictions or reservations, to amend the Debenture Deed of Issue with the objective of detailing the calculation method and the restatement of the conversion percentages, as defined by the draft addendum to the Private Deed of Issue attached to these Minutes as Exhibit I.

(iv) With no restrictions or reservations, to amend the Debenture Deed of Issue with the objective of detailing the calculation method and restatement of the price premium in the event of the mandatory conversion of the Debentures provided for in item 3.18 and subsequent items of the Debenture Deed of Issue, as defined by the draft addendum to the Private Deed of Issue attached to these Minutes as Exhibit I.

(v) With no restrictions or reservations, to authorize the Executive Board to adopt all and any measures required to formalize the amendments mentioned above, including, but not limited to, the execution of an addendum to the Debenture Deed of Issue, pursuant to the draft included in Exhibit I of these Minutes.

(vi) With no restrictions or reservations, to change the mass-circulation newspaper normally used for the Company's statutory publications related to debentures to *Valor Econômico*.

**7.- CLOSURE:** There being no further business to discuss, the Chairman adjourned the meeting to draw up these Minutes. After the meeting resumed, these Minutes were read,

approved and signed by all attending debentureholders, the Chairman, the Secretary, the representative of the fiduciary agent and the Company's representatives.

São Paulo, August 26, 2009

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Mr. Khalil Kaddissi  
Chairman

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Mr. Gustavo Dezouart Teixeira Pinto  
Secretary

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TOTVS S.A.  
(Issuer)  
Represented by Messrs. Marcelo Rehder Monteiro and Weber George Canova

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Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A. (Fiduciary Agent)  
Represented by Mr. Gustavo Dezouart Teixeira Pinto

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BNDES Participações S.A. – Holder of 98,638 Units of the 1st Issue  
Represented by Mr. Gustavo Antonio de Aguillar Lima

## EXHIBIT I

### **"PRIVATE INSTRUMENT OF TRUST DEED OF THE 1<sup>st</sup> PRIVATE ISSUE OF DEBENTURES CONVERTIBLE INTO SHARES WITH FLOATING CHARGE OF TOTVS S.A.**

By this private instrument:

**TOTVS S.A.**, corporation headquartered in the city of São Paulo, State of São Paulo, at Avenida Braz Leme, 1631, 2º andar, Corporate Taxpayer's ID (CNPJ/MF) no. 53.113.791/0001-22, with articles of incorporation filed at the Trade Board of the State of São Paulo ("JUCESP") under Corporate Registry (NIRE) 35.300.153.171, herein represented pursuant to its Bylaws, hereinafter referred to as simply "Issuer" or "Company", and

**Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A.** headquartered in the City and State of Rio de Janeiro, at Av. das Américas, 500, Bl. 13 – Gr.205, Corporate Taxpayer's ID (CNPJ/MF) no. 36.113.876/0001-91, herein represented pursuant to its Bylaws ("Trustee"), representing the pooling of interests of holders of debentures of the present issue, and the Issuer, the Debenture Holder and the Trustee are hereinafter referred to as "Parties",

#### **WHEREAS:**

- (i) the Company disclosed, on July 22, 2008, a material fact on the implementation of a corporate reorganization aimed at promoting the integration of its activities to those of Datasul S.A. ("Reorganization");
- (ii) the Reorganization implementation involves the Company's disbursement of the amount required for the payment to redeem redeemable preferred shares issued by Makira do Brasil S.A., corporation to be merged by the Company ("Redemption"); and
- (iii) the Company intends to finance the Redemption by means of the private issue of debentures convertible into shares,

The parties RESOLVE to execute this "Private Instrument of Trust Deed of the 1<sup>st</sup> Private Issue of Debentures Convertible into Shares, with Floating Charge, of Totvs S.A." ("Deed"), by means of the following sections and conditions:

#### **Section I –Authorization**

The present DEED is executed based on the approval of the Issuer's Board of Directors' Meeting, held on August 1, 2008 ("RCA") and the Issuer's Extraordinary General Meeting, held on the date hereof ("AGE"), pursuant to Article 59 of Law 6,404, of December 15, 1976 (as amended, "Brazilian Corporation Law").

## **Section II – Requirements**

The issue of debentures ("Issue") shall be made pursuant to the following requirements:

### 2.1 Deed Registration

The DEED shall be filed with the Trade Board of the State of São Paulo ("JUCESP") and its eventual amendments shall be recorded in the proper trade registration, in accordance with the provision in item II and paragraph 3 of Article 62, Brazilian Corporation Law.

### 2.2 Filing and Publication of the Minutes to the Extraordinary General Meeting and the Board of Directors' Meeting

The RCA and AGE minutes shall be filed with JUCESP in up to thirty (30) days as of the date hereof, and published in the Official Gazette of the State of São Paulo and the Gazeta Mercantil newspaper, pursuant to item I of Article 62 of the Brazilian Corporation Law.

### 2.3 Issue Registration

The Issue shall not be purpose of registration before the Brazilian Securities and Exchange Commission ("CVM"), since debentures ("Debentures") shall be purpose of private placement, with no sales efforts before investors.

## **Section III – Characteristics of the Issue**

The Issue of Debentures shall comply with the following conditions and characteristics:

### 3.1 Units

The Issue of Debentures shall be made by means of securities deposit certificates , pursuant to Article 2, III of Law no. 6,385, of December 7, 1976, as amended, comprised of two (2) non-detachable Debentures, out of which one (1) from the 1<sup>st</sup> series and one (1) from the 2<sup>nd</sup> series ("Units").

### 3.2 Issue Amount

The Issue amount, on the Issue Date, shall be up to two hundred million reais (R\$200,000,000.00).

### 3.3 Unit Face Value

Units shall have unit face value of two thousand reais (R\$ 2,000.00) on the Issue Date ("Unit Face Value of Units").

### 3.4 Number of Units and Number of Series of Debentures

The Company shall issue up to one hundred thousand (100,000) Units, represented by up to two hundred thousand (200,000) Debentures, namely:

- a) up to one hundred thousand (100,000) Debentures of the 1<sup>st</sup> Series ("1<sup>st</sup> Series Debentures") ; and
- b) up to one hundred thousand (100,000) Debentures of the 2<sup>nd</sup> series ("2<sup>nd</sup> Series Debentures").

### 3.5 Allocation of Proceeds

Proceeds from the Issue shall be allocated to the payment, by the Company, of the Redemption operation.

### 3.6 Form, Certificate and Custodian Agent

3.6.1 The Debentures comprising the Units shall be book-entry, convertible into Issuer's common shares, with no issue of certificates. For all legal purposes, the ownership of Units shall be evidenced by the bank statement of the deposit account issued by the Custodian Agent. The Issuer undertakes to make the evidence of payment of the Reorganization and Redemption operation available to the Custodian Agent in up to one hundred and twenty (120) days as of the Issue Date.

3.6.2 The custodian agent of the Issue shall be Banco Itaú S.A., financial institution headquartered in the City of São Paulo, State of São Paulo, at Praça Alfredo Egydio de Souza Aranha 100, Corporate Taxpayer's ID (CNPJ/MF) no. 60.701.190/0001-04 ("Custodian Agent").

### 3.7 Type

Debentures comprising the Units shall be of floating charge type.

### 3.8 Issue Date

For all legal purposes, the Issue date of Debentures comprising the Units shall be August 19, 2008 ("Issue Date").

### 3.9 Maturity of Units

3.9.1 The maturity of Units shall be eleven (11) years as of the Issue Date, therefore August 19, 2019 ("Date of Maturity of Units").

3.9.2 Up to the Date of Maturity of Units, the Issuer shall proceed to the full payment of the Non-Conversion Premium amount, as set forth in item 3.15.3. below.

### 3.10 Debentures Certificate

3.10.1 The Company may temporarily issue multiple debentures certificates or share certificates representing them, complying the requirements of Article 64 of the Brazilian Corporation Law, observing the ninety(90)-day term, as of the payment dates to deliver the final certificates.

### 3.11 Subscription Price and Means of Payment

3.11.1 The subscription price and payment of Units shall be the Unit Face Value of the Units, plus Remuneration, calculated *pro rata temporis* since the Issue Date up to the payment date.

3.11.2 The Units shall be paid in up to two (2) business days after its subscription, in domestic currency.

### 3.12 Remuneration of Units

As of the Issue Date, the Units shall be entitled to the following remuneration ("Remuneration"):

#### 3.12.1 Remuneration

(a) As of the Issue Date, the 1<sup>st</sup> Series Debentures shall be entitled to remuneration corresponding to the monetary restatement calculated based on the Extended Consumer Price Index ("IPCA") plus 3.5% p.a. (360-day basis), limited to TJLP – Long-Term Interest Rate ("TJLP") plus 1.5% p.a. (360-day basis), as set forth in item 3.12.5 below and its subitems.

(b) As of the Issue Date, the 2<sup>nd</sup> Series Debentures shall be entitled to remuneration corresponding to TJLP plus 1.5% p.a. (360- day basis) as set forth in item 3.12.6 below and its subitems.

3.12.2 The Remuneration amount shall be annually paid for the 1<sup>st</sup> Series Debentures and semi-annually for the 2<sup>nd</sup> Series Debentures, i.e., on August 19 each year for 1<sup>st</sup> Series Debentures and August 19 and February 19 each year for 2<sup>nd</sup> Series Debentures, in eight (8) years as of the Issue Date, or in fifteen (15) installments. The first payment for Debentures of both series shall occur on August 19, 2009 and the last on August 19, 2016. The Interest referring to the 7<sup>th</sup> and 8<sup>th</sup> anniversary of the Date of Issue shall be accounted and paid during the respective years, over the principal outstanding debit on the date thereof.

