

**TOTVS S.A.**  
*A Publicly Held Corporation*

CNPJ 53.113.791/0001-22  
NIRE 35.300.153.171

**MANAGEMENT PROPOSAL**

**EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING TO BE HELD ON**

**APRIL 09, 2015**

Dear Shareholders:

Pursuant to the contents of CVM Instruction No. 481, dated December 17, 2009, (“ICVM 481”), we hereby present the proposal of the Management (“Proposal”) of TOTVS S.A. (“Company”) in relation with the matters to be deliberated at the Extraordinary General Shareholders’ Meeting (“AGE”) of the Company to be held on April 09, 2015, at 10a.m., on second call.

As per the AGE Call of Notice to be published on March 31, 2015 on the São Paulo State Official Print and newspaper *Valor Econômico* – São Paulo, the following matters shall be subject to deliberation by the shareholders present at the AGE:

- (a) Adjustment to the Company’s corporate capital so as to reflect the increase, within the limits of authorized corporate capital, performed at the Meeting of the Board of Directors held on December 19, 2013, due to the exercise of stock purchase options by beneficiaries thereof;
- (b) Increase of the Company’s authorized capital limit from five hundred and forty million (540,000,000) Brazilian Reais to eight hundred million (800,000,000) Brazilian Reais;
- (c) Modification of the duties of the Board of Directors by means of an amendment to Article 19 of the Bylaws;
- (d) Modification of the name of the Compensation Committee to Personnel and Compensation Committee, as well as the modification of its duties by means of an amendment to Article 20 of the Bylaws;
- (e) Modification to the Executive Board composition rule, to a minimum of five (5) and a maximum of twenty (20) Executive Officers, and modification to Executive Board

positions and their duties by means of amendments to Articles 21 through 24 of the Bylaws;

(f) Modification to the Company's representation rules by means of amendments to Article 26 and the deletion of Articles 27 through 30 of the Bylaws;

(g) Exclusion of Article 17, Paragraph 2, and of Article 60, concerning application of the ban on positions accumulation;

(h) Renumbering of the Articles of the Bylaws as a result of the exclusions as per items (f) and (g), above; and

(i) Consolidation of the Bylaws.

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## A. JUSTIFICATION AND ANALYSIS OF THE PROPOSED AMENDMENTS TO THE BYLAWS

Pursuant to the contents of CVM Instruction No. 481, dated December 17, 2009, we provide, next, a justification and analysis of the proposed amendments to the Bylaws of TOTVS S.A. (“Company”), subject to deliberation at the AGE:

### A.1 Adjustment to corporate capital

The adjustment to the Company’s corporate capital is intended to reflect the latest Company’s corporate capital increase, within the limits of authorized capital, as approved at a Meeting of the Board of Directors held on December 19, 2013 as a result of the exercise of stock purchase options by beneficiaries of such. The increase resulting from this exercise was one hundred and twenty-nine thousand, five hundred and eighty Brazilian Reais and thirty centavos (R\$ 129,580.30). Between the last consolidated Bylaws, approved at the Extraordinary General Shareholders’ Meeting held in January 3, 2013, and the last corporate capital increase, there was a variation of forty-six million, thirty-eight thousand, nine hundred and sixty two dollars and nine cents (R\$ 46,038,962.09), on the grounds of: (i) stock option for beneficiaries (meetings of the Board of Directors held in 12/20/2012, 3/19/2013, 4/30/2013, 6/18/2013, 7/30/2013, 9/17/2013, 10/29/2013, 11/19/2013, 12/19/2013); and (ii) conversion of debentures (the meeting of the Board of Directors held in 08/19/2013).

Therefore the proposed adjustment aims to simply cause the Bylaws to reflect the Company’s current corporate capital arising from an increase within the limits of authorized capital, in such a manner as to facilitate immediate determination by any interested party.

As a result of this adjustment, Article 5 of the Bylaws shall read as follows:

“**Article 5** – The Company’s corporate capital fully subscribed and paid in is ~~of four~~five hundred and ~~eighty~~twenty-six million, five hundred and ~~fifty-three~~ninety-two thousand, one hundred and ~~forty-two~~Brazilian Reais, ~~and thirteen cents (R\$480,553,140.13 and twenty two centavos (R\$ 526,592,102.22)~~, divided into one hundred and sixty ~~one~~three million, ~~six~~four hundred and ~~twenty-four~~sixty-seven thousand and ~~eight hundred and thirty (161,624,830)~~seventy one (163,467,071) registered, book-entry common shares, without par value.”

### A.2 Increase of the authorized capital limit

The amendment to Article 6 of the Company’s Bylaws is intended to increase the authorized corporate capital limit so as to enable the Board of Directors to approve issues of new shares of stock in the Company up to a limit of eight hundred million (800,000,000.00) Brazilian Reais. This change is justified because, due to the capital increase approved at the Meeting of the Board of Directors held on December 19, 2013, the Company’s current corporate capital – five hundred and twenty-six million, five hundred and ninety-two thousand, one hundred and two Brazilian Reais and twenty two centavos (R\$ 526,592,102.22) – lies close to the authorized capital limit – five hundred and forty million (540,000,000) Brazilian Reais.

Please note that this change carries no economic effects.

Assuming the proposed amendment is approved, Article 6 of the Company's Bylaws will read as follows:

**“Article 6<sup>o</sup>** - The Company is authorized to increase its capital stock, up to the limit ~~of five~~eight hundred ~~and forty~~ million (800,000,000) Brazilian Reais ~~(R\$540,000,000.00).~~”

### A.3 Modification of the duties of the Board of Directors by means of an amendment to Article 19 of the Bylaws

Modification of the duties of the Board of Directors aims to simplify such duties in such a manner as to ensure the corporate body's required powers, pursuant to the applicable law and the Company's reality without hindering its everyday operations. In this sense, the suggested changes aim to: (i) eliminate from the Bylaws powers that the applicable law already assigns to the Board of Directors; (ii) group together powers that are directly related; or (iii) make the letter of the Bylaws clearer and simpler.

As concerns the Board of Directors' necessary powers, we propose including a new Paragraph under Article 19, requiring prior approval of the Board of Directors for a vote in agreement to be cast by a representative of the Company in connection with any deliberation on the matters listed in Article 19, at General Shareholders' Meetings and other corporate bodies of entities directly or indirectly controlled by the Company, so as to ensure exercise of the Company's control over its controlled entities.

Assuming the suggested proposal is approved, Article 19 of the Company's Bylaws will read as follows:

**“Article 19** ~~—~~ In addition to other duties assigned to it by law or these Bylaws, the Board of Directors shall be responsible for:

- ~~(i)~~ (i) establishing the overall guidance for the Company's business;
- ~~(ii)~~ (ii) electing and dismissing the Company's executive officers and establishing their duties;
- ~~(iii)~~ ~~— assigning to each Executive Officer his/her respective role and duties, including appointing the Investor Relations Officer, pursuant to the provisions of these Bylaws;~~
- ~~(iv)~~ ~~— resolving on the call of~~ (iii) calling the General Meeting, when deemed applicable, or pursuant to Article 132 of the Brazilian Corporation Law;
- ~~(v)~~ (iv) inspecting the Executive Officers' management, ~~by~~ reviewing, at any time, the Company's books and papers and requesting information on any agreements entered into or to be entered into and any other acts;
- ~~(vi)~~ (v) choosing and dismissing the Company's independent auditors;
- ~~(vii)~~ ~~— calling the independent auditors to provide any clarifications deemed necessary on any matter;~~
- ~~(viii)~~ ~~— examining~~ (vi) providing a prior opinion on the Management Report and the accounts of the ~~Board of~~ Executive Officers and resolving on their submission to the General Meeting;

~~(ix)~~ (vii) approving the annual and multiannual budgets of the Company, its controlled and affiliated companies, the strategic plans, the expansion projects and investment programs of the Company, as well as following its performance;

~~(x)~~ ~~— resolving on the opening and closing of bureaus, branches, warehouses, offices and any other establishments of the Company in or out of the country as well as on changing their address;~~

~~(xi)~~ ~~— submitting to the General Meeting a proposal for amendment to the Bylaws;~~

~~(xii)~~ ~~— submitting to the General Meeting a proposal for dissolution, merger, spin off and amalgamation of the Company as well as for merger of other companies into the Company;~~

~~(xiii)~~ ~~— stating its position in advance on any issue to be submitted to the General Meeting;~~

(viii) resolving on the opening, closing and modification of branches of the Company, domestically and abroad;

~~(xiv)~~ ~~(ix)~~ authorizing the issue of Company's shares, ~~within the limits authorized in Article 6 of these Bylaws, by establishing the conditions of issue, including price and payment period, and also excluding the preemptive right or reducing its exercise for issues of shares, subscription bonuses and convertible debentures, the placement of which takes place by sale in stock exchanges or public subscription, or through swap of shares in a public tender offer, pursuant to the law~~ and subscription bonuses, within the Company's authorized capital limit;

~~(xv)~~ (x) resolving on the Company's purchase of its own shares to be held in treasury and/or for later cancellation or sale;

~~(xvi)~~ ~~— resolving on the issue of subscription bonuses, as set forth in Paragraph 2 of Article 6 of these Bylaws;~~

~~(xvii)~~ (xi) resolving on the granting of stock options or share subscription to its Managers and Employees, as well as to the managers and employees of other companies directly or indirectly controlled by the Company, without preemptive rights for any shareholders pursuant to the plans approved at General Meetings, after taking into account the ~~Compensation Committee Report~~ Personnel and Compensation Committee Report;

~~(xviii)~~ ~~— determining the amount of profit sharing for the Company's Executive Officers and Employees, after considering the Compensation Committee Report, having the power to decide for the non-allocation of any profit sharing amount;~~

~~(xix)~~ (xii) submitting to the Annual General Meeting a proposal for allocation of the fiscal ~~year~~ years' net income;

~~(xx)~~ (xiii) distributing among the Executive ~~officers~~ Officers, individually, the portion of the overall annual compensation of the Managers established by the General Meeting, after considering the Personnel and Compensation Committee Report;

~~(xxi)~~ ~~— authorizing, after considering the Compensation Committee Report, the execution, amendment or termination of any agreement between the Company and any Executive Officer that contemplates the payment of amounts, including payment of indemnity sums, due to (a) voluntary or involuntary termination of employment of the Executive Officer; (b) change of Control; or (c) of any other similar event;~~