3.12.3 The Issuer shall pay *pro rata temporis* the Remuneration due up to the day of effective payment, in the following events: (i) eventual conversions of Units; (ii) scheduled amortizations; (iii) anticipated maturity; and (iv) final maturity or settlement of Units.

3.12.4 There is no rescheduling scheduled for the Debentures.

#### 3.12.5 Remuneration of the 1<sup>st</sup> Series Debentures

##### 3.12.5.1 Face Value Adjustment

The face value of the 1<sup>st</sup> Series Debentures shall be adjusted as from the Issue Date, based on IPCA variation determined and published by the Brazilian Institute of Geography and Statistics (IBGE), calculated *pro rata temporis* by consecutive days. The face value of the 1<sup>st</sup> Series Debentures shall be adjusted according to the following formula:

$$VNa = VNe \times C$$

where:

- $VNa$  = adjusted face value calculated to six (6) decimal places, without rounding;
- $VNe$  = issue face value or face value balance (remaining face value after amortization of principal, merger, monetary restatement at each period, or monetary restatement payment, if any) of the debenture, expressed/calculated to six (6) decimal places, without rounding;
- $C$  = accumulated factor of IPCA monthly variations, calculated to eight (8) decimal places, without rounding, as follows:

$$C = \prod_{k=1}^n \left[ \left( \frac{NI_k}{NI_{k-1}} \right)^{\frac{dcp}{dct}} \right]$$

where:

- $n$  = total number of indexes considered during asset adjustment, where "n" is an integer;
- $NI_K$  = value of the index-number of the month prior to the "k" adjustment month, if the adjustment takes place prior to or on the anniversary date of the asset. After the anniversary date, value of the index-number of the adjustment month;
- $NI_{K-1}$  = value of the index-number of the month before the "k" month;
- $Dcp$  = number of consecutive days between the last anniversary date and the calculation date, where "dcp" is an integer;
- $Dct$  = number of consecutive days between the last and the next anniversary dates, where "dct" is an integer.

Application of IPCA will fall upon the shorter period allowed by the laws in force, without the need for adjusting the Deed or for any other formality.

If on the adjustment month, the index-number is not available yet, the last available variation of the price index at issue will be used  $\left( \frac{NI_{k-1}}{NI_{k-2}} \right)$ .

**Calculation notes:**

- i. IPCA shall be used considering the same number of decimal places published by the body responsible for its calculation;
- ii. The anniversary date is the 15<sup>th</sup> day of each month, informed as a reference for using the index;
- iii. The adjustment month is the monthly period within two consecutive anniversary dates of a given asset;



- iv. The factor resulting from the expression:  $\left(\frac{NI_k}{NI_{k-1}}\right)^{\frac{dup}{dut}}$  is considered to eight (8) truncated decimal places, without rounding;
- v. The product is carried out using the most recent factor and then adding the most distant ones. The intermediary results are calculated to sixteen (16) truncated decimal places, without rounding;
- vi. The values of weekends or holidays shall be equal to the value of the subsequent business day, appropriating the pro rata value of the last prior business day.

### 3.12.5.2 Interest of the 1<sup>st</sup> Series Debentures

The debentures will earn interest of 3.5% p.a., on a 360 consecutive day basis, applied on the issue face value or the face value balance of the debenture, adjusted according to item 3.12.5.1 herein, as from the Issue Date or, as the case may be, from the date of the last payment of remuneration, and paid at the end of each Capitalization Period, calculated on a compound capitalization basis *pro rata temporis* by consecutive days ("Interest of the 1<sup>st</sup> Series Debentures").

Interest of the 1<sup>st</sup> Series Debentures shall be calculated by the following formula:

$$J = Vna \times (\text{InterestFactor} - 1)$$

where:

- $J$  = interest value owed at the end of each Capitalization Period, calculated to six (6) decimal places, without rounding;
- $Vna$  = adjusted face value calculated to six (6) decimal places, without rounding;
- $\text{InterestFactor}$  = fixed interest factor calculated to nine (9) decimal places, with rounding, as follows:

$$\text{InterestFactor} = \left\{ \left[ \left( \frac{\text{rate}}{100} + 1 \right)^{\frac{n}{360}} \right]^{\frac{DP}{DT}} \right\}$$

where:

- $\text{Rate}$  = fixed interest rate, at the percentage rate per year, expressed to four (4) decimal places. In this case it will be 3.5000.
- $n$  = number of consecutive days between the date of the next event and the date of the previous event, where "n" is an integer;
- $DP$  = number of consecutive days between the last event and the current date, where "DP" is an integer;
- $DT$  = number of consecutive days between the last and the next event, where "DT" is an integer;

### 3.12.5.3 IPCA Comparison Value ("VC-IPCA")

With the purpose to verify the Remuneration of the 1<sup>st</sup> Series Debentures, set forth in item 3.12.5.6 below, the IPCA Comparison Value ("VC-IPCA") is defined as:

$$VC-IPCA = VN_{a} + J - VNe$$

The value of the VC-IPCA expression shall be compared to the value of the VC-TJLP expression (item 3.12.5.5). The lower value shall be used in the calculation of the 1<sup>st</sup> Series Debentures outstanding balance, as indicated in the above item 3.12.1.

### 3.12.5.4 Interest Limit Calculation-TJLP

In order to calculate the limit of TJLP + 1,5% p.a., referred to in items 3.12.1 and 3.12.5.2 above, it is assumed that 1<sup>st</sup> Series Debentures will earn interest corresponding to the accrued variation of the TJLP (Long-Term Interest Rate), published by the Central Bank of Brazil, calculated *pro rata temporis* by consecutive days, capitalized from the Issue Date or, as the case may be, from the date of the last payment of remuneration of a spread, at 1.5% p.a., on a 360 consecutive day basis, calculated *pro rata temporis*, both on a compound capitalization basis, applied on the issue face value or the face value balance of the debenture.

Interest of the 1<sup>st</sup> Series Debentures shall be calculated by the following formulas:

$$J_{-TJLP} = VNe \times (InterestFactor - 1)$$

where:

- $J_{-TJLP}$  = interest value, assuming that TJLP is the rate to be applied, owed at the end of each Capitalization Period, calculated to six (6) decimal places, without rounding;
- $VNe$  = issue face value or face value balance of the debenture, expressed/calculated to six (6) decimal places, without rounding;
- $InterestFactor$  = interest factor comprising the fluctuation parameter increased by a spread, calculated to nine (9) decimal places, with rounding, as follows:

$$InterestFactor = TJLPFactor \times SpreadFactor$$

where:

- $TJLPFactor$  = product of the Long-Term Interest Rates published between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, to eight (8) decimal places, without rounding, determined as follows:

$$TJLPFactor = \left[ \left( 1 + \frac{TJLP_1}{100} \right)^{\frac{dc_1}{360}} \right] \times \prod_{k=2}^n \left[ \left( 1 + \frac{TJLP_k}{100} \right)^{\frac{dc_k}{360}} \right]$$

where:

$$K = 2, \dots, n;$$

$TJLP_1...TJLP_k$  = Long-Term Interest Rates considered between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, during the Capitalization Period;

$dc_1$  = number of consecutive days as from the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, up to the calculation date or up to the TJLP end effective date, where " $dc_1$ " is an integer;

$dc_k$  = number of consecutive days in each subsequent sub-period, where " $dc_k$ " is an integer;

$n$  = total number of TJLP considered between the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, where " $n$ " is an integer;

*SpreadFactor* = fixed interest spread calculated to nine (9) decimal places, with rounding, as follows:

$$\text{SpreadFactor} = \left\{ \left[ \left( \frac{\text{spread}}{100} + 1 \right)^{\frac{n}{360}} \right]^{\frac{DP}{DT}} \right\}$$

where:

$\text{spread}$  = Spread, or surtax, at the percentage rate per year, expressed to four (4) decimal places. In this case the value will be 1.5000;

$n$  = number of consecutive days between the date of the next event and the date of the previous event, where " $n$ " is an integer;

$DP$  = number of consecutive days between the last event and the current date, where " $DP$ " is an integer;

$DT$  = number of consecutive days between the last and the next event, where " $DT$ " is an integer;

**Calculation notes:**

- i. TJLP shall be used considering the same number of decimal places published by the body responsible for its calculation;
- ii. Each factor resulting from the expressions  $\left( 1 + \frac{TJLP_1}{100} \right)^{\frac{dc_1}{360}}$  and  $\left( 1 + \frac{TJLP_k}{100} \right)^{\frac{dc_k}{360}}$  will be rounded to ten (10) decimal places and, right afterwards, be considered to eight (8) decimal places, without rounding;
- iii. The product of the factors  $\left( 1 + \frac{TJLP_1}{100} \right)^{\frac{dc_1}{360}}$  and  $\left( 1 + \frac{TJLP_k}{100} \right)^{\frac{dc_k}{360}}$  is carried out, and at each accumulated factor, the result is considered to sixteen (16) decimal places, without rounding, applying the next factor and so forth until the last factor considered.

### 3.12.5.5 TJLP Comparison Value ("VC-TJLP")

With the purpose to verify the Remuneration of the 1<sup>st</sup> Series Debentures, set forth in item 3.12.5.6 below, the TJLP Comparison Value ("VC-TJLP") is defined as:

$$VC-TJLP = J_{-TJLP}$$

### 3.12.5.6 Remuneration of the 1<sup>st</sup> Series Debentures

Remuneration of the 1<sup>st</sup> Series Debentures shall be the lower of the two comparison values VC-IPCA and VC-TJLP ("Remuneration of the 1<sup>st</sup> Series Debentures").