~~(xxii)~~ ~~— authorizing, after considering the Compensation Committee Report, the execution, amendment or termination of agreements of any nature (except for employment contracts), including loan agreements, with any~~ (xiv) resolving on any deals or agreements between (a) the Company and its controlled companies (except for wholly-owned controlled companies) and (b) between the Company or its controlled companies (whether wholly owned or not) and any of their Managers and/or shareholders of the Company, third parties related to them, including (except for employment contracts) to

include companies directly or indirectly controlled by said managers and/or shareholders, or by any third parties related to them;

~~(xxiii) — authorizing, after considering the Compensation Committee Report, the execution, amendment or termination of agreements of any nature, including loan agreements, with any consultants or Employees a (except for employment contracts), third parties related to them, including companies directly or indirectly controlled by said Employees, or by any third parties related to them;~~

~~(xxiv) — resolving on the issue of simple debentures, not convertible into shares and without collateral;~~

~~(xxv) (xv) resolving, as delegated by the General Meeting, when debentures are issued by the Company, on the period and conditions for maturity, amortization or redemption, on the period and conditions for payment of interest, profit sharing and repayment premiums, if any, and on the subscription and placement methods, as well as the types of debentures;~~

~~(xxvi) — preparing the Company's internal policy for disclosure of information to the market;~~

~~(xxvii) — approving the Company's vote on any corporate resolution concerning the Company's controlled or affiliated companies;~~

~~(xxviii) — approving the shareholding and the sale of shareholding of the Company in other companies;~~

~~(xxix) — authorizing the acquisition, by any means, of assets from other companies, including from controlled or affiliated companies;~~

~~(xxx) — requesting information on the agreements executed or about to be executed, and on any other acts related to the Company;~~

~~(xxxi) — defining a list with three names of companies specialized in company valuation, for preparation of an appraisal report of the Company's shares, in case of deregistration as a publicly held company or delisting from the Novo Mercado, as set forth in Article 50 of these Bylaws;~~

~~(xxxii) — approving the hiring of an institution to provide share bookkeeping services;~~

~~(xxxiii) — deciding, subject to the rules of these Bylaws and the legislation in force, the order of its works and adopting or establishing statutory rules for its operation;~~

(xvi) resolving on the subscription, purchase, sale or encumbrance by the Company of any shares or securities issued by any of the Company's controlled or affiliated companies, except in connection with operations involving exclusively the Company and wholly owned entities;

(xvii) resolving on the Company's participation in other societies, as well as any involvement in other endeavors, including as a member of a consortium or a party to a silent partnership.

~~(xxxiv) (xviii) deciding on the payment or credit of interest on equity to shareholders, according to applicable laws;~~

~~(xxxv) — establishing the powers of the Board of Executive Officers for issuing any credit instruments for the purpose of raising funds, as "bonds", "notes", "commercial papers", or other instruments commonly used in the market, as well as resolving on their issue and redemption conditions, having the power, when the Board so decides, to request the prior authorization of the Board of Directors as a condition for validation of the act;~~

~~(xxxvi) — authorizing the acquisition, sale or encumbrance of the Company's real estate;~~

~~(xxxvii) — approving the sale of movable property of the permanent assets in an amount higher than five percent (5%) of the subscribed capital stock amount;~~

~~(xxxviii) to approve the constitution of real estate guarantees, sureties or aval guarantees, except when the guarantee arises from the acquisition of the asset or from agreements executed with the Company's clients;~~  
~~(xxxix) approving investments in expansion and improvement projects in an amount higher than five percent (5%) of the subscribed capital stock amount;~~  
~~(xli) — contracting short or long-term debts in an amount higher than five percent (5%) of the subscribed capital stock amount;~~  
(xix) resolving on the distribution of interim dividends, including at the expense of accumulated profits or profit reserves from the latest annual or interim balance sheet;  
~~(xli)-(xx) resolving on the assignment or transfer to a third party, by any means, of intellectual or industrial rights of the Company and/or of a company directly or indirectly controlled by it or its affiliated companies, except for a remunerated licensing made by the Company in the ordinary course of business;~~  
~~(xlii) — authorizing the granting of loans in favor of any third party;~~(xxi) authorizing the following acts in amounts exceeding five (5) percent of the subscribed corporate capital, such amount to be taken in consideration of isolated transactions or sets of related transactions: (a) purchase by the Company, by any means, of assets in other societies, including its controlled or affiliated companies; (b) divestiture of assets from permanent assets, (c) provision of warranties of any nature by the Company; (d) granting of loans in favor of any third parties; (e) investing in expansion and improvement projects; (f) entering into long- or short-term debt operations; and (g) entering into any long-term agreements (with a duration in excess of one year);  
~~(xliii) — authorizing the drawing up of the financial statements and the distribution of dividends or interest on equity in equal periods or periods shorter than six (6) months, to the earned income account in these financial statements or to the account of retained earnings or of profit reserves of the last annual or biannual balance sheet, as provided for in these Bylaws and in the applicable laws;~~  
~~(xliv) — resolving on any matter submitted to it by the Board of Executive Officers;~~  
~~(xlv)-(xxii) manifesting favorable or otherwise regarding any public offer of shares that has as object the shares of the Company, through prior informed opinion, issued within 15 (fifteen) (15) days of publication of the notice of public offering acquisition of shares, which should address at least (a) the convenience and opportunity of the public offer for acquisition of shares and the interest of all shareholders and in relation to the liquidity of the securities it owns, (b) the impact of supply public acquisition of shares over the interests of the Company, (c) strategic plans disclosed by the issuer in relation to the Company, (d) other items which the Board deems appropriate, as well as information required by applicable rules established by the CVM.-~~

**~~Sole Paragraph -1-~~** The Company shall not grant loans or guarantees to its Board of Directors' members or Executive Officers, except proportionally to the extent that these loans or guarantees are available to the Employees or clients of the Company.

**Paragraph 2 – A representative of the Company's vote in favor of any resolution regarding the topics listed in Article 19 at General Meetings and other corporate bodies of the Company's directly or indirectly controlled companies shall require the approval of the Company's Board of Directors."**

A.4 Modification of the name of the Compensation Committee to Personnel and Compensation Committee, as well as the modification of its duties by means of an amendment to Article 20 of the Bylaws



We propose that the name of the Compensation Committee be modified to Personnel and Compensation Committee, which fits this committee better, pursuant to its role and duties. Given that, for the purposes of benchmarking, the potential job market for managers at the Company lies in the information technology market, we propose to adjust the contents of Article 20, item (i) of the Bylaws so that the proposed allotment of annual compensation among Executive Officers and Directors be done pursuant to the standards of the information technology market, that is, not limited to those of the software industry, as read the Bylaws currently in force. In addition, items (iv), (v) and (vi) must be deleted as a result of the changes made to Article 19 of the Bylaws.

Assuming the suggested proposal is approved, all reference made to the Compensation Committee in the Bylaws will be modified to Personnel and Compensation Committee, and Article 20 of the Company's Bylaws will read as follows:

**“Article 20** – The Board of Directors shall elect one (1) external member and one (1) Board member, among its members, who shall comprise the Personnel and Compensation Committee together with the Chief Executive Officer (CEO) and the Human Relations and Organizational Infrastructure Vice President with a term of office of two (2) annual years, which shall meet whenever necessary. The Personnel and Compensation Committee shall exercise consulting functions in accordance with its bylaws and shall assist the Board of Directors to establish the terms of the compensation and other benefits and payments to be received on any account from the Company by Executive Officers and Board Members. The following is incumbent upon the Personnel and Compensation Committee:

- (i) submitting to the Board of Directors a proposal for distribution of the overall annual compensation to the Executive Officers and Board Members, based on the software information technology market standards and following up on the payment of compensation and, if the compensation is not in line with the software information technology market standards, informing said fact to the Board of Directors; ;
- (ii) expressing an opinion on the grant of stock options or share subscriptions to the Company's Managers and Employees;
- (iii) expressing an opinion on the profit sharing of the Company's Executive Officers and Employees;
- ~~(iv) expressing an opinion on the execution, amendment or termination of any agreement between the Company and any Executive Officer that contemplates the payment of amounts, including payment of indemnity sums, due to the voluntary or involuntary termination of employment of the Executive Officer, a change of Control, or any other similar event;~~
- ~~(v) expressing an opinion on the execution, amendment or termination of agreements of any nature (except for employment contracts), including loan agreements, with any Managers and/or shareholders of the Company, third parties related to them, including companies directly or indirectly controlled by said managers and/or shareholders, or by any third parties related to them;~~
- ~~(vi) expressing an opinion on the execution, amendment or termination of agreements of any nature, including loan agreements, with any consultants or Employees a (except for employment contracts), third parties related to them, including companies directly or indirectly controlled by said Employees, or by any third parties related to them Employees.~~”

A.5 (e) Modification to the Executive Board composition rule, to a minimum of five (5) and a maximum of twenty (20) Executive Officers, and modification to Executive

Board positions and their duties by means of amendments to Articles 21 through 24 of the Bylaws

Amendments to Articles 21 through 24 aims to add to the Bylaws rules to enable assigning duties to Executive Officers as stipulated by the Board of Directors, thereby affording greater flexibility regarding the definition of each position's scope of duty, with legal security in terms of the responsibilities associated with each scope of duty, as stipulated by the Board of Directors, as well as to simplify rules in the event of the absence, impediment or vacancy of Executive Officer positions and to add flexibility to the duties of each Executive Officer position. We therefore propose: (a) to change the number of Executive Officers to a minimum of five (5) and a maximum of 20 (twenty) Executive Officers, including 1 Chief Executive Officer, 1 President, up to eight (8) Vice-Presidents and up to ten (10) Executive Officers; (b) to determine, in the event of the absence or impediment of any Executive Officer, that the Board of Executive Officers shall select a pro-tem replacement from among its members, with the express condition that the Chief Executive Officer and the President shall replace one another in the performance of their duties, including where any such position is not filled, or where it may become vacant mid-term; (c) to determine that, in the event of any position becoming vacant, the Board of Directors may appoint a replacement Executive Officer to serve for the remainder of the replaced Executive Officer's term; (d) to determine the powers of the Vice-Presidents and Executive Officers to collaborate with the Chief Executive Officer and the President in the management of business and conduction of corporate services; e (e) to exclude the powers of each Executive Officer position, such powers to be named by the Board of Directors as per the amendments to Article 19 suggested in the present proposal.