Therefore, after payment of the Remuneration of the 1<sup>st</sup> Series Debentures, the adjusted value of the 1<sup>st</sup> Series Debenture shall be again the issue face value, because in the Remuneration of the 1<sup>st</sup> Series Debentures, either in the IPCA case or the TJLP case, these will be paid in full together with the rate or the spread, as the case may be, according to the formulas below:

$$IPCA \text{ Remuneration} = IPCA \text{ Monetary Restatement} + Spread$$

or

$$VC-IPCA = VNa - VNe + Spread$$

$$TJLP \text{ Remuneration} = TJLP \text{ Interest} + Spread$$

or

$$J_{TJLP} = VC-TJLP$$

### 3.12.6 Remuneration of the 2<sup>nd</sup> Series Debentures

#### 3.12.6.1 Face Value Adjustment

The face value of the 2<sup>nd</sup> Series Debentures shall not be adjusted.

#### 3.12.6.2 Interest of the 2<sup>nd</sup> Series Debentures

The 2<sup>nd</sup> Series Debentures will earn interest corresponding to the accrued variation of the TJLP (Long-Term Interest Rate), published by the Central Bank of Brazil, calculated *pro rata temporis* by consecutive days, capitalized from the Issue Date or, as the case may be, from the date of the last payment of remuneration of a spread, at 1.5% p.a., on a 360 consecutive day basis, calculated *pro rata temporis*, both on a compound capitalization basis, applied on the issue face value or the face value balance of the debenture ("Interest of the 2<sup>nd</sup> Series Debentures").

Interest of the 2<sup>nd</sup> Series Debentures shall be calculated by the following formulas:

$$J = VNe \times (InterestFactor - 1)$$

where:

- $J$  = interest value due at the end of each Capitalization Period, from the Issue Date or, as the case may be, from the date of the last payment of remuneration calculated to six (6) decimal places, without rounding;
- $VNe$  = issue face value or face value balance of the debenture, expressed/calculated to six (6) decimal places, without rounding;
- $InterestFactor$  = interest factor comprising the fluctuation parameter increased by a spread, calculated to nine (9) decimal places, with rounding, as follows:

$$InterestFactor = TJLPFactor \times SpreadFactor$$

where:

- $TJLPFactor$  = product of the Long-Term Interest Rates published between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, to eight (8) decimal places, without rounding, determined as follows:

$$TJLPFactor = \left[ \left( 1 + \frac{TJLP_1}{100} \right)^{\frac{dc_1}{360}} \right] \times \prod_{k=2}^n \left[ \left( 1 + \frac{TJLP_k}{100} \right)^{\frac{dc_k}{360}} \right]$$

where:

- $k$  = 2, ...,  $n$ ;
- $TJLP_1...TJLP_k$  = Long-Term Interest Rates considered between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, during the Capitalization Period;
- $dc_1$  = number of consecutive days, in the current period, as from the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, up to the calculation date or up to the TJLP end effective date, where " $dc_1$ " is an integer;
- $dc_k$  = number of consecutive days in each subsequent sub-period, considering the periods prior to the current period, where " $dc_k$ " is an integer;
- $n$  = total number of TJLP considered between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, where " $n$ " is an integer;

- $SpreadFactor$  = fixed interest spread calculated to nine (9) decimal places, with rounding, as follows:

$$SpreadFactor = \left\{ \left[ \left( \frac{spread}{100} + 1 \right)^{\frac{n}{360}} \right]^{\frac{DP}{DT}} \right\}$$

where:

- $spread$  = Spread, or surtax, at the percentage rate per year, expressed to four (4) decimal places. In this case the value will be 1.5000;
- $n$  = number of consecutive days between the date of the next event and the date of the previous event, where " $n$ " is an integer;
- $DP$  = number of consecutive days between the last event and the current

$DT$  = *date, where "DP" is an integer;*  
*number of consecutive days between the last and the next event,*  
*where "DT" is an integer;*

**Calculation notes:**

- i. *TJLP shall be used considering the same number of decimal places published by the body responsible for its calculation;*
- ii. *Each factor resulting from the expressions  $\left(1 + \frac{TJLP_i}{100}\right)^{\frac{dc_i}{360}}$  and  $\left(1 + \frac{TJLP_k}{100}\right)^{\frac{dc_k}{360}}$  will be rounded to ten (10) decimal places and, right afterwards, be considered to eight (8) decimal places, without rounding;*
- iii. *The product of the factors  $\left(1 + \frac{TJLP_i}{100}\right)^{\frac{dc_i}{360}}$  and  $\left(1 + \frac{TJLP_k}{100}\right)^{\frac{dc_k}{360}}$  is carried out, and at each accumulated factor, the result is considered to sixteen (16) decimal places, without rounding, applying the next factor and so forth until the last factor considered.*

**3.13 Impossibility of Application of IPCA and/or TJLP**

3.13.1. In the event IPCA and/or TJLP is not available upon the determination of the Remuneration, the latest IPCA and/or TJLP available on the respective date shall be applied, as the case may be, and no financial compensations are due, both by the Issuer and by the Debenture Holders ("Debenture Holders"), upon the disclosure of IPCA or TJLP applicable. This means that, once the IPCA and/or the TJLP that were not available are published, all Debenture values shall be promptly recalculated, and no financial compensations shall be due both by the Issuer and by the Debenture Holders ("Debenture Holders"), for any Remuneration already paid.

3.13.2. In the event of extinguishment of IPCA and/or TJLP, or, if due to supervenience of legal or regulatory rules, these cannot be used as a basis of remuneration on debenture issues or, if in the event the criteria of application change in said issues, the new replacement index set forth by law shall be used or, in its absence, it shall be called by the Trustee at the Debenture Holders' General Meeting, to be held within twenty (20) consecutive days as of the date of the event purpose of said Debenture Holders' General Meeting call, in order to resolve on the new reference interest rate of the Remuneration proposed by the Company, which shall, in addition to preserving its real amount, remunerate the Units in the same previous levels.

**3.14 Change in the Legal Criterion of Remuneration of Funds from the Pis/Pasep Fund and from FAT**

3.14.1. Should the legal criterion of remuneration of funds onlent to BNDES – Brazilian Development Bank ("BNDES"), resulting from the PIS/PASEP Fund and from FAT (*Fundo de Amparo ao Trabalhador* – Fund for Workers), be replaced, the remuneration referred in TJLP set forth in Item "Remuneration of Debentures" above, at Debenture Holders' discretion, gathered at the General Meeting, may be made by means of using the new criterion for the remuneration of said funds. In such case, the provision in

Items 3.13.1 and 3.13.2 above shall be applied *mutatis mutandis*, in the event of non-availability of this new legal remuneration criterion.

### 3.15 Non-Conversion Premium

3.15.1 In the event of non-conversion, the 1<sup>st</sup> series Debentures shall be entitled to Non-Conversion Premium equivalent to the difference between IPCA plus 8.0% p.a. (360-day basis) and the Interest effectively paid, i.e. , the lowest amount between IPCA plus 3.5% p.a. (360-day basis) and TJLP plus 1.5% p.a. (360-day basis), pursuant to Item 3.12.1(a), calculated based on the outstanding balance of the 1<sup>st</sup> Series Debentures on the determination date ("1<sup>st</sup> Series Debenture Non-Conversion Premium").

#### 3.15.1.1 Calculation of the 1<sup>st</sup> Series Debenture Non-Conversion Premium for the period

For calculation of the 1<sup>st</sup> Series Debenture Non-Conversion Premium, the same formulas for monetary and interest restatement of the 1<sup>st</sup> Series Debentures shall be used, and the 3.5% interest p.a. will be replaced by 8% p.a. The 1<sup>st</sup> Series Debenture Non-Conversion Premium shall be calculated according to the formula below:

$$P_t = P_{u_{\text{premium}}} - P_u$$

where:

- $P_t$  = premium value owed at the end of each Capitalization Period, calculated to six (6) decimal places, without rounding;
- $P_u$  = unit price (( $V_{Na} + J$ ) or ( $V_{Ne} + J_{TJLP}$ ), the lower), calculated to six (6) decimal places, without rounding, as defined in 3.12.5.6;
- $P_{u_{\text{premium}}}$  = unit price ( $V_{Na} + J$ ), where  $J$  is determined at the rate of 8% p.a., calculated to six (6) decimal places, without rounding, as defined in 3.12.5.

#### 3.15.1.2 Accumulated Calculation and Restatement of the 1<sup>st</sup> Series Debenture Non-Conversion Premium

The 1<sup>st</sup> Series Debenture Non-Conversion Premium shall be restated by TJLP plus 8.0% p.a. (360-day basis).

Adjustment of the 1<sup>st</sup> Series Debenture Non-Conversion Premium shall be calculated by the following formula:

$$P_a = (P_t - 1) \times (C) \times (\text{SpreadFactor}) + (P_t)$$

where:

- $P_a$  = adjusted premium value owed at the end of each Period, calculated to six (6) decimal places, without rounding;
- $P_{t-1}$  = premium value owed at the end of prior Capitalization Period, calculated to six (6) decimal places, without rounding;
- $C$  = accumulated factor of the monthly variations of the indexes used, calculated to eight (8) decimal places, without rounding, as defined in 3.12.5.1.
- $P_t$  = as defined in 3.15.1.1.

*SpreadFactor* = fixed interest spread calculated to nine (9) decimal places, with rounding, as follows:

$$SpreadFactor = \left\{ \left[ \left( \frac{spread}{100} + 1 \right)^{\frac{n}{360}} \right]^{\frac{DP}{DT}} \right\}$$

where:

*spread* = Spread, or surtax, at the percentage rate per year, expressed to four (4) decimal places. In this case it is 8.0000;

*n* = number of consecutive days between the date of the next event and the date of the previous event, where "n" is an integer;

*DP* = number of consecutive days between the last event and the current date, where "DP" is an integer;

*DT* = number of consecutive days between the last and the next event, where "DT" is an integer;

3.15.2 In the event of non-conversion, the 2<sup>nd</sup> Series Debentures shall be entitled to Non-Conversion Premium of 3.5% p.a. (360-day basis), calculated over the outstanding balance of the 2<sup>nd</sup> Series Debentures on the determination date ("2<sup>nd</sup> Series Debenture Non-Conversion Premium").

3.15.2.1 Calculation of the 2<sup>nd</sup> Series Debenture Non-Conversion Premium for the period

The 2<sup>nd</sup> Series Debenture Non-Conversion Premium shall be calculated by the following formula:

$$Pt = SD \times (SpreadFactor - 1)$$

where:

*Pt* = premium value owed at the end of each Capitalization Period, calculated to six (6) decimal places, without rounding;

*SD* = debenture outstanding balance at the determination date, calculated to two (2) decimal places, without rounding;

*SpreadFactor* = rate calculated to nine (9) decimal places, with rounding, as follows:

$$SpreadFactor = \left\{ \left[ \left( \frac{rate}{100} + 1 \right)^{\frac{n}{360}} \right]^{\frac{DP}{DT}} \right\}$$

where:

*Rate* = rate, at the percentage rate per year, expressed to four (4) decimal places. In this case the rate is 3.5000;

*n* = number of consecutive days between the date of the next event and the date of the previous event, where "n" is an integer;

*DP* = number of consecutive days between the last event and the current date, where "DP" is an integer;



$DT$  = number of consecutive days between the last and the next event, where "DT" is an integer;

### 3.15.2.2 Accumulated Calculation and Restatement of the 2<sup>nd</sup> Series Debenture Non-Conversion Premium

The 2<sup>nd</sup> Series Debenture Non-Conversion Premium shall be restated by TJLP plus 5.0% p.a. (360-day basis).

Adjustment of the 2<sup>nd</sup> Series Debenture Non-Conversion Premium shall be calculated by the following formula:

$$Pa = (Pt - 1) \times (AdjustmentFactor) + (Pt)$$

where:

- $Pa$  = adjusted premium value owed at the end of each Period, calculated to six (6) decimal places, without rounding;
- $Pt-1$  = premium value owed at the end of prior Capitalization Period, calculated to six (6) decimal places, without rounding;
- $Pt$  = As defined in 3.15.2.1;
- $AdjustmentFactor$  = adjustment factor comprising the fluctuation parameter increased by a spread, calculated to nine (9) decimal places, with rounding, determined as follows:

$$AdjustmentFactor = TJLPFactor \times SpreadFactor$$

where:

- $TJLPFactor$  = product of the Long-Term Interest Rates published between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, to eight (8) decimal places, without rounding, determined as follows:

$$TJLPFactor = \left[ \left( 1 + \frac{TJLP_1}{100} \right)^{\frac{dc_1}{360}} \right] \times \prod_{k=2}^n \left[ \left( 1 + \frac{TJLP_k}{100} \right)^{\frac{dc_k}{360}} \right]$$

where:

- $k$  = 2, ..., n;
- $TJLP_1...TJLP_k$  = Long-Term Interest Rates considered between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, during the Capitalization Period;
- $dc_1$  = number of consecutive days, in the current period, as from the Issue Date and, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, up to the calculation date or up to the TJLP end effective date, where "dc<sub>1</sub>" is an integer;
- $dc_k$  = number of consecutive days in each subsequent sub-period, considering the periods prior to the current period, where "dc<sub>k</sub>" is an integer;

$n$  = total number of TJLP considered between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, where "n" is an integer;

$SpreadFactor$  = fixed interest spread calculated to nine (9) decimal places, with rounding, as follows:

$$SpreadFactor = \left\{ \left[ \left( \frac{spread}{100} + 1 \right)^{\frac{n}{360}} \right]^{\frac{DP}{DT}} \right\}$$

where:

$spread$  = Spread, or surtax, at the percentage rate per year, expressed to four (4) decimal places. In this case the rate is 5.0000;

$n$  = number of consecutive days between the date of the next event and the date of the previous event, where "n" is an integer;

$DP$  = number of consecutive days between the last event and the current date, where "DP" is an integer;

$DT$  = number of consecutive days between the last and the next event, where "DT" is an integer;

3.15.3 The amount of Non-Conversion Premiums shall be calculated annually for the 1<sup>st</sup> Series Debentures and semi-annually for the 2<sup>nd</sup> Series Debentures, i.e., on August 19 of each year for the 1<sup>st</sup> Series Debentures and on day 19 of August and February of each year for the 2<sup>nd</sup> Series Debentures, and added to the accumulated tranche of Non-Conversion Premiums, which shall be restated pursuant to item 3.15.1 and 3.15.2 above until the effective date of payment. The Non-Conversion Premiums shall be paid, at most, in six (6) tranches, and within three (3) years as of the date of payment of last tranche of principal and interest, i.e., as of February 19, 2017. The Non-Conversion Premiums may be paid in common shares issued by the Company or in cash, at the exclusive discretion of Debenture Holders, and taking into account the weighted average price by share volume of the Company traded over the past thirty (30) trading sessions of São Paulo Stock Exchange – BVSP prior to the date of payment.

3.15.4 Should conversion rules mentioned in item 3.18 be applied, the Non-Conversion Premium shall be due, in the form and term set forth in item 3.15.3 above, solely in relation to the remaining Units, which are not purpose of conversion.

### 3.16 Placement

Debentures shall be issued for private placement, as Units, without any efforts to sell to investors.

### 3.17 Issuer's Shareholders Preemptive Right

3.17.1 The Issuer's shareholders shall be entitled to the preemptive right for the subscription of Units, at the ratio of number of shares issued by the Issuer they own, pursuant to the Brazilian Corporation Law, according to their shareholding on the date of publication of notice to shareholders about the Issue ("Preemptive Right" and

“Notice to Shareholders”, respectively), to be exercised until 6:00 pm of the thirtieth (30<sup>th</sup>) day as of the day following the General Shareholders’ Meeting to approve the issue of Debentures (“Term of Preemptive Right”).

3.17.2 The shareholders intending to subscribe Units by exercising their Preemptive Right pursuant to item 3.17.1 above shall exclusively appear before the Company’s headquarters, where they shall sign the subscription list of Units.

3.17.3 Subscribed Units shall be paid within two (2) business days following the date of subscription. The shareholders subscribing Units during the Term of Preemptive Right may concurrently by means of list of subscription request to subscribe the Units unsold during the Term of Preemptive Right, at the proportion of amounts subscribed by them. After the expiration of the Term of Preemptive Right, the Company shall allocate to shareholders asking for subscription, all Units unsold during the Term of Preemptive Right, at the proportion of Units respectively subscribed, without requiring a new manifestation of said shareholders. The unsold Units which were subscribed pursuant to this item 3.17.3 shall be paid within two (2) business days after the expiration of the Term of Preemptive Right.

### 3.18 Units Convertibility

3.18.1 Units shall be mandatorily converted into common shares issued by the Company, observing the limits provided for in item 3.18.2 below, in the event, as of the Issue Date of Units, the weighted average price of three hundred and sixty (360) consecutive days of Company common shares, calculated at BVSP trading sessions and verified on the anniversary date of Units in each conversion period provided for in the chart of item 3.18.2 (“Determination Date”) is higher than the weighted average price by share volume of Issuer, calculated at BVSP trading sessions, during the period between June 6, 2008 and August 31, 2008, accrued of Premium on Price pursuant to the following table and restated according to the formula below until the respective Determination Date, by:

Premium on Price (PSP)	Date
50%	Until the 3 <sup>rd</sup> year as of the Issue Date
46%	In the 4 <sup>th</sup> year as of Issue Date
42%	In the 5 <sup>th</sup> year as of Issue Date
40%	In the 6 <sup>th</sup> year as of Issue Date
40%	In the 7 <sup>th</sup> year as of Issue Date
40%	In the 8 <sup>th</sup> year as of Issue Date

$$PAaCo = PAe \times (1 + PSP) \times (AdjustmentFactor)$$

where:

- PAaCo* = Share Price adjusted value on the Determination Date in the event of Mandatory Conversion calculated to six (6) decimal places, without rounding;
- PAe* = value of per-share volume weighted average price of the Issuer, calculated at the BVSP sessions, from June 6, 2008, to August 31, 2008, calculated to six (6) decimal places, without rounding;
- AdjustmentFactor* = adjustment factor comprising the fluctuation parameter increased by a spread, calculated to nine (9) decimal places, with rounding, determined as follows:

$$AdjustmentFactor = \left( C \times SpreadFactor1 \right)^{0.5} \times \left( TJLPFactor \times SpreadFactor2 \right)^{0.5}$$

where:

$C$  = accumulated factor of the monthly variations of the indexes used, calculated to eight (8) decimal places, without rounding, as defined in 3.12.5.1.