Assuming approval of the suggested proposal, Articles 21- through 24 of the Company's Bylaws shall read as follows:

"Article 21 – The Board of Executive Officers, ~~whose members shall be made up of a minimum of five (5) and a maximum of twenty (20) members, including the following positions, whose duties shall be elected and removable from office at any time determined~~ by the Board of Directors, ~~shall comprise of at least five (5) and at the most twenty-six (26) Executive Officers, designated as follows:~~ (i) Chief Executive Officer (CEO); ~~(ii) Human Relations and Organizational Infrastructure Vice,~~ (ii) President; (iii) ~~up to eight (8) Vice-Presidents, and (iv) up to ten (10) Executive and Financial Vice President;~~ (iv) ~~Business Vice President;~~ (v) ~~Innovation and Technology Vice President;~~ (vi) ~~Services and Relationship Vice President;~~ (vii) ~~Systems and Segments Vice President;~~ (viii) ~~Clients and Remote Services Vice President;~~ (ix) ~~Investor Relations Officer;~~ (x) ~~Marketing and Alliances Officer;~~ (xi) ~~Corporate Finance Officer;~~ (xii) ~~Legal Officer;~~ (xiii) ~~Planning and Controlling Officer;~~ (xiv) ~~two (2) Segment officers;~~ (xv) ~~one (01) Commercial Intelligence, Channels and Education Officer;~~ (xvi) ~~five (05) Service and Relationship Officer;~~ (xvii) ~~four (04) Business Officers;~~ (xviii) ~~Alliances and New Businesses Officer~~ The Officers. Executive Officers may accumulate ~~roles~~ positions and shall ~~have~~ serve for a unified term of ~~office of two (2) annual year terms, and where an "annual year" term shall be construed as deemed to be~~ the period ~~within~~ between two (2) ~~Annual~~ 20 Ordinary General Meetings, ~~with reelection allowed. The Board of Directors shall appoint one of the Executive Officers of the Company for the position of Investor Relations Officer. Reelection shall be permitted.~~

Article 22 ~~—The~~ In the event of the absence or impediment of any Executive Officer, the Board of Executive Officers shall be elected within up to five (5) business days after the Annual General Meeting, and the investiture of the elected members may coincide with the end of the term of office of their predecessors. name a pro-tem replacement from among its members, with the condition that the Chief Executive Officer and the President shall stand in for one another in the performance of the respective duties, including where such a position is not filled or is left vacant mid-term.

Article 23 ~~—In the event of occasional absences or impediments of the CEO, he/she shall be replaced by another Executive Officer chosen by him. Should the CEO position become vacant, his interim substitute shall be chosen among the other Executive Officers, by resolution of the Executive Officers themselves, and shall assume the office of the CEO until the first subsequent meeting of the Board of Directors. Said meeting shall be promptly called by the Board of Directors' Chairman and shall appoint the CEO's substitute to remain in office until the end of term of the replaced CEO. — In the event of the vacancy of any position, the Board of Directors may designate a replacement Executive Officer who shall serve for the duration of the remained of the replaced Executive Officer's term.~~

~~**Sole Paragraph**—The other Executive Officers shall be replaced, in the event of temporary absence or impediment, by another Executive Officer, chosen by the CEO. Should an Officer position become vacant, his interim substitute shall be chosen by the CEO and he/she shall assume said office until the first subsequent meeting of the Board of Directors, which will appoint a substitute to remain in office until the end of term of the replaced officer.~~

Article 24 ~~—The~~ Vice-Presidents and Executive Officers shall ~~have the following duties and powers, in addition to those provided for by law:~~ collaborate with the Chief Executive Officer and the President in the management of business and the conduction of corporate services.

~~(i) — It shall be incumbent upon the Chief Executive Officer (CEO): to implement and cause implementation of the resolutions of the Management's General Meetings; coordinate the activities of the other Vice Presidents, observing the specific duties set forth in these Bylaws; oversee all of the Company's operations, following up on their progress; call and preside over the Board of Executive Officers' meetings; personally represent, or through an attorney in fact appointed by him/her, the Company in the meetings or other corporate acts of the companies he/she takes part in; make the connection with the Board of Directors, proposing, without exclusivity of initiative, the assignment of duties of each Vice President and executive officer at the time of their election; appoint the substitutes of other executive officers in case of their temporary absence or impediment; appoint an interim substitute if there is a vacant position; be responsible before the Board of Directors for all the activities of the organization, for the growth strategy, management of people and profitability of the organization; guaranteeing the specific assignments provided for in this Bylaws; steer the organization, establishing plans, strategies and long term policies and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(ii) — It shall be incumbent upon the Human Relations and Organizational Infrastructure Vice President, to answer for the people and establish corporate policies and programs for the management of all Human Resources of the Group; acting to~~

~~strongly support organization businesses, answering for the processes of Attraction and Involvement, Organizational Culture (training and development), Remuneration and Benefits (fixed and variable remuneration and commissioning, expatriated, personnel movement, financial analysis) and Union Relations; planning, defining and managing all the activities related to the support to Information Technology of the Group, leading the team formed by the areas of Information Technology (IT) and Infrastructure; answering for the Shared Services Center of the Company, where transactional processes are performed (Accounting, Accounts Payable, Treasury, Accounts Receivable, Cash and Banks, billing agreements, Payroll, Personnel Administration); answering for the areas of Supplies and Facilities (Administrative Services and Property Security); analyzing the accounting records for the transactions of which the Company is part; controlling the compliance with financial commitments, in reference to legal, administrative, budgetary, tax and contractual requirements of operations, interacting with the involved parties; directing and reviewing all the financial statements; managing the expenses, receipts and cash flows of the areas; controlling the performance of financial commitments in reference to legal, administrative, budgetary, tax and contractual requirements of operations, interacting with the involved parties; coordinating the implementation of financial systems and management information; preparing accounting records for Company transactions; coordinating the implementation of financial and information systems; preparing the accounting records of Company transactions; indicating the substitute of other directors in the case of absence or temporary impediment; indicating the temporary substitute in cases of vacancy, and performing other tasks that may be, from time to time, assigned by the Board of Directors;~~

~~(iii) — It shall be incumbent upon the Executive and Financial Vice President: to represent the Company before inspection agencies and other institutions operating in the capital markets; monitor the compliance with any obligations set forth in the Bylaws by the shareholders and submit to the General Meeting and the Board of Directors, upon request, his/her conclusions, reports and diligence; coordinate and direct the assigned activities of the following areas: financial and shared services, strategic planning, model and processes, investor relations, mergers and acquisitions, and legal office. He/she is responsible for establishing a connection with the Audit Committee for the purposes of quality control of the organization's processes through internal and external audits. He/she also shall coordinate and oversee the performance and results of the controllership and financial areas according to set targets; be responsible for the optimization and management of the Company's financial economic information; supervise the Company's budget in accordance with the established plans and programs; manage financial resources and managerial information; analyze accounting records of the transactions that the Company is a party to; promote studies and propose alternatives for economic financial balance; coordinate and prepare the Company's financial statements and the management annual report; present and submit to the Board of Directors the financial statements and any and all matters that need his/her consideration and resolution Controlling (Budget, "Strategic" Accounting (accounting standards), Tax Planning; answering for Bank Relationship, Institutional Marketing and Alliances, International Market, TOTVS Ventures ("incubator" and Risk Capital), Auditing and Risks; and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(iv) — It shall be incumbent upon the Business Vice President to: Plan, organize, define and coordinate all the activities of business under his/her responsibility, complementing the traditional solutions of management systems, proposing strategies and guaranteeing that these are maintained, always having in mind the business costs and the~~

~~scope of expected results; adjusting the strategies according to market conditions and competition strategies; negotiating and administrating the results to be obtained, as well as the values to be invested per project and/or business; and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(v) — It shall be incumbent upon the Innovation and Technology Vice President: to plan, establish and manage the operating strategy for procedures concerning research and development, innovation and improvement of technologies used by the brands, so as to ensure competitiveness of the new products and solutions; propose, follow up on and implement the development of new products in accordance with established deadlines and quality; be up to date with regard to the research and technological advances in order to plan, establish and coordinate the implementation of the best practices for technological and development research of basic software and application infrastructure; manage budgets to ensure short and long term research and development; establish procedures for ensuring the development of new products and research for innovation and improvement of existing products, in accordance with set standards; make sure that technological development projects are implemented as planned, observing agreed costs, deadlines and quality; research, create and recommend the acquisition of product development tools, such as technology; plan, establish and coordinate the Company's process mapping activities, ensuring the improvement of these activities, so as to leverage Company's productivity and profitability; and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(vi) — It shall be incumbent upon the Services and Relationship Vice President: to plan, organize and direct activities involving the trading relationship of the Company's distribution (branches and franchise) network; establish and define the Company's sales guidelines and policies; managing sales and client services operations; managing the profitability of growth of one or several profit center, which are constituted as business units; establishing and defining the directives and sale policies of sales of the Company; promote client management; coordinate and oversee the sales and client support services areas, in accordance with set targets; manage resources for marketing and guaranteeing the sale and delivery of products and services; formulate and implement operating strategies, with the purpose of assuring that the invoicing and profitability objectives are reached; demand market and competition survey; develop and implement sales distribution strategy; set product prices; recommend launching of new products; make operational, implement and follow up on the process of services rendered to the Company's clients; recommend strategic alliances for development of the operations; and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(vii) — It shall be incumbent upon the Systems and Segments Vice President to: Assist the Technology Committee in their strategic decisions involving technological matters; answering for all segments; he is the "Main Products Manager" of TOTVS; establishing the connection between the development of systems and the client; defining strategies for the offer of software and go to market for the segments; contributing with improvement suggestions for the development of software of the Company, and also foster the development strategy of system and service; design and develop the information into technological solutions for external clients; suggesting and accompanying new systems of the Company; plan, guide and coordinate the activities of production units, referring to resource management; being responsible for creating interdependencies between brands and that this be obtained with the highest possible level of technological synergy; implementing ongoing improvements in the software development processes, in order to achieve a high level of maturity; applying the best practices and most advanced~~

methodologies to deal with change in development, technology and client environments; and perform other duties that from time to time might be assigned to him/her by the Board of Directors;

~~(viii) — It shall be incumbent upon the Clients and Remote Services Vice President to: Coordinate and supervise the provision of support, technical and non technical services provided by the holding company (Help Desk, SLA, Telephonic Consulting and Corporate Ombudsman) to clients according to the established goals; manage and organize the processes of assured quality in the development of software and the processes of assured quality of businesses of the Company; being responsible for the certification processes (except for Sarbanes Oxley); being responsible for managing of all the software shipment processes, and all the platform and database homologation processes; standardizing the tools of the development and service cycles; standardizing and guaranteeing the compliance with standards of processes and delivery of knowledge objects; standardizing the usability; search for unity in the different means of relationship with clients (Documents, Portals, Correspondences, PPTs, stationary and others); P&L and the operation of services not connected to any specific geography are under the management of this Vice President (Software Factory, BPO and Data Center); and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(ix) — It shall be incumbent upon the Investor Relations Officer: to plan, organize and direct investor relations activities; maintain and improve the relationship and communication between the organization and the investing public, shareholders and professionals of the financial area; plan Company communication with capital markets, domestically and/or abroad, by preparing information of several internal areas such as accounting, planning, communication, marketing and finance, which will be destined to shareholders, investors and related parties, being mainly available to investors for providing information and clarifying matters related to financial and market operations, thus ensuring that the Company is competent when disclosing information on its businesses to said public; also assist in the conduction of projects, reports, balance sheets, among others; and perform other duties that from time to time might be assigned to him/her by the Board of Directors and by the Vice President to whom it reports to;~~

~~(x) — It shall be incumbent upon the Marketing and Alliances Officer: to plan, establish and manage all Marketing activities (market analysis and advertising), as well as develop short and long term policies and programs; establish the corporate image standard in order to improve Company visibility and competitive position in the search for business opportunities; conduct, coordinate and evaluate marketing budget plans on the short, medium and long terms; ensure that each disclosure and communication plan is exclusive to each business, observing the scope of operation, market and budget appropriation; adjust marketing strategies according to the market conditions and strategies of the competition; manage, coordinate and assess the Company's websites; establish strategies for operation and positioning of each brand of the Company related to its products and segments, being responsible for generating opportunities as well as its indicators (sales strategy); propose and follow up on the development of new business fronts and/or the Company's products with reference to Marketing; and perform other duties that from time to time might be assigned to him/her by the Vice President to whom it reports to;~~

~~(xi) — It shall be incumbent upon the Corporate Finance Officer to: Answer for the area of Market Intelligence; plan, organize and define financial policies and plans of the organization; establishing tax controls; prepare financial reports to be reported to the shareholders, the general public, to the investor and to the finance area professionals;~~



~~maintain a relationship with bank and investment communities, and also establish relationships with investors; conduct all mergers and acquisitions in the organization (M&A); establish and manage the Company's financial strategy in the short, medium and long terms; plan, organize, integrate, direct and control the accounting, financial planning, fiscal, controllership, cost control and treasury areas according to set targets; establish the standard economic and financial rules and procedures for the Company, providing the information necessary for management; manage the operations related to the Company's funds and assets, investing financial resources, the operating and non-operating revenue; direct and review all financial reports; manage expenses, receipts and cash flows of the areas; control compliance with financial commitments concerning the legal, administrative, budget, fiscal and contractual requirements of the operations, interacting with the involved parties; coordinate the implementation of financial and managerial information systems; prepare the accounting records of the Company's transactions; promote studies and propose alternatives for the Company's economic-financial balance; be responsible for building maintenance and physical structure of the Company; and perform other duties that from time to time might be assigned to him/her by the Vice-President to whom it reports to;~~

~~(xii) — It shall be incumbent upon the Legal Officer: to represent the Company before legal and administrative bodies; act to protect and defend Company's assets and rights; identify legal risks and devise preventive measures seeking the Company's defense; provide solutions to technical or business matters through identification of legal solutions and recommend a course of action; offer support to promote compliance with corporate governance rules; coordinate Company's operation in all legal aspects in a preventive manner and in the litigation sphere, as well as to follow up on and inspect the operation of external legal offices; coordinate and oversee the performance and results of the Company's legal area; optimize and manage Company's legal information and documents; and perform other duties that from time to time might be assigned to him/her by the Vice-President to whom it reports to;~~

~~(xiii) — It shall be incumbent upon the Planning and Controlling Officer: to Answer for the Strategic Planning Area; providing financial support, including variation of estimates and budgets, and variation of analysis in reference to budget; analyzing and preparing tax accounts, financial statements and reports; conducting and assisting with documents of accounting projects; preparing and distributing periodic financial statements for users who are not directly employed by the organization; assuring that all reports and information are in accordance with relevant government regulations, professional standards and organizational policies; establishing tax controls; establish and coordinate the budget process structuring, so as to support the increase of TOTVS efficiency; oversee the budget of companies of the Group according to set plans and programs; coordinate the organization's growth program through merger and acquisition activities, ensuring an efficient process for the amalgamation of new companies in the event of future acquisitions; promote studies and propose alternatives for the economic and financial balance of the Company; and perform other duties that from time to time might be assigned to him/her by the Vice-President to whom it reports to;~~

~~(xiv) — It shall be incumbent upon the two (02) Segment Directors to: be responsible for a certain market segment of the Company; establishing the connection between the development of product and the client; defining strategies for the offer of software and pertinent go-to-market for the segments; contributing with improvement suggestions for the development of products, and also sponsoring the strategy of product and service development in their segment; planning and coordinating the activities of their production units, referring to resource management; establishing, maintaining and making~~

~~continuous improvements to the development of software processes for which is responsible, in order to reach a high level of maturity; applying the best practices and most advanced methodologies to deal with change in development, technology and client environments; and perform other duties that from time to time might be assigned to him/her by the Vice President to whom they reports to;~~

~~(xv) — It shall be incumbent upon the Commercial Intelligence, Channels and Education Officer to: Plan , define, develop and implement Service and Relationship strategies, in order to restructure the model and management of existing distribution channels and the process of acquiring new channels; planning, defining, developing and implementing strategies of Service and Relationship to guarantee the commercial Intelligence and Efficiency, through studies, policies, processes and technology to structure the commercial management, as well as all information produced in the process, whether to duly monitor operations or to generate opportunities of improvement and campaigns of commercial incentive and/or recognition; plan, define, develop and implement strategies of Service and Relationship for the Opportunity Center (Receptive and Active upon request); plan, define, develop and implement strategies of Service and Relationship for TOTVS Education Business, support the sale, delivering directly the services sold, demanding and accompanying the Technical Roadmap of offered products and contents; and perform other duties that from time to time might be assigned to him/her by the Vice President to whom they reports to;~~

~~(xvi) — It shall be incumbent upon the five (05) Services and Relationship Officers to: plan, define and coordinate the regional activities of the “own sale” area and channels/franchises of distribution and/or the services area for the implementation of systems, referring to current and future potential client accounts; coordinating and supervising the area of sales in reference to the generation of business, according to the goals established by the administration; plan, organize, conduct the activities involving the Company’s service and relationship with clients; follow up, manage, leverage and handle the service indicators provided by own channels and/or franchises; to define and coordinate the implementation of best practices of project management, guaranteeing that the technical issues from clients are answered and diagnosed, therefore providing solutions for the problems with products and services; recommending the launch of new products and improvements, according to market expectations; participate in the definition of products prices and new launchings; to recommend Marketing actions, with the purpose of leveraging the businesses of the Company; direct the sales force to achieve the volume objectives for the products of the organization, including long term plans, objectives and strategies; and perform other duties that from time to time might be assigned to him/her by the Vice President to whom they reports to;~~

~~(xvii) — It shall be incumbent upon the four (04) Business Officers to: plan, organize, establish and coordinate all the activities of business under their responsibility, and which may demand specific strategies for their achievement proposing guidelines and ensuring that they be kept, always being concerned with the business costs and the scope of the expected results; adjusting the strategies according to market conditions and competition strategies; negotiating and administrating the results to be obtained, as well as the values to be invested per project and/or business; and perform other duties that from time to time might be assigned to him/her by the Vice President to whom they reports to;~~

~~(xviii) It shall be incumbent upon the Alliances and New Businesses Officer to: plan, organize; establish and coordinate the strategies New Businesses activities; adjust the alliance and new business strategies according to market conditions and competition strategies; always having in mind the business costs and the scope of expected results; define the operation strategy for making feasible partnerships and/or important alliances~~



~~for the Company; negotiate and manage the results to be achieved through the alliances and new businesses, as well as the amounts to be invested per project and/or business; propose and follow up on the development of the Company's new fronts of business and/or products in relation to the new business development operation; and perform other duties that from time to time might be assigned to him/her by the Vice President to whom they reports to."~~

A.6 Modification to the Company's representation rules by means of amendments to Article 26 and the deletion of Articles 27 through 30 of the Bylaws

The amendment to Article 26 and the deletion of Articles 27 through 30 of the Bylaws aims to serve the Company's needs and simplify the rules governing its representation, so as to ensure appropriate control over the Company's acts without harm to the agility that the Company's business requires.

Assuming approval of the suggested proposal, Article 26 of the Company's Bylaws shall read as follows:

**"Article 26** – The Company shall be legally bound wherever represented by two (2) members of the Board of Executive Officers ~~effectively meets with the attendance of at least five (5) Executive Officers and by resolution of the majority vote of the attendees and, in the event of a voting tie, the casting vote shall be exercised by the Chief Executive Officer,~~ or one (1) member of the Board of Executive Officers and one (1) proxy, or by two (2) proxies within the boundaries of the respective terms.

~~**Article 27**—The Board of Executive Officers shall meet whenever summoned by the Chief Executive Officer or by the majority of its members. The Board of Executive Officers' meetings may be held by conference call, video conference, or by any other means of communication that allows for the identification of the member and the simultaneous communication of all other persons attending the meeting.~~

~~**Article 28**—The calls for the meetings shall be made upon a written notice to be delivered to each Executive Officer at least three (3) days in advance, and the calls shall include the meeting's agenda, place, date and time.~~

~~**Article 29**—All of the Board of Executive Officers' resolutions shall be drawn up in the respective the Board of Executive Officers' minutes book and signed by all attending Executive Officers.~~

~~**Article 30**—The Company shall always be represented by the signature: (i) of the Chief Executive Officer (CEO) and of one (1) Vice President; or (ii) of two (2) Vice Presidents; or (iii) of the CEO or (1) Vice President (1) attorney in fact, empowered pursuant to the provisions of items (i) and (ii) of this Article, through a power of attorney with specific powers and for a determinate period; or (iv) solely for the events contemplated by paragraphs 1 and 2 of this Article, by the individual signature of one (1) attorney in fact, empowered according to the provisions of items (i) and (ii) of this Article, or of one (1) Executive Officer.~~

~~**Paragraph 1**—The Company's representation in agreements, additions and terminations with business' agents, partners and associated companies, agreements with service and~~

~~relationship managers, specific skill agreements, products intelligence development agreements (DIP), solutions and services development agreements (DSS), independent seal agreements, services agreement, as well as the execution of use rights assignment agreements, technological upgrade and evolution maintenance agreements, services and relationship maintenance agreements, customized services agreement and the respective commercial proposals.~~

~~Paragraph 2—The Company’s representation for signing employee cards, any vacation related documents, employee severance indemnity fund, unemployment insurance, the Annual Listing of Information and Salaries (RAIS), social security (INSS) documents related to the employee’s absence period, documents related to the Federal Savings Bank (Caixa Econômica Federal), employees’ representations, employees’ agreements, probationary period agreements and any termination of employment.~~1 – The Company may be represented by a single Executive Officer or a single proxy in the following cases: (i) before any direct or indirect Public Administration body for the purposes of acts not involving the acceptance or waiver of rights and obligations; (ii) pursuant to “ad judicium” powers-of-attorney; and (iii) at general shareholders’ meetings, or meetings of shareholders or quota-holders in companies or investment funds where the Company is a participant; and (iv) elsewhere as specified by the Board of Directors.