$SpreadFactor1$  = fixed interest spread calculated to nine (9) decimal places, with rounding, as follows:

$$SpreadFactor1 = \left\{ \left[ \left( \frac{spread}{100} + 1 \right)^{\frac{n}{360}} \right]^{\frac{DP}{DT}} \right\}$$

where:

$spread$  = Spread, or surtax, at the percentage rate per year, expressed to four (4) decimal places. In this case it is 12.0000;

$n$  = number of consecutive days between the date of the next event and the date of the previous event, where "n" is an integer;

$DP$  = number of consecutive days between the last event and the current date, where "DP" is an integer;

$DT$  = number of consecutive days between the last and the next event, where "DT" is an integer;

and:

$TJLPFactor$  = product of the Long-Term Interest Rates published between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, to eight (8) decimal places, without rounding, determined as follows:

$$TJLPFactor = \left[ \left( 1 + \frac{TJLP_1}{100} \right)^{\frac{dc_1}{360}} \right] \times \prod_{k=2}^n \left[ \left( 1 + \frac{TJLP_k}{100} \right)^{\frac{dc_k}{360}} \right]$$

where:

$k$  = 2, ..., n;

$TJLP_1...TJLP_k$  = Long-Term Interest Rates considered between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, during the Capitalization Period;

$dc_1$  = number of consecutive days, in the current period, as from the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, up to the calculation date or up to the TJLP end effective date, where "dc<sub>1</sub>" is an integer;

$dc_k$  = number of consecutive days in each subsequent sub-period, considering the periods prior to the current period, where "dc<sub>k</sub>" is an integer;

$n$  = total number of TJLP considered between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, where "n" is an integer;

$SpreadFactor2$  = fixed interest spread calculated to nine (9) decimal places, with rounding, as follows:

$$SpreadFactor2 = \left\{ \left[ \left( \frac{spread}{100} + 1 \right)^{\frac{n}{360}} \right]^{\frac{DP}{DT}} \right\}$$

where:

$spread$  = Spread, or surtax, at the percentage rate per year, expressed to four (4) decimal places. In this case the rate is 9.0000;

$n$  = number of consecutive days between the date of the next event and the date of the previous event, where "n" is an integer;

$DP$  = number of consecutive days between the last event and the current date, where "DP" is an integer;

$DT$  = number of consecutive days between the last and the next event, where "DT" is an integer;

3.18.2 The mandatory conversion of Units into common shares issued by the Company, as provided for in item 3.18.1 above, only shall occur after two (2) years as of Issue Date and shall observe the following limits:

% of Units issued	Date
Up to 15% accumulated	In the 3 <sup>rd</sup> year as of the Issue Date
Up to 30% accumulated	In the 4 <sup>th</sup> year as of the Issue Date
Up to 45% accumulated	In the 5 <sup>th</sup> year as of the Issue Date
Up to 60% accumulated	As of the 6 <sup>th</sup> year as of the Issue Date

3.18.2.1 For each conversion period, as provided for in item 3.18.2 above, the appreciation of weighted average price of three hundred and sixty (360) consecutive days of Company common shares shall be calculated on the Determination Date of respective period, for the purposes of compliance with the criterion provided for in item 3.18.1. The compliance with said criterion, on the respective Determination Date, shall cause the mandatory conversion of percentage of Units issued established for that period and under no circumstance, it shall determine the mandatory conversion in subsequent periods. Therefore, the appreciation of weighted average price of three hundred and sixty (360) consecutive days of Company common shares shall be determined again, on the Determination Date following after, for the purposes of new compliance with criterion provided for in Item 3.18.1.

3.18.2.2 Under any assumption, should the Determination Date fall on Saturdays, Sundays or national Holidays or in the City and State of São Paulo, including banking holidays, it shall be extended to the next business day where shares are traded on BVSP.

3.18.2.3 Once met the mandatory conversion criterion provided for in item 3.18.1., the Issuer undertakes to deliver the common shares deriving from the mandatory conversion of Units, within no later than fifteen (15) business days of the Determination Date. For all legal purposes, the mandatory conversion date of Units shall be the Determination Date of respective conversion period.

3.18.2.4 Whenever the mandatory conversion criterion provided for in item 3.18.1. has been met, the Trustee shall send correspondence to Debenture Holders and to the Company, within three (3) business days as of the Determination Date, informing the occurrence of said event.

3.18.3 In addition to the assumption of mandatory conversion provided for in item 3.18.1 above, after two (2) years of Issue Date, Units may be converted into Company common shares, at the exclusive discretion of Debenture Holders, observing the following limits:

% of Units issued	Date
Up to 15% accumulated	In the 3 <sup>rd</sup> year as of the Issue Date
Up to 30% accumulated	In the 4 <sup>th</sup> year as of the Issue Date
Up to 45% accumulated	In the 5 <sup>th</sup> year as of the Issue Date
Up to 60% accumulated	As of the 6 <sup>th</sup> year as of the Issue Date

3.18.4 The conversion percentages indicated in items 3.18.2 and 3.18.3 above shall be applied to the number of Units held by each Debenture Holder, and in the assumption of existing a fraction of Unit, the number of Units that may be converted by each Debenture Holder shall be the whole number immediately preceding said fraction.

3.18.5 Notwithstanding the provisions in items 3.18.2 and 3.18.3 above, the Debenture Holders may convert one hundred per cent (100%) of outstanding Units:

- (i) in the event a third party acquires more than twenty per cent (20%) of common shares issued by the Company, third parties are eligible to participate in the public tender offer, pursuant to article 44 of the Company's Bylaws; or
- (ii) should the number of Independent Members of the Issuer's Board of Directors be lower than 50% of the total number of board members, excluding from this counting the board member appointed by BNDESPAR. The definition of "Independent Member" shall be that one included in the *Novo Mercado* Listing Rules.

3.18.6 The conversion price of Units shall be the weighted average price by share volume of Issuer, calculated at the trading sessions of BVSP during the period between June 6, 2008 and August 31, 2008, accrued of a premium calculated according to the chart below and adjusted by the following factor ("Conversion Price"):

Premium on Price (PSP)	Date
50%	Until the 3 <sup>rd</sup> year as of the Issue Date
46%	In the 4 <sup>th</sup> year as of Issue Date
42%	In the 5 <sup>th</sup> year as of Issue Date

40%	In the 6 <sup>th</sup> year as of Issue Date
40%	In the 7 <sup>th</sup> year as of Issue Date
40%	In the 8 <sup>th</sup> year as of Issue Date

And adjusted as follows:

$$PAaN = PAe \times (1 + PSP) \times (AdjustmentFactor)$$

where:

- PAaN* = Share Price adjusted value on the Determination Date in the event of Non-Mandatory Conversion, that is, at the discretion of Debenture Holders, calculated to six (6) decimal places, without rounding;
- PAe* = value of per-share volume weighted average price of the Issuer, calculated on the BVSP sessions, from June 6, 2008, to August 31, 2008, calculated to six (6) decimal places, without rounding;
- AdjustmentFactor* = adjustment factor comprising the fluctuation parameter increased by a spread, calculated to nine (9) decimal places, with rounding, determined as follows:

$$AdjustmentFactor = \{(C \times SpreadFactor1)^{0,5}\} \times \{(TJLPFactor \times SpreadFactor2)^{0,5}\}$$

where:

- C* = accumulated factor of the monthly variations of the indexes used, calculated to eight (8) decimal places, without rounding, as defined in 3.12.5.1.

- SpreadFactor1* = fixed interest spread calculated to nine (9) decimal places, with rounding, as follows:

$$SpreadFactor1 = \left\{ \left[ \left( \frac{spread}{100} + 1 \right)^{\frac{n}{360}} \right]^{\frac{DP}{DT}} \right\}$$

where:

- spread* = Spread, or surtax, at the percentage rate per year, expressed to four (4) decimal places. In this case it is 8.0000;
- n* = number of consecutive days between the date of the next event and the date of the previous event, where "n" is an integer;
- DP* = number of consecutive days between the last event and the current date, where "DP" is an integer;
- DT* = number of consecutive days between the last and the next event, where "DT" is an integer;

and:

- TJLPFactor* = product of the Long-Term Interest Rates published between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, to eight (8) decimal places, without rounding, determined as follows:

$$TJLPFactor = \left[ \left( 1 + \frac{TJLP_1}{100} \right)^{\frac{dc_1}{360}} \right] \times \prod_{k=2}^n \left[ \left( 1 + \frac{TJLP_k}{100} \right)^{\frac{dc_k}{360}} \right]$$

where:

- $k$  = 2, ...,  $n$ ;  
 $TJLP_1...TJLP_k$  = Long-Term Interest Rates considered between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, during the Capitalization Period;  
 $dc_1$  = number of consecutive days, in the current period, as from the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, up to the calculation date or up to the TJLP end effective date, where " $dc_1$ " is an integer;  
 $dc_k$  = number of consecutive days in each subsequent sub-period, considering the periods prior to the current period, where " $dc_k$ " is an integer;  
 $N$  = total number of TJLP considered between the Issue Date or, as the case may be, the date of the last payment of remuneration, merger or amortization, whichever happens last, and the calculation date, where " $n$ " is an integer;

$SpreadFactor2$  = fixed interest spread calculated to nine (9) decimal places, with rounding, as follows:

$$SpreadFactor2 = \left\{ \left[ \left( \frac{spread}{100} + 1 \right)^{\frac{n}{360}} \right]^{\frac{DP}{DT}} \right\}$$

where:

- $spread$  = Spread, or surtax, at the percentage rate per year, expressed to four (4) decimal places. In this case the rate is 5.0000;  
 $n$  = number of consecutive days between the date of the next event and the date of the previous event, where " $n$ " is an integer;  
 $DP$  = number of consecutive days between the last event and the current date, where " $DP$ " is an integer;  
 $DT$  = number of consecutive days between the last and the next event, where " $DT$ " is an integer;

3.18.7 The Conversion Price shall be simultaneously and proportionally adjusted whenever capital increase occurs due to bonus, splitting or reverse split of common shares issued by the Issuer, on any account, to take place as of the Issue Date, without any burden to the Units holders and at the same proportion established for said events.



3.18.8 The common shares issued by the Issuer resulting from the conversion of Units: (i) shall have the same characteristics and conditions and shall benefit from the same rights and advantages currently assigned by Bylaws and in the future to this type of share; and (ii) shall be entitled to profit sharing related to the fiscal year then in progress, including dividends and interest on shareholders' equity.

3.18.9 Observing the conditions established herein and except for the provision in item 3.18.2.3 above, the Units holders shall express their intention of converting Units by means of conversion request to be made in writing to the Issuer ("Conversion Request"). For all legal effects, the conversion date shall be the date the Issuer receives the Conversion Request, and the Issuer is required to deliver the common shares deriving from the conversion of Units, within no later than fifteen (15 ) business days as of the receipt date of Conversion Request.

3.18.10 The fractions of common shares resulting from the conversion of Units shall be due in cash, on the Conversion Request date and shall be paid up to the fifteenth (15<sup>th</sup>) business day following the Conversion Request date, by the amount proportional to the Conversion Price defined in item 3.18.6 above.

3.18.11 The Issuer's capital increase deriving from the conversion of Units into its common shares, observing the form established in Section III of Article 166 of the Brazilian Corporation Law and in the Issuer's Bylaws, shall be ratified within sixty (60) days and filed at the appropriate Board of Trade within thirty (30) days after its effectiveness.

3.18.12 Until the final maturity of this Issue, should the Issuer's General Meeting resolve to issue other debentures convertible into shares or units underlying these securities, for public or private subscription, at conversion prices lower than the list of conversion of Units at the time of new issue, as provided for in item 3.18.6 above, the Debenture Holders shall be entitled to convert their Units, observing the provisions in items 3.18.2, 3.18.3 and 3.18.5 above, into Issuer common shares, by the conversion price of new issues, restated by IPCA from the subsequent date to the expiration date of preemptive right related to the new issue of convertible debentures or units.

3.18.13 Until the final maturity of this Issue, in the event the Issuer's General Meeting resolves to issue warrants, at strike prices lower than the list of conversion of Units at the time of issue of warrants, as provided for in item 3.18.6 above, the Debenture Holders shall be entitled to convert their Units, observing the provisions in items 3.18.2, 3.18.3 and 3.18.5, into Issuer common shares by the strike price of said warrants, restated by IPCA from the day following the expiration date of preemptive right related to the issue of warrants.

3.18.14 Until the final maturity of this Issue, in the event the Issuer's General Meeting or Board of Directors' Meeting resolve to increase capital stock for public or private subscription at subscription price lower than the conversion ratio of Units at the time of new increase, as provided for in item 3.18.6 above, the Debenture Holders, observing the provisions in items 3.18.2, 3.18.3 and 3.18.5, shall be entitled to convert their Units into Issuer common shares by the issue price of new shares issued, restated by IPCA from the date following the expiration date of preemptive right related to the issue of shares.

3.18.15 The adjustments at conversion price of Units provided for in items 3.18.12 to 3.18.14 above shall be applicable to the conversion assumptions provided for in items 3.18.2, 3.18.3 and 3.18.5, however, except for the assumptions of shares issued by the Company within the scope of stock option plan or share subscription granted to its managers and/or employees, pursuant to Article 6, paragraph 3 of the Company's Bylaws.

### 3.19 Guarantee

In order to ensure the prompt and full payment of any liabilities deriving from Debentures comprising the Units, such as debt principal, remuneration, penalties and fines, the Debentures shall be of floating charge type.

### 3.20 Grace Period for Amortization of Principal Amount of Units

The grace period to start the payment of amortization of principal amount of Units is seven (7) years as of the Issue Date ("Grace Period of Debentures").

### 3.21 Amortization of Units

The principal amount of Units shall be amortized in two tranches corresponding to forty per cent (40%) and sixty per cent (60%) of principal amount, in the seventh and eighth anniversary of Issue Date, respectively.

### 3.22 Date and Place of Payment

The debenture holders trading their debentures shall inform the custodian bank about such fact and new holders of debentures shall inform their data, including banking information to the custodian bank of debentures, under the penalty of Issuer not being able to provide the payment, pursuant to item 3.24 below.

### 3.23 Maturity falling on Weekends or Holidays

Every maturity related to any event of payment of Units provided for herein to fall on Saturdays, Sundays or national holidays or in the City and State of São Paulo, including banking holidays, for all legal purposes, shall be extended to the next first business day, and charges calculated up to this date, inclusive, also starting as of this date, the following regular period of determination and calculation of charges incurred on Debentures comprising the Units.

### 3.24 Payment in Arrears of Units

Should the Issuer be not able to provide any payment, when due, to any holder of Units, due to inaccuracy or if records of said holder of Units is not updated with the Custodian Agent of Units, any default interest, fine or indemnification shall not be due to said holder of Units, however vested rights shall be ensured until the date of respective funds available by the Issuer, accrued of the Remuneration due from the expiration date of financial liability not fulfilled until the date of its effective payment.

### 3.25 Default

In the event of any default of any obligation assumed by Issuer herein, the provision in Articles 39 to 47-A of "Provisions Applicable to BNDES Contracts", integral part hereof shall be complied with, according to its EXHIBIT ("Applicable Provisions").

#### **Section IV – Early Maturity of Units**

4.1 In addition to the assumptions provided for in Articles 39, 40 and 47-A of Applicable Provisions, the Issuer may declare the early maturity of all Units, observing the specific resolution quorum set forth in item 4.4 below, and require the payment of debt related to the outstanding balance of Units, plus Remuneration due until the date of payment, as well as conventional penalty and fine, pursuant to Applicable Provisions, upon the occurrence of the following events:

- a) the Issuer fails to comply with any monetary liability related to the Units, not remedied within thirty (30) business days as of the respective maturity date;
- b) protest of bills against the Issuer in an individual amount exceeding ten million reais (R\$10,000,000.00) or added value within a period of twelve (12) consecutive months, which exceeds, fifty million reais (R\$50,000,000.00), unless if protest occurred due to error or third parties bad faith, and this fact is validly evidenced by the Issuer, or if suspended or cancelled thereby within no later than 15 business days as of its occurrence. The amount referred to by this item shall be annually restated as of the Issue Date by IPCA;
- c) petition for in-court or out-of-court reorganization by the Issuer;
- d) dissolution and liquidation of the Issuer;
- e) the failure to comply with any non-monetary liability provided for herein is not remedied, within thirty (30) business days from the extrajudicial notice sent by any Debenture Holder, unless if such default derives from act of God or unavoidable casualty;
- f) statement of early maturity of any Issuer's debt due to contractual default or final and unappealable decision at court, the individual amount of which is equal or exceeds thirty million reais (R\$30,000,000.00) or whose added value, in a period of twelve (12) consecutive months is equal or exceeds fifty million reais (R\$50,000,000.00). The amount referred to by this item shall be annually restated from the Issue Date by IPCA;
- g) the inclusion in shareholders' agreement or Issuer's Bylaws, as of the Issue Date, of a provision which requires a special quorum for resolution or approval of matters restricting or curtailing the Company's control by respective controlling shareholders, as provided for by the Brazilian Corporation Law, or also the inclusion in those documents of provisions implying:
  - (i) restrictions to the growth capacity of Issuer or to its technological development;
  - (ii) restrictions to Issuer's access to new markets; or
  - (iii) the failure to pay financial liabilities deriving from this operation.
- h) Issuer's declarations made herein were false or misleading, or also significantly incorrect or incomplete on the date they were declared;
- i) change in the Issuer's purposes, unless if previously approved by Units holders representing most of outstanding Units, except for the inclusion of other activities, provided that these are related to its main activity in the Issuer's purposes;

- j) approval of decrease in the Issuer's capital stock; shareholders are entitled to a partial refund of shares value due to decrease of their value, when not paid-up, to the amount of entries, without the previous and express approval of Units holders representing most of outstanding Units;
- k) creation of callable shares by the Issuer without the previous and express approval of Units holders representing most of outstanding Units;
- l) sale of effective Issuer's share control, whether direct or indirect, by any means, unless if previously approved by Units holders representing most of outstanding Units;
- m) Issuer acquires share control or equity interest in other companies, joint ventures or partnerships with purposes unrelated to information technology or services, which is characterized as a deviation of the Issuer's purposes, unless if previously approved by Units holders representing most of outstanding Units;
- n) Issuer delists from BOVESPA's *Novo Mercado*, without the previous and express approval of Units holders representing most of outstanding Units;
- o) Reorganization and Redemptions operations are not concluded, for any reason, as laid down in Whereas section of this Deed within one hundred and twenty (120) days as of the Issue Date;
- p) Issuer fails to comply with obligation set forth in item 5.1(m) of Section V, unless if previously approved by Units holders representing most of outstanding Units;
- q) Issuer's investments, when not estimated in annual budget, which severally or cumulatively within a same period exceed forty per cent (40%) of the amount approved in the annual Capex budget, unless if previously approved by Units holders representing most of outstanding Units;
- r) the failure to comply with financial ratios laid down in item 5.1(n) of Section V; and

4.2 Concerning the events indicated in item 4.1 above expressly subject to the previous authorization of Debenture Holders, the Issuer shall call a Debenture Holders' General Meeting to be held within fifteen (15) days as of the respective call and the failure to hold such meeting due to lack of quorum to install the meeting in a first call shall imply the tacit approval of the operation.

4.3 Upon the occurrence of any of the events indicated in paragraphs of item 4.1 above, the Trustee within seventy-two (72) hours of the date it is aware of any of said events, shall call a Debenture Holders' General Meeting to resolve on the declaration of early maturity of Units, observing the specific quorum laid down in item 4.4 below.

4.4. Upon the occurrence of any event indicated in paragraphs of item 4.1 above, should the declaration of early maturity referred to by item 4.3 above be approved by Debenture Holders representing fifty per cent (50%) + one (1) Unit of outstanding Units, the Trustee shall declare the early maturity of all liabilities deriving from Units and require the Issuer to pay all financial liabilities assumed within the scope of the Issue, including the Remuneration due until the date of its effective payment and Non-Conversion Premiums, within ninety (90) days as of the date of the Debenture Holders' General Meeting.