~~Paragraph 3—The Company’s representation as plaintiff or defendant in court shall be carried out by the CEO or any Vice President or any Executive Officer, individually or through a letter of appointment of agent.~~2 – All powers-of-attorney shall be granted jointly by two (2) Executive Officers.

~~Paragraph 4—Company’s ad judicium attorney for representation in court, actively or passively, will give: (i) President or (ii) 01 (one) Vice President, or (iii) Legal Officer, the latter can sub delegate this power.~~3 – The Company shall be represented in isolation by any of the Executive Officers or a duly appointed proxy for the purposes of service of process or legal notices and for personal testimony.”

#### A.7 Exclusion of Article 17, Paragraph 2, and of Article 60, concerning application of the ban on positions accumulation

Given the approaching term of the transition period provided in item 14.5 of Section XIV of the Novo Mercado Listing Regulations, and that the positions of Chairman of the Board of Directors and President or CEO of the Company are no longer accumulated in a single individual, the contents of Article 17, paragraph 2, and Article 60 no longer make sense for the Company’s purposes and must therefore be deleted.

#### A.8 Renumbering of the Articles of the Bylaws as a result of the exclusions as per items (f) and (g), above

Given the amendment suggested in foregoing item A.5, the Articles that follow Article 26 must be renumbered and the Bylaws shall be amended to that cross references are accurate given the draft provided in the present proposal.

**B. PROPOSED DRAFT OF THE COMPANY’S BYLAWS – MARKED COPY**

**BYLAWS OF TOTVS S.A.**

**CHAPTER I  
NAME, HEAD OFFICE, BUSINESS PURPOSE AND VALIDITY**

**CHAPTER I  
NAME, HEAD OFFICE, BUSINESS PURPOSE AND VALIDITY**

**Article 1** - TOVTS S.A. (“Company”) is a corporation ruled by these Bylaws and the applicable legislation.

**Paragraph 1** – With the Company’s admission in special listing segment called Novo Mercado (“Novo Mercado”) of BM&FBOVESPA (Stock Exchange, Commodities and Futures (“BM&FBOVESPA”), subject the Company, its shareholders, officers and members of Audit Committee, when installed, the provisions of the Listing Rules of BOVESPA’s Novo Mercado ("Novo Mercado Rules").

**Paragraph 2** - The provisions of Novo Mercado must prevail over statutory provisions, in case of injury to the rights of recipients of public offerings provided herein.

**Article 2** - The Company has its head office and jurisdiction in the City of São Paulo, State of São Paulo, and the Board of Directors is responsible for establishing its exact location.

**Sole Paragraph** – The Company may open and close bureaus, branches, warehouses, offices and any other establishments in or out of the country as well as change their address upon resolution by the Board of Directors.

**Article 3** – The Company’s main corporate purpose is the creation and development of computerized systems (software). As its secondary activities to provide consultancy, advisory, exploitation of rights of use of own or third-party computer-based systems, including by means of software and hardware rent, providing data processing and training services, and the purchase and sale of computers and related accessories, peripherals and supplies, being authorized to import goods and services related to its main activity, concession of franchising, retail trade of clothes, related products and its accessories, research and technology innovation activities, IT technical support including installation, set up and maintenance of computer programs and databanks, business management consultancy services, data handling, hosting, portals, Internet provision and information services, outsourcing, in addition to holding interest in other companies as a partner, shareholder or quotaholder.

**Article 4** - The Company’s validity period is indeterminate.

## CHAPTER II CAPITAL STOCK

**Article 5** – The Company’s corporate capital fully subscribed and paid in is ~~of four~~five hundred and ~~eighty~~twenty-six million, five hundred and ~~fifty-three~~ninety-two thousand, one hundred and ~~forty~~two Brazilian Reais, ~~and thirteen cents (R\$480,553,140.13 and twenty two centavos (R\$ 526,592,102.22)~~, divided into one hundred and sixty ~~one~~three million, ~~six~~four hundred and ~~twenty-four~~sixty-seven thousand and ~~eight hundred and thirty (161,624,830)~~seventy one (163,467,071) registered, book-entry common shares, without par value.

**Article 6** – The Company is authorized to increase its capital stock, up to the limit ~~of five~~eight hundred ~~and forty~~ million (800,000,000) Brazilian Reais ~~(R\$540,000,000.00).~~

**Paragraph 1** – Within the limit authorized in this Article, the Company may, upon resolution of the Board of Directors, increase its capital stock, irrespective of any amendment to the Bylaws. The Board of Directors shall establish the issue conditions, including the price and payment period.

**Paragraph 2** - Within the limit of authorized capital, the Board of Directors may determine the issue of subscription bonus.

**Paragraph 3** - Within the limit of authorized capital and in accordance with the plans approved by the General Meeting, the Board of Directors may grant stock option or share subscription to its managers (“Managers”) and employees (“Employees”), as well as to the managers and employees of other companies directly or indirectly controlled by the Company, without granting preemptive rights to shareholders.

**Paragraph 4** - The Company is barred from issuing founders’ shares.

**Article 7** - The capital stock shall be solely represented by common shares and each common share be entitled to a vote with respect to the resolutions of the General Meeting.

**Article 8** - All Company’s shares are registered and held in a deposit account with a financial institution authorized by the Brazilian Securities Commission (“CVM”), on behalf of their holders, without certificates.

**Sole Paragraph** - Any transfer and registration costs, as well as any service costs related to the registered shares, may be charged directly from shareholders by the underwriting institution, as to be defined in the stock registration agreement.

**Article 9** - The Board of Directors may decide on the exclusion or reduction of preemptive rights for the purpose of issuing shares, debentures convertible into shares and subscription bonuses, whose placement takes place by sale in stock exchanges or public subscription, or through swap of shares in a public tender offer, as provided by law, within the limits of authorized capital.

### **CHAPTER III GENERAL MEETING**

**Article 10** - The General Meeting shall regularly meet once a year and, on an extraordinary basis, when called, pursuant to Law 6,404, of December 15, 1976 (“Brazilian Corporation Law”) or these Bylaws.

**Paragraph 1** - Any General Meeting’s resolutions shall be taken by the absolute majority of votes cast, in conformity with the provisions of Article 50 of these Bylaws.

**Paragraph 2** - The General Meeting resolving on deregistration of the Company as a publicly held company, or its delisting from the Novo Mercado shall be called with at least thirty (30) days in advance.

**Paragraph 3** - Any resolution about any change to or exclusion of Article 44 of these Bylaws shall be taken by the absolute majority of votes, complying with the required minimum quorum of thirty per cent (30%) of the voting capital for taking resolutions.

**Paragraph 4** - The General Meeting may only resolve on the agenda matters included in the respective call notice, subject to the exceptions set forth in the Brazilian Corporation Law.

**Paragraph 5** - At the General Meetings, the shareholders shall submit the following documentation, with at least forty eight (48) hours in advance, and in addition to the identity card and/or applicable corporate documents evidencing legal representation, as the case may be: (i) evidence issued by the underwriting institution, no longer than five (5) days before the date the General Meeting is to be held; (ii) the proxy with the grantor’s notarized signature; and/or (iii) with respect to the shareholders taking part in the fungible custody of book-entry shares, the statement including the respective ownership interest issued by the applicable body.

**Paragraph 6** - The minutes of Meetings shall be: (i) drawn up in the General Meetings Minutes Book as a summary of the events occurred, including the summarized indication of the votes cast by the attending shareholders, the blank votes and abstentions; and (ii) published without signatures.

**Article 11** - The General Meeting shall be installed and presided over by the Board of Directors’ Chairman or, in his absence or impediment, installed and presided over by another Board Member, Executive Officer or shareholder nominated in writing by the Board of Directors’ Chairman. The General Meeting’s Chairman shall nominate up to two (2) Secretaries.

**Article 12** - In addition to the duties provided for by law, the General Meeting shall be responsible for:

- (i) electing and dismissing any Board of Directors’ members;
- (ii) establishing the overall annual compensation of the members of the Board of Directors and of the Board of Executive Officers, as well of the Fiscal Council, if convened;
- (iii) changing the Bylaws;

- (iv) resolving on the dissolution, winding-up, merger, spin-off, amalgamation of the Company or of any company controlled by the Company;
- (v) assigning share bonuses and deciding on possible splits or reverse splits of shares;
- (vi) approving plans for granting of stock options or share subscription to its Managers or Employees, as well to the managers and employees of other companies directly or indirectly controlled by the Company;
- (vii) resolving, in accordance with proposal submitted by management, on the appropriation of income for the year and dividend distribution;
- (viii) electing the liquidator, as well as the Fiscal Council which shall operate during the winding-up period;
- (ix) resolving on the delisting from the Novo Mercado of BM&FBOVESPA;
- (x) resolving on the Company's deregistration as a publicly-held company with the CVM, except for the provisions of Article 49 (ii) of these Bylaws;
- (xi) choosing a specialized company, out of the companies nominated by the Board of Directors, which shall be responsible for preparing an appraisal report on the Company's shares in the event of its deregistration as a publicly-held company or delisting from the Novo Mercado, as set forth in Chapter VII of these Bylaws; and
- (xii) resolving on any matters submitted by the Board of Directors.

## **CHAPTER IV MANAGEMENT BODIES**

### **Section I - General Provisions Common to the Management Bodies**

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

**Paragraph 1** - The office of the members of the Board of Directors and the Executive Officers shall be carried out through an instrument drawn up in the Company's records, to be executed by the invested manager, waiving any management guarantee, and is conditioned to the prior execution of the Management's Instrument of Consent referred to by the Novo Mercado Regulation, as well as the attendance of other legal requirements.

**Paragraph 2** - The Managers shall remain in their positions up to the investiture of their deputies, except if resolved differently by the General Meeting of the Board of Directors, as the case may be.

**Article 14** - The General Meeting shall establish the overall annual compensation for distribution among Managers, and the Board of Directors shall be responsible for individually allocating such amounts, after considering the [Personnel and Compensation](#) Committee report, pursuant to the provisions of Article 20 of these Bylaws.

**Article 15** - Save in accordance with the provisions of these Bylaws, any of the management bodies or technical committees shall legally meet with the attendance of the majority of its respective members, and resolutions shall be taken by absolute majority of votes of the attending members.

**Sole Paragraph** - For the meeting to be valid, the prior call for the meeting may only be waived if all members are present. Any management body members who state their vote

by means of a proxy in favor of another member of the respective body, either by written vote in advance or written vote transmitted by fax, electronic mail or by any other means of communication shall be deemed as present.

## **Section II - Board of Directors**

**Article 16** - The Board of Directors shall be composed of at least five (5) and at the most nine (9) members, elected and dismissible by the General Meeting, with a unified term of office of two (2) annual years, with reelection allowed.

**Paragraph 1** - At least twenty percent (20%) of the Board of Directors' members must be Independent Members, as defined in the Novo Mercado (as transcribed in Paragraph 2 of this article), and expressly as such in the minutes of the General Assembly that elects, and also considered as independent (s) number (s) Advisor (s) elect (s) by faculty provided for in Article 141, §§ 4 and 5 and Article 239 of Law 6.404/76 ("Corporation Law") in Paragraph 2 of this Article. In the event, as a result of the compliance with this percentage, the outcome is a fraction number of Board Members, there shall be a rounding to a full number, as follows: (i) immediately higher, when the fraction is equal to or higher than five tenths (0.5); or (ii) immediately lower, when the fraction is lower than five tenths (0.5), according to the "Novo Mercado Rules".

**Paragraph 2** - An "Independent Member", according to the Novo Mercado Rules, is characterized as: (i) not having any relationship with the Company, except for interest in the capital stock; (ii) not being the Controlling Shareholder (as defined in Article 41, Paragraph 1 of these Bylaws), spouse or relative up to second degree of consanguinity of the Controlling Shareholder, not being or not having been, for the last three (3) years, related to a company or entity related to the Controlling Shareholder (except for any persons related to public education and/or research institutions); (iii) not being, in the last three (3) years, an employee or executive officer of the Company, the Controlling Shareholder or company controlled by the Company; (iv) not being a direct or indirect supplier or purchaser of services and/or products of the Company, in such a volume that it may imply loss of independence; (v) not being an employee or manager of a company or entity that is offering or demanding services and/or products to/from the Company, to a degree that results in independence loss; (vi) not being the spouse or relative up to second degree of consanguinity of any manager of the Company; (vii) not receiving other compensation from the Company in addition to the one he/she receives as a Board Member (amounts in cash arising from interest on capital are excluded from this restriction).

**Paragraph 3** - At the Annual General Meeting the purpose of which is to resolve on the election of the Board of Directors, having in mind the expiration of the Board's term of office, the shareholders shall determine the effective number of members of the Board of Directors for the next term.

**Paragraph 4** - The Board of Directors' members shall have flawless reputation, and may not be elected, except for General Meeting waive, any individual who (i) holds positions in companies which may be deemed as Company's competitors; or (ii) has or represents any interests conflicting with the Company. Members of the Board of Directors shall not exercise their voting right in case the aforementioned impediment factors occur.

**Paragraph 5** - The Board of Directors' members may not have access to any information or take part in any Board of Directors' meetings related to matters they have or represent any interests which conflict with those of the Company.

**Paragraph 6** - For better performance of its duties, the Board of Directors may set up, in addition to the [Personnel and Compensation Committee](#), any committees or workgroups with defined purposes, always seeking to advise the Board of Directors, and these committees shall be composed of individuals nominated among management and/or other persons directly or indirectly related to the Company.

**Paragraph 7** - In the event any shareholder is willing to nominate one or more representatives to comprise the Board of Directors who are not members in its most recent composition, such shareholder shall notify the Company in writing five (5) days prior to the General Meeting which will elect the Board Members, by reporting the name, qualification and the complete professional résumé of such candidates.

**Article 17** - The Board of Directors shall have one (1) Chairman and one (1) Vice-Chairman, who shall be elected by absolute majority of votes of the attendees, at the first Board of Directors' meeting held immediately after the investiture of such members, or in case of a resignation or vacancy in these positions. The Vice-Chairman shall exercise the Chairman's duties in his temporary absences and impediments, irrespective of any formality. In the event of any temporary absence or impediment of the Chairman and the Vice-Chairman, the Chairman's duties shall be exercised by another Board of Directors' member nominated by the Chairman.

**Paragraph 1** - The positions of Chairman of the Board of Directors and Chief Executive Officer or Main Executive Officer of the Company may not be accumulated by the same person.

**Paragraph 2** ~~-The non-accumulation of positions set out in paragraph 1 above shall be upheld only after the timeframe referred to in article 60 of these Bylaws has elapsed.~~**Paragraph 3**- The Board of Directors' Chairman shall call and chair the Board meetings and the General Meetings, except for, with respect to the General Meetings, the cases in which another Board Member, Executive Officer or shareholder is appointed by the Chairman in writing to preside over the meeting.

**Paragraph 43** - In the Board of Directors' resolutions, the Chairman shall be entitled to the casting vote in case of a draw.

**Article 18** - The Board of Directors shall regularly meet four (4) times per year, and on an extraordinary basis, whenever called by the Chairman or by the majority of its members. The Board meetings may be held via conference call, videoconference or by any other means of communication that allows for the identification of the member and the simultaneous communication with all other persons attending the meeting.

**Paragraph 1** – Calls for the meetings shall be made by means of a written notice to be delivered to each Board Member at least five (5) days in advance, including the agenda, place, date and time of the meeting.



**Paragraph 2** - All Board of Directors' resolutions shall be stated in the minutes drawn up in the respective Minutes Book of the Board of Directors' Meetings and executed by the attending Board Members.

Article 19 — In addition to other duties assigned to it by law or these Bylaws, the Board of Directors shall be responsible for:

- ~~(i)~~ (i) establishing the overall guidance for the Company's business;
- ~~(ii)~~ (ii) electing and dismissing the Company's executive officers and establishing their duties;
- ~~(iii)~~ — assigning to each Executive Officer his/her respective role and duties, including appointing the Investor Relations Officer, pursuant to the provisions of these Bylaws;
- ~~(iv)~~ — resolving on the call of (iii) calling the General Meeting, when deemed applicable, or pursuant to Article 132 of the Brazilian Corporation Law;
- ~~(v)~~ (iv) inspecting the Executive Officers' management, ~~by~~ reviewing, at any time, the Company's books and papers and requesting information on any agreements entered into or to be entered into and any other acts;
- ~~(vi)~~ (v) choosing and dismissing the Company's independent auditors;
- ~~(vii)~~ — calling the independent auditors to provide any clarifications deemed necessary on any matter;
- ~~(viii)~~ — examining (vi) providing a prior opinion on the Management Report and the accounts of the ~~Board of~~ Executive Officers and resolving on their submission to the General Meeting;
- ~~(ix)~~ (vii) approving the annual and multiannual budgets of the Company, its controlled and affiliated companies, the strategic plans, the expansion projects and investment programs of the Company, as well as following its performance;
- ~~(x)~~ — resolving on the opening and closing of bureaus, branches, warehouses, offices and any other establishments of the Company in or out of the country as well as on changing their address;
- ~~(xi)~~ — submitting to the General Meeting a proposal for amendment to the Bylaws;
- ~~(xii)~~ — submitting to the General Meeting a proposal for dissolution, merger, spin-off and amalgamation of the Company as well as for merger of other companies into the Company;
- ~~(xiii)~~ — stating its position in advance on any issue to be submitted to the General Meeting;
- (viii) resolving on the opening, closing and modification of branches of the Company, domestically and abroad;
- ~~(xiv)~~ (ix) authorizing the issue of Company's shares, ~~within the limits authorized in Article 6 of these Bylaws, by establishing the conditions of issue, including price and payment period, and also excluding the preemptive right or reducing its exercise for issues of shares, subscription bonuses and convertible debentures, the placement of which takes place by sale in stock exchanges or public subscription, or through swap of shares in a public tender offer, pursuant to the law~~ and subscription bonuses, within the Company's authorized capital limit;
- ~~(xv)~~ (x) resolving on the Company's purchase of its own shares to be held in treasury and/or for later cancellation or sale;
- ~~(xvi)~~ — resolving on the issue of subscription bonuses, as set forth in Paragraph 2 of Article 6 of these Bylaws;

~~(xvii)~~ (xi) resolving on the granting of stock options or share subscription to its Managers and Employees, as well as to the managers and employees of other companies directly or indirectly controlled by the Company, without preemptive rights for any shareholders pursuant to the plans approved at General Meetings, after taking into account the ~~Compensation Committee Report~~ Personnel and Compensation Committee Report;

~~(xviii)~~ — determining the amount of profit sharing for the Company's Executive Officers and Employees, after considering the ~~Compensation Committee Report~~, having the power to decide for the non-allocation of any profit sharing amount;

~~(xix)~~ (xii) submitting to the Annual General Meeting a proposal for allocation of the fiscal ~~year~~ years's net income;

~~(xx)~~ (xiii) distributing among the Executive ~~officers~~ Officers, individually, the portion of the overall annual compensation of the Managers established by the General Meeting, after considering the Personnel and Compensation Committee Report;

~~(xxi)~~ — authorizing, after considering the ~~Compensation Committee Report~~, the execution, amendment or termination of any agreement between the Company and any Executive Officer that contemplates the payment of amounts, including payment of indemnity sums, due to (a) voluntary or involuntary termination of employment of the Executive Officer; (b) change of Control; or (c) of any other similar event;

~~(xxii)~~ — authorizing, after considering the ~~Compensation Committee Report~~, the execution, amendment or termination of agreements of any nature (except for employment contracts), including loan agreements, with any (xiv) resolving on any deals or agreements between (a) the Company and its controlled companies (except for wholly-owned controlled companies) and (b) between the Company or its controlled companies (whether wholly owned or not) and any of their Managers and/or shareholders ~~of the Company, third parties related to them, including~~ (except for employment contracts) to include companies directly or indirectly controlled by said managers and/or shareholders, or by any third parties related to them;