4.5 Without prejudice to the provision in item 4.3 above, the Debentures Holders' General Meeting to resolve on the early maturity may also be called by Debenture Holders representing, at least, ten per cent (10%) of outstanding Units.

### **Section V – Issuer's Special Obligations**

5.1 Until the full payment of the Units, in compliance with the other obligations set forth in this Deed, the Issuer undertakes:

- a) (i) to provide information to the Trustee about the occurrence of any of the events referred to in Item 4.1 of Section IV above, immediately after becoming aware of it. A report prepared by the Issuer, describing the occurrence and the measures it intends to take with regard to the occurrence, shall be attached. If such information arises out of any event, act or fact that entails a publication of a notice of material fact by the Issuer, pursuant to CVM Rule 358, of January 3, 2002 (as amended, "CVM Rule 358"), the disclosure of such event, act or fact, according to the terms of this item, shall take place concurrently to its disclosure to the market, pursuant to said CVM Rule 358; and (ii) send to the Trustee a copy of any correspondence or court or out-of-court notification received by the Issuer that might hinder the Issuer's capacity of fulfilling the obligations assumed through this Deed, immediately after its receipt.
- b) to cause its economic-financial information to be published, within the periods and as required by the corporation law;
- c) to keep its accounting updated and make the respective records, pursuant to Brazil's Fundamental Accounting Principles;
- d) to call the Debenture Holders' General Meeting to resolve on any matter that is directly or indirectly related to the debentures of the current Issue;
- e) not to perform transactions alien to its corporate purpose, in compliance with the statutory, legal and regulatory provisions in force;
- f) not to be in default with regards to all Federal, State or Municipal taxes due, except for those that may be disputed in good faith by the Issuer, within the administrative and/or judicial spheres;
- g) to comply, in all relevant aspects, with all applicable laws, rules, regulations and orders, in any jurisdiction in which it operates or owns assets;
- h) to keep, in all relevant aspects, all permits, licenses, authorizations, concessions or approvals, essential to the development of the Issuer's operations, valid and in good standing;
- i) to keep and preserve in good order and operating condition all of its assets relevant, necessary and useful to the due performance of its business;
- j) to ensure that its financial statements and accounting records do not bear any inaccurate or false information or omit any relevant information that should be disclosed in accordance with Brazil's Fundamental Accounting Principles;
- k) not to take part in, or carry out, any transactions with related parties that are not strictly performed at an arm's length and compatible basis with the market standards;
- l) to comply, when appropriate, with the "Provisions Applicable to the BNDES' Agreements", approved by Resolution no. 665, of December 10, 1987, partially amended by Resolution no. 775, of December 16, 1991, by Resolution no. 863, of March 11, 1996, by Resolution no. 878, of September 4, 1996, by Resolution no. 894, of March 6, 1997, by Resolution no. 927, of April 1, 1998 and by

Resolution no. 976, of September 24, 2001, all of the Board of Executive Officers of BNDES, published in the issues of the Official Gazette of the Union (Section I), dated December 29, 1987, December 27, 1991, April 8, 1996, September 24, 1996, March 19, 1997, April 15, 1998 and October 31, 2001, respectively, which make up the EXHIBIT to this Deed;

- m) not to sell, or in any way, encumber any of its fixed assets that are subject to registration of ownership above the limit of twenty million reais (R\$ 20,000,000.00) per year, except if approved in advance by the holders of the Units representing the majority of the outstanding Units; and
- n) to keep, during the existence of the Units, up to their final maturity, at least two of the following ratios annually calculated in the financial statements audited by external auditors registered at the Brazilian Securities and Exchange Commission;
  - (i) Net Debt/EBITDA: equal or lower than four (4.0);
  - (ii) EBITDA/ROL: equal or higher than ten percent (10%);
  - (iii) EBITDA/Debt Service: equal or higher than one (1.0) (an integer);

where:

- Net Debt: (Gross Debt – Available Funds), where (Gross Debt = Loans + Financings + Debentures + any other forms of indebtedness, including installments to creditors) and (Available Funds = Cash + Investments);
- EBITDA: Operating Results before interest, income tax, depreciation and amortization;
- ROL: Net Operating Income;
- Debt Service: Amortization of Principal + Payment of Interest.

## **Section VI - Trustee**

### **6.1 Appointment and Representations**

6.1.1 The Company appoints, as Trustee of the Debenture Holders, **OLIVEIRA TRUST DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS S.A.**, identified in the introduction to this Deed, which executes as Trustee and intervening party, which hereby and in the best terms of the law accepts the appointment, pursuant to the law and this Deed, to represent all the Debentures Holders before the Company, declaring that:

- a) it does not have, under the penalties of law, any legal impediment, as set forth in paragraph 3 of Article 66 of the Brazilian Corporation Law, in CVM Rule 28, of November 23, 1983 (as amended, "CVM Rule 28/83"), and in the other applicable rules, or, in the event of amendment, the rules that replace them, for performing the duty which is conferred upon it.
- b) it accepts the duty conferred upon it, fully assuming the duties and assignments provided for in the specific laws and in this Deed;
- c) it is aware of the applicable regulations of the Brazilian Central Bank, the CVM and other relevant authorities;
- d) it is not involved in any of the conflict of interest situations set forth in Article 10 of CVM Rule 28/83;

- e) it has verified the truthfulness of the information contained herein, having arranged for the correction of any omissions, imperfections or defects that it has become aware of;
- f) it fully accepts this Deed and all of its terms and conditions;
- g) it has verified the compliance, by the Company, within the issue limit set forth in Article 60, paragraph 1, subheading "b" of the Brazilian Corporation Law;
- h) it is equivalent to a financial institution, and that it is duly organized, established and exists in accordance with the Brazilian laws;
- i) it is duly authorized to execute this Deed and to fulfill its obligations herein, and that all legal and statutory requirements for this purpose have been met.
- j) the execution of this Deed and the compliance with its obligations set forth herein do not violate any obligation previously undertaken by the Trustee; and
- k) this Deed establishes an effectual obligation binding upon the Trustee, and it is enforceable according to the Deed's terms.

## 6.2 Term

The Trustee shall commence the exercise of its duties on the current date, and shall hold said position until being effectively replaced or up to the full settlement of its obligations arising out of the Deed herein.

## 6.3 Remuneration and Expenses

6.3.1 For the performance of the duties and assignments incumbent upon it, pursuant to the law and to the terms of this Deed, the Trustee or the institution that might replace it in this capacity:

- a) shall receive a compensation (i) of four thousand, seven hundred and fifty reais (R\$ 4,750.00) per quarter, due by the Company, and the first compensation installment shall be paid on the fifth (5th) business day after the execution of this Deed, and the others on the same day of the subsequent quarters; (ii) annually restated, from the date of payment of the first annual installment, according to the IGP-M (Market General Price Index) variation or the index that might replace it, calculated *pro rata temporis* if necessary; and (iii) plus Service Tax (ISS), Employees' Profit Participation Program (PIS), Social Security Financing Contribution Tax (COFINS) and any other taxes and expenses levied on the remuneration owed to the Trustee, at the rates in effect on the payment dates, except for the Income Tax (IR) and the Social Contribution on Net Income (CSSL);
- b) In the event of non-payment of the debentures or restructuring of the debenture terms, Oliveira Trust shall also be entitled to receive the amount of R\$400.00 per man-hour of work used for (i) enforcing guarantees; (ii) attending formal meetings with the Issuer and/or the Debenture Holders; and (iii) implementing the resolutions taken in such events, to be paid five (5) days after proof of the delivery, by the Trustee, of the "hours report" to the Issuer.
- c) The Issuer shall pay for all expenses that might be incurred by the Trustee to safeguard the interests of the Debenture Holders. Such expenses comprise third-party attorney's fees, deposits, court costs and fees arising out of lawsuits filed by the Trustee or against it during the exercise of its duties, provided that these expenses are related to finding a solution to remedy the noncompliance while the Trustee represents the Debenture Holders. The possible expenses,

deposits and court costs arising out of the loss of lawsuits shall be equally borne by the Issuer.

6.3.2 The reimbursement, referred to in item 6.3.1, paragraph "c", shall be made five (5) business days after the delivery to the Company of the documents supporting the reasonable expenses actually made, which were necessary to safeguard the rights of the holders of the Units.

6.3.3 The credit of the Trustee for any expenses made to protect the rights and interests or realize credits of the Debenture Holders, that have not been paid off as provided for in above Item 6.3.1 (b), shall be added to the debt of the Company and shall enjoy the same guarantees of the Units, the latter shall have preference in the order of payment.