~~(xxiii)~~ — authorizing, after considering the ~~Compensation Committee Report~~, the execution, amendment or termination of agreements of any nature, including loan agreements, with any consultants or Employees ~~a~~ (except for employment contracts), third parties related to them, including companies directly or indirectly controlled by said Employees, or by any third parties related to them;

~~(xxiv)~~ — resolving on the issue of simple debentures, not convertible into shares and without collateral;

~~(xxv)~~ (xv) resolving, as delegated by the General Meeting, when debentures are issued by the Company, on the period and conditions for maturity, amortization or redemption, on the period and conditions for payment of interest, profit sharing and repayment premiums, if any, and on the subscription and placement methods, as well as the types of debentures;

~~(xxvi)~~ — preparing the Company's internal policy for disclosure of information to the market;

~~(xxvii)~~ — approving the Company's vote on any corporate resolution concerning the Company's controlled or affiliated companies;

~~(xxviii)~~ — approving the shareholding and the sale of shareholding of the Company in other companies;

~~(xxix)~~ — authorizing the acquisition, by any means, of assets from other companies, including from controlled or affiliated companies;

~~(xxx)~~ — requesting information on the agreements executed or about to be executed, and on any other acts related to the Company;

~~(xxxi) — defining a list with three names of companies specialized in company valuation, for preparation of an appraisal report of the Company's shares, in case of deregistration as a publicly held company or delisting from the Novo Mercado, as set forth in Article 50 of these Bylaws;~~

~~(xxxii) — approving the hiring of an institution to provide share bookkeeping services;~~

~~(xxxiii) — deciding, subject to the rules of these Bylaws and the legislation in force, the order of its works and adopting or establishing statutory rules for its operation;~~

(xvi) resolving on the subscription, purchase, sale or encumbrance by the Company of any shares or securities issued by any of the Company's controlled or affiliated companies, except in connection with operations involving exclusively the Company and wholly owned entities;

(xvii) resolving on the Company's participation in other societies, as well as any involvement in other endeavors, including as a member of a consortium or a party to a silent partnership.

~~(xxxiv)~~ (xviii) deciding on the payment or credit of interest on equity to shareholders, according to applicable laws;

~~(xxxv) — establishing the powers of the Board of Executive Officers for issuing any credit instruments for the purpose of raising funds, as "bonds", "notes", "commercial papers", or other instruments commonly used in the market, as well as resolving on their issue and redemption conditions, having the power, when the Board so decides, to request the prior authorization of the Board of Directors as a condition for validation of the act;~~

~~(xxxvi) — authorizing the acquisition, sale or encumbrance of the Company's real estate;~~

~~(xxxvii) — approving the sale of movable property of the permanent assets in an amount higher than five percent (5%) of the subscribed capital stock amount;~~

~~(xxxviii) — to approve the constitution of real estate guarantees, sureties or aval guarantees, except when the guarantee arises from the acquisition of the asset or from agreements executed with the Company's clients;~~

~~(xxxix) — approving investments in expansion and improvement projects in an amount higher than five percent (5%) of the subscribed capital stock amount;~~

~~(xl) — contracting short or long term debts in an amount higher than five percent (5%) of the subscribed capital stock amount;~~

(xix) resolving on the distribution of interim dividends, including at the expense of accumulated profits or profit reserves from the latest annual or interim balance sheet;

~~(xli)~~ (xx) resolving on the assignment or transfer to a third party, by any means, of intellectual or industrial rights of the Company and/or of a company directly or indirectly controlled by it or its affiliated companies, except for a remunerated licensing made by the Company in the ordinary course of business;

~~(xlii) — authorizing the granting of loans in favor of any third party;~~ (xxi) authorizing the following acts in amounts exceeding five (5) percent of the subscribed corporate capital, such amount to be taken in consideration of isolated transactions or sets of related transactions: (a) purchase by the Company, by any means, of assets in other societies, including its controlled or affiliated companies; (b) divestiture of assets from permanent assets, (c) provision of warranties of any nature by the Company; (d) granting of loans in favor of any third parties; (e) investing in expansion and improvement projects; (f) entering into long- or short-term debt operations; and (g) entering into any long-term agreements (with a duration in excess of one year);

~~(xlili) — authorizing the drawing up of the financial statements and the distribution of dividends or interest on equity in equal periods or periods shorter than six (6) months, to the earned income account in these financial statements or to the account of retained~~

~~earnings or of profit reserves of the last annual or biannual balance sheet, as provided for in these Bylaws and in the applicable laws;~~

~~(xliv) — resolving on any matter submitted to it by the Board of Executive Officers;~~

~~(xlv)-(xxii)~~ manifesting favorable or otherwise regarding any public offer of shares that has as object the shares of the Company, through prior informed opinion, issued within ~~15~~ (fifteen (15)) days of publication of the notice of public offering acquisition of shares, which should address at least (a) the convenience and opportunity of the public offer for acquisition of shares and the interest of all shareholders ~~and~~ in relation to the liquidity of the securities it owns, (b) the impact of supply public acquisition of shares over the interests of the ~~Company~~company, (c) strategic plans disclosed by the issuer in relation to the Company, (d) other items which the Board deems appropriate, as well as information required by applicable rules established by the CVM.—

**Sole Paragraph -1-** The Company shall not grant loans or guarantees to its Board of Directors' members or Executive Officers, except proportionally to the extent that these loans or guarantees are available to the Employees or clients of the Company.

Paragraph 2 – A representative of the Company's vote in favor of any resolution regarding the topics listed in Article 19 at General Meetings and other corporate bodies of the Company's directly or indirectly controlled companies shall require the approval of the Company's Board of Directors.

**Article 20** – The Board of Directors shall elect one (1) external member and one (1) Board member, among its members, who shall comprise the Personnel and Compensation Committee together with the Chief Executive Officer (CEO) and the Human Relations and Organizational Infrastructure Vice President with a term of office of two (2) annual years, which shall meet whenever necessary. The Personnel and Compensation Committee shall exercise consulting functions in accordance with its bylaws and shall assist the Board of Directors to establish the terms of the compensation and other benefits and payments to be received on any account from the Company by Executive Officers and Board Members. The following is incumbent upon the Personnel and Compensation Committee:

(i) submitting to the Board of Directors a proposal for distribution of the overall annual compensation to the Executive Officers and Board Members, based on the ~~software~~information technology market standards and following up on the payment of compensation and, if the compensation is not in line with the ~~software~~information technology market standards, informing said fact to the Board of Directors; ;

(ii) expressing an opinion on the grant of stock options or share subscriptions to the Company's Managers and Employees;

(iii) expressing an opinion on the profit sharing of the Company's Executive Officers and Employees; ~~(iv) expressing an opinion on the execution, amendment or termination of any agreement between the Company and any Executive Officer that contemplates the payment of amounts, including payment of indemnity sums, due to the voluntary or involuntary termination of employment of the Executive Officer, a change of Control, or any other similar event; (v) expressing an opinion on the execution, amendment or termination of agreements of any nature (except for employment contracts), including loan agreements, with any Managers and/or shareholders of the Company, third parties related to them, including companies directly or indirectly controlled by said managers and/or shareholders, or by any third parties related to them; (vi) expressing an opinion on~~

~~the execution, amendment or termination of agreements of any nature, including loan agreements, with any consultants or Employees a (except for employment contracts), third parties related to them, including companies directly or indirectly controlled by said Employees, or by any third parties related to them Employees.~~

### **Section III- Board of Executive Officers**

Article 21 – The Board of Executive Officers, ~~whose members shall be made up of a minimum of five (5) and a maximum of twenty (20) members, including the following positions, whose duties shall be elected and removable from office at any time determined by the Board of Directors, shall comprise of at least five (5) and at the most twenty-six (26) Executive Officers, designated as follows: (i) Chief Executive Officer (CEO); (ii) Human Relations and Organizational Infrastructure Vice, (ii) President; (iii) up to eight (8) Vice-Presidents, and (iv) up to ten (10) Executive and Financial Vice President; (iv) Business Vice President; (v) Innovation and Technology Vice President; (vi) Services and Relationship Vice President; (vii) Systems and Segments Vice President; (viii) Clients and Remote Services Vice President; (ix) Investor Relations Officer; (x) Marketing and Alliances Officer; (xi) Corporate Finance Officer; (xii) Legal Officer; (xiii) Planning and Controlling Officer; (xiv) two (2) Segment officers; (xv) one (01) Commercial Intelligence, Channels and Education Officer; (xvi) five (05) Service and Relationship Officer; (xvii) four (04) Business Officers; (xviii) Alliances and New Businesses Officer~~ The Officers. Executive Officers may accumulate ~~roles~~ positions and shall ~~have~~ serve for a unified term of ~~office of two (2) annual year~~ terms, and ~~where~~ an “annual year” term shall be ~~construed as deemed to be~~ the period within between two (2) ~~Annual~~ 20 Ordinary General Meetings, ~~with reelection allowed. The Board of Directors shall appoint one of the Executive Officers of the Company for the position of Investor Relations Officer. Reelection shall be permitted.~~

Article 22 – ~~The~~ In the event of the absence or impediment of any Executive Officer, the Board of Executive Officers shall be elected within up to five (5) business days after the Annual General Meeting, and the investiture of the elected members may coincide with the end of the term of office of their predecessors. name a pro-tem replacement from among its members, with the condition that the Chief Executive Officer and the President shall stand in for one another in the performance of the respective duties, including where such a position is not filled or is left vacant mid-term.