#### 6.4 Trustee's Duties

6.4.1 The Trustee's duties and assignments, in addition to others provided for by Law, shall be as follows:

- a) to protect the Debenture Holders' rights and interests, employing, in the fulfillment of its duties, all the care and diligence every active and law-abiding individual usually employs in the management of his or her own assets;
- b) to resign from its duty in the event of conflicts of interest or any other form of inaptitude;
- c) to zealously guard all the records, correspondence and other documents related to the fulfillment of its duties;
- d) to ascertain, upon accepting the position, the truthfulness of the information contained in this Deed, doing everything in its power to remedy omissions, flaws or shortcomings it is aware of;
- e) in case the Company fails to do it, to file this Deed and respective amendments at the proper authorities, remedying the gaps and irregularities they may contain; in this case, the registrar shall notify the Company's management so that it supplies the necessary indications and documents;
- f) to follow the compliance with the frequency of required disclosures, warning Debenture Holders about possible omissions or untruthfulness contained in said disclosures;
- g) to request, whenever it deems necessary for the fulfillment of its duties, updated certificates from the civil distributors, Lower Treasury Courts, protest offices, Boards of Conciliation and Judgment, Office of the Attorney-General of the National Treasury, where the Company is headquartered;
- h) to call, whenever necessary, the Debenture Holders' General Meeting upon call notice published at least three (3) times in the newspapers where the Company publishes its announcements;
- i) to attend the Debenture Holders' General Meeting in order to provide the information required of them;
- j) to prepare an annual report for Debenture Holders, pursuant to Article 68, paragraph 1, sub-paragraph "b" of the Brazilian Corporation Law, which shall contain at least the following information:
  - a. the material fact that took place during the fiscal year ended regarding the fulfillment of the obligations undertaken by the Company herein;



- b. optional redemption of Units and payment of interest accrued thereon made during the period, as well as acquisitions and sales of Units carried out by the Company; and
  - c. representation about its aptitude to continue exercising the duty of Trustee;
- k) to make the report referred to in item "j" above available to Debenture Holders no later than four (4) months as of the closing of the Company's fiscal year, and for the minimum period of three (3) months, at least in the following locations:
  - a. at the Company's headquarters; and
  - b. in their office, as mentioned in Section X below.
- l) to exercise all rights and prerogatives available to Debenture Holders and the Trustee provided for in this Deed and in the documents attached herein, except in case said rights and prerogatives are waived at a Debenture Holders' General Meeting called for this purpose by the Debenture Holders representing all the outstanding Units, including, without limitation, issuing and submitting all notices and announcements provided for therein;
- m) to keep the list of Debenture Holders and their addresses updated, including through lobbying with the Company and the Custodian Bank;
- n) to oversee the compliance with the provisions herein, and, in regards to the method for monitoring the Issuer's financial obligations, to make said method available to Debenture Holders, in writing, no later than ninety (90) days as of the Issue Date; and
- o) notify Debenture Holders, severally if possible, and within the maximum period of thirty (30) days, of the Company's default on the obligations undertaken herein, mentioning the place where further clarifications will be available to interested parties.

## 6.5 Specific Duties

6.5.1 The Trustee shall make use of any judicial or extra-judicial procedures against the Company in order to protect the Debenture Holders' interests and credit realization, and, in the event of the Company's default, it shall:

- a) with due regard for the conditions set forth herein, declare the early maturity of the Units and collect their principal and ancillary charges;
- b) execute, as the Debenture Holders' representative, the guarantee provided pursuant to Item 3.18 of Section III above, applying the proceeds to the Debenture Holders' payment; and
- c) take any measures required for the realization of the Debenture Holders' credits.

## 6.6 Liability

The Trustee shall only be exempt from liability for the non-adoption of the measures referred to in sub-paragraphs (a) to (c) of Item 6.5 above if, at a Debenture Holders' General Meeting, Debenture Holders representing sixty percent (60%) of outstanding Units resolve to authorize it.

## 6.7 Replacement

6.7.1 In case of absence, provisional impairment, resignation, in-court and out-of-court settlement, bankruptcy, or any other event of vacancy, a Debenture Holders' General Meeting shall be held no later than thirty (30) days as of the event

determining this vacancy for the election of a new Trustee. Said Meeting may be called by the Trustee to be replaced itself, by the Company or by Debenture Holders representing at least ten percent (10%) of outstanding Units. In case there is no call within fifteen (15) days prior to the end of the aforementioned period, the Company shall be responsible for calling the Meeting with due regard for the period of fifteen (15) days for the first call and eight (8) days for the second call, and the Company may appoint a temporary replacement until a new Trustee is elected.

6.7.2 In case the Trustee is not able to continue exercising its duties due to circumstances subsequent to this Deed, it shall immediately communicate this fact to Debenture Holders, requesting its replacement.

6.7.3 It is permitted to Debenture Holders, after the end of the period for distribution of the Units, to proceed with the Trustee's replacement and with the appointment of a new Trustee, at a Meeting called specially for this purpose.

6.7.4 The Trustee's replacement shall be purpose of the amendment hereto, which shall be filed at the proper trade board.

## **Section VII – Debenture Holders' General Meeting**

Debenture Holders shall meet at any moment at a general meeting in order to resolve on matters of these Debenture Holders' common interest.

### **7.1 Call**

The meeting may be called by the Issuer, by the Trustee and by Debenture Holders representing at least ten percent (10%) of the outstanding Units.

### **7.2 Instatement and Resolution**

7.2.1 The general meeting shall be instated with the quorum provided for in article 71, paragraph 3, of the Brazilian Corporation Law, and shall resolve on matters through the vote of Debenture Holders representing at least fifty percent (50%) + one (1) Unit of the Units outstanding on the date of the meeting.

7.2.2 At the meeting's resolutions, each Unit, represented by one Debenture of each series, shall be entitled to one vote, and representatives may be appointed, with due regard for the provisions in paragraphs 1 and 2 of article 126 of the Brazilian Corporation Law.

7.2.3 Any changes in the Units' conditions, or in the conditions of the Debentures comprising the Units, purpose of this Issue, shall depend on the approval of Debenture Holders representing at least fifty percent (50%) + one (1) of the Units outstanding on the date of the meeting.

7.2.4 For purposes of constitution of the quorum referred to herein, any Units belonging to the Issuer shall be excluded from the total number of Units.

### **Section VIII – Issuer’s Representations and Warranties**

The Issuer represents and warrants Debenture Holders that:

- a) is a duly incorporated company operating in accordance with the corporate legislation in force;
- b) all the authorizations from its decision-making and executive bodies (General Meeting, Board of Directors and Board of Executive Officers) have been obtained in order to execute this Deed and to undertake and comply with the resulting obligations;
- c) its legal representatives signing this Deed have statutory powers to undertake, on behalf of the Issuer, the liabilities established herein, and, as representatives, have had their powers duly granted, and that their terms of office are in full force and effect;
- d) its economic, financial and equity situation, reflected in the financial statements required by the corporate legislation up to the date when this representation is made, did not suffer any significant change that may adversely affect the compliance with its obligations resulting from this Deed;
- e) no bills issued by it or withdrawn against it have been submitted for protest or been protested whose individual amount is equal or higher than twenty-five million reais (R\$25,000,000.00), except those which, being submitted for protest, have been the object of litigation over the preventive stay of protest on reasonable grounds, followed by its respective principal action, as applicable;
- f) the execution of this Deed and the undertaking and compliance with the resulting obligations do not entail, directly or indirectly, the partial or total non-compliance with (i) any agreements of any nature executed prior to the date of execution of this Deed, to which the Issuer is a party or to which any of its tangible or intangible assets or properties are bound; (ii) any legal or regulatory standard to which the Issuer or any of its tangible or intangible assets or properties are subject; and (iii) any order, decision, even if injunction, judicial or administrative, affecting the Issuer or any of its tangible or intangible assets or properties; and
- g) it has already obtained all the material authorizations and licenses required by the federal, state and municipal authorities for the exercise of its activities until then, and that all of them are valid.

### **Section IX – Waiver of Rights**

This Deed does not assume the waiver of any rights resulting from it. The Debenture Holders’ implicit or express tolerance towards the Issuer’s delay or non-compliance with any of its obligations shall not entail novation.

## **Section X – Communications**

Any communication sent to the Issuer pursuant to this Deed via facsimile or email shall be deemed as having been received on the date of its sending, providing its receipt is confirmed (through a receipt issued by the machine used by the sender or telephone confirmation); the respective originals shall be forwarded within five (5) business days after the message is sent. In case the communication is mailed, it shall be deemed as having been delivered against receipt or upon deliverance of a notice of receipt issued by the Post Office or by telegram, at the addresses below:

### **ISSUER:**

TOTVS S.A.  
Avenida Braz Leme, n.º 1.631, 2º andar  
São Paulo, SP  
Att. Diretoria Financeira e de Relações com Investidores  
Phone number: 55 – 11 – 2099 - 7090  
Facsimile: 55 – 11 – 2099 - 7335  
Email: ri@totvs.com.br

### **TRUSTEE:**

Oliveira Trust DTVM S/A  
Av. das Américas 500, Bloco 13, Grupo 205  
Condomínio Downtown - Barra da Tijuca – Rio de Janeiro  
Att. Gustavo Dezouart  
Phone number: 55 – 21 – 2493-7003  
Facsimile: 55 – 21 – 2493-4746/4901  
Emails: agente@oliveiratrust.com.br and gustavo@oliveiratrust.com.br

## **Section XI – Adjudication Fine**

In the event of judicial collection, the Issuer shall pay a ten percent (10%) fine on the amount of the debt related to the Units, including the principal, charges and the Non-Conversion Premium, without prejudice to the payment of extra-judicial and judicial costs and attorneys' fees, due as of the first order of the proper authority at the collection complaint.

**Section XII – Venue Jurisdiction**

The judicial district of the City of São Paulo, State of São Paulo is hereby elected as venue jurisdiction to settle any controversy arising from this Deed, with the express waiver of any other venue, as special or privileged as it may be.”

The judicial district of the City of São Paulo, State of São Paulo is hereby elected as venue jurisdiction to settle any controversy arising from this Second Amendment, with the express waiver of any other venue, as special or privileged as it may be.

In witness whereof, the parties have caused the Second Amendment to be executed and the respective consolidation of the Trust Deed of the 1<sup>st</sup> Issue of Debentures in four (4) counterparts of equal form and content, in presence of two (2) undersigned witnesses.

São Paulo, \_\_\_\_\_, 2009

\_\_\_\_\_  
TOTVS S/A

\_\_\_\_\_  
Oliveira Trust DTVM S/A

WITNESSES:

\_\_\_\_\_  
Name:  
Identity Card (RG):  
Individual Taxpayer's ID (CPF/MF):

\_\_\_\_\_  
Name:  
Identity Card (RG):  
Individual Taxpayer's ID (CPF/MF):