Article 23 – ~~In the event of occasional absences or impediments of the CEO, he/she shall be replaced by another Executive Officer chosen by him. Should the CEO position become vacant, his interim substitute shall be chosen among the other Executive Officers, by resolution of the Executive Officers themselves, and shall assume the office of the CEO until the first subsequent meeting of the Board of Directors. Said meeting shall be promptly called by the Board of Directors’ Chairman and shall appoint the CEO’s substitute to remain in office until the end of term of the replaced CEO. In the event of the vacancy of any position, the Board of Directors may designate a replacement Executive Officer who shall serve for the duration of the remained of the replaced Executive Officer’s term.~~

**Sole Paragraph** – ~~The other Executive Officers shall be replaced, in the event of temporary absence or impediment, by another Executive Officer, chosen by the CEO. Should an Officer position become vacant, his interim substitute shall be chosen by the~~

~~CEO and he/she shall assume said office until the first subsequent meeting of the Board of Directors, which will appoint a substitute to remain in office until the end of term of the replaced officer.~~

Article 24 —~~The Vice-Presidents and Executive Officers shall have the following duties and powers, in addition to those provided for by law: collaborate with the Chief Executive Officer and the President in the management of business and the conduction of corporate services.~~

~~(i) — It shall be incumbent upon the Chief Executive Officer (CEO): to implement and cause implementation of the resolutions of the Management's General Meetings; coordinate the activities of the other Vice Presidents, observing the specific duties set forth in these Bylaws; oversee all of the Company's operations, following up on their progress; call and preside over the Board of Executive Officers' meetings; personally represent, or through an attorney in fact appointed by him/her, the Company in the meetings or other corporate acts of the companies he/she takes part in; make the connection with the Board of Directors, proposing, without exclusivity of initiative, the assignment of duties of each Vice President and executive officer at the time of their election; appoint the substitutes of other executive officers in case of their temporary absence or impediment; appoint an interim substitute if there is a vacant position; be responsible before the Board of Directors for all the activities of the organization, for the growth strategy, management of people and profitability of the organization; guaranteeing the specific assignments provided for in this Bylaws; steer the organization, establishing plans, strategies and long term policies and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(ii) — It shall be incumbent upon the Human Relations and Organizational Infrastructure Vice President, to answer for the people and establish corporate policies and programs for the management of all Human Resources of the Group; acting to strongly support organization businesses, answering for the processes of Attraction and Involvement, Organizational Culture (training and development), Remuneration and Benefits (fixed and variable remuneration and commissioning, expatriated, personnel movement, financial analysis) and Union Relations; planning, defining and managing all the activities related to the support to Information Technology of the Group, leading the team formed by the areas of Information Technology (IT) and Infrastructure; answering for the Shared Services Center of the Company, where transactional processes are performed (Accounting, Accounts Payable, Treasury, Accounts Receivable, Cash and Banks, billing agreements, Payroll, Personnel Administration); answering for the areas of Supplies and Facilities (Administrative Services and Property Security); analyzing the accounting records for the transactions of which the Company is part; controlling the compliance with financial commitments, in reference to legal, administrative, budgetary, tax and contractual requirements of operations, interacting with the involved parties; directing and reviewing all the financial statements; managing the expenses, receipts and cash flows of the areas; controlling the performance of financial commitments in reference to legal, administrative, budgetary, tax and contractual requirements of operations, interacting with the involved parties; coordinating the implementation of financial systems and management information; preparing accounting records for Company transactions; coordinating the implementation of financial and information systems; preparing the accounting records of Company transactions; indicating the substitute of other directors in the case of absence or temporary impediment; indicating~~



~~the temporary substitute in cases of vacancy, and performing other tasks that may be, from time to time, assigned by the Board of Directors;~~

~~(iii) — It shall be incumbent upon the Executive and Financial Vice President: to represent the Company before inspection agencies and other institutions operating in the capital markets; monitor the compliance with any obligations set forth in the Bylaws by the shareholders and submit to the General Meeting and the Board of Directors, upon request, his/her conclusions, reports and diligence; coordinate and direct the assigned activities of the following areas: financial and shared services, strategic planning, model and processes, investor relations, mergers and acquisitions, and legal office. He/she is responsible for establishing a connection with the Audit Committee for the purposes of quality control of the organization's processes through internal and external audits. He/she also shall coordinate and oversee the performance and results of the controllership and financial areas according to set targets; be responsible for the optimization and management of the Company's financial economic information; supervise the Company's budget in accordance with the established plans and programs; manage financial resources and managerial information; analyze accounting records of the transactions that the Company is a party to; promote studies and propose alternatives for economic financial balance; coordinate and prepare the Company's financial statements and the management annual report; present and submit to the Board of Directors the financial statements and any and all matters that need his/her consideration and resolution Controlling (Budget, "Strategic" Accounting (accounting standards), Tax Planning; answering for Bank Relationship, Institutional Marketing and Alliances, International Market, TOTVS Ventures ("incubator" and Risk Capital), Auditing and Risks; and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(iv) — It shall be incumbent upon the Business Vice President to: Plan, organize, define and coordinate all the activities of business under his/her responsibility, complementing the traditional solutions of management systems, proposing strategies and guaranteeing that these are maintained, always having in mind the business costs and the scope of expected results; adjusting the strategies according to market conditions and competition strategies; negotiating and administrating the results to be obtained, as well as the values to be invested per project and/or business; and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(v) — It shall be incumbent upon the Innovation and Technology Vice President: to plan, establish and manage the operating strategy for procedures concerning research and development, innovation and improvement of technologies used by the brands, so as to ensure competitiveness of the new products and solutions; propose, follow up on and implement the development of new products in accordance with established deadlines and quality; be up to date with regard to the research and technological advances in order to plan, establish and coordinate the implementation of the best practices for technological and development research of basic software and application infrastructure; manage budgets to ensure short and long term research and development; establish procedures for ensuring the development of new products and research for innovation and improvement of existing products, in accordance with set standards; make sure that technological development projects are implemented as planned, observing agreed costs, deadlines and quality; research, create and recommend the acquisition of product development tools, such as technology; plan, establish and coordinate the Company's~~

process mapping activities, ensuring the improvement of these activities, so as to leverage Company's productivity and profitability; and perform other duties that from time to time might be assigned to him/her by the Board of Directors;

~~(vi) — It shall be incumbent upon the Services and Relationship Vice President: to plan, organize and direct activities involving the trading relationship of the Company's distribution (branches and franchise) network; establish and define the Company's sales guidelines and policies; managing sales and client services operations; managing the profitability of growth of one or several profit center, which are constituted as business units; establishing and defining the directives and sale policies of sales of the Company; promote client management; coordinate and oversee the sales and client support services areas, in accordance with set targets; manage resources for marketing and guaranteeing the sale and delivery of products and services; formulate and implement operating strategies, with the purpose of assuring that the invoicing and profitability objectives are reached; demand market and competition survey; develop and implement sales distribution strategy; set product prices; recommend launching of new products; make operational, implement and follow up on the process of services rendered to the Company's clients; recommend strategic alliances for development of the operations; and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(vii) — It shall be incumbent upon the Systems and Segments Vice President to: Assist the Technology Committee in their strategic decisions involving technological matters; answering for all segments; he is the "Main Products Manager" of TOTVS; establishing the connection between the development of systems and the client; defining strategies for the offer of software and go to market for the segments; contributing with improvement suggestions for the development of software of the Company, and also foster the development strategy of system and service; design and develop the information into technological solutions for external clients; suggesting and accompanying new systems of the Company; plan, guide and coordinate the activities of production units, referring to resource management; being responsible for creating interdependencies between brands and that this be obtained with the highest possible level of technological synergy; implementing ongoing improvements in the software development processes, in order to achieve a high level of maturity; applying the best practices and most advanced methodologies to deal with change in development, technology and client environments; and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(viii) — It shall be incumbent upon the Clients and Remote Services Vice President to: Coordinate and supervise the provision of support, technical and non-technical services provided by the holding company (Help Desk, SLA, Telephonic Consulting and Corporate Ombudsman) to clients according to the established goals; manage and organize the processes of assured quality in the development of software and the processes of assured quality of businesses of the Company; being responsible for the certification processes (except for Sarbanes Oxley); being responsible for managing of all the software shipment processes, and all the platform and database homologation processes; standardizing the tools of the development and service cycles; standardizing and guaranteeing the compliance with standards of processes and delivery of knowledge objects; standardizing the usability; search for unity in the different means of relationship with clients (Documents, Portals, Correspondences, PPTs, stationary and others); P&L~~



~~and the operation of services not connected to any specific geography are under the management of this Vice-President (Software Factory, BPO and Data Center); and perform other duties that from time to time might be assigned to him/her by the Board of Directors;~~

~~(ix) — It shall be incumbent upon the Investor Relations Officer: to plan, organize and direct investor relations activities; maintain and improve the relationship and communication between the organization and the investing public, shareholders and professionals of the financial area; plan Company communication with capital markets, domestically and/or abroad, by preparing information of several internal areas such as accounting, planning, communication, marketing and finance, which will be destined to shareholders, investors and related parties, being mainly available to investors for providing information and clarifying matters related to financial and market operations; thus ensuring that the Company is competent when disclosing information on its businesses to said public; also assist in the conduction of projects, reports, balance sheets, among others; and perform other duties that from time to time might be assigned to him/her by the Board of Directors and by the Vice-President to whom it reports to;~~

~~(x) — It shall be incumbent upon the Marketing and Alliances Officer: to plan, establish and manage all Marketing activities (market analysis and advertising), as well as develop short and long term policies and programs; establish the corporate image standard in order to improve Company visibility and competitive position in the search for business opportunities; conduct, coordinate and evaluate marketing budget plans on the short, medium and long terms; ensure that each disclosure and communication plan is exclusive to each business, observing the scope of operation, market and budget appropriation; adjust marketing strategies according to the market conditions and strategies of the competition; manage, coordinate and assess the Company's websites; establish strategies for operation and positioning of each brand of the Company related to its products and segments, being responsible for generating opportunities as well as its indicators (sales strategy); propose and follow up on the development of new business fronts and/or the Company's products with reference to Marketing; and perform other duties that from time to time might be assigned to him/her by the Vice-President to whom it reports to;~~

~~(xi) — It shall be incumbent upon the Corporate Finance Officer to: Answer for the area of Market Intelligence; plan, organize and define financial policies and plans of the organization; establishing tax controls; prepare financial reports to be reported to the shareholders, the general public, to the investor and to the finance area professionals; maintain a relationship with bank and investment communities, and also establish relationships with investors; conduct all mergers and acquisitions in the organization (M&A); establish and manage the Company's financial strategy in the short, medium and long terms; plan, organize, integrate, direct and control the accounting, financial planning, fiscal, controllership, cost control and treasury areas according to set targets; establish the standard economic and financial rules and procedures for the Company, providing the information necessary for management; manage the operations related to the Company's funds and assets, investing financial resources, the operating and non-operating revenue; direct and review all financial reports; manage expenses, receipts and cash flows of the areas; control compliance with financial commitments concerning the legal, administrative, budget, fiscal and contractual requirements of the operations, interacting with the involved parties; coordinate the implementation of financial and managerial~~

~~information systems; prepare the accounting records of the Company's transactions; promote studies and propose alternatives for the Company's economic-financial balance; be responsible for building maintenance and physical structure of the Company; and perform other duties that from time to time might be assigned to him/her by the Vice-President to whom it reports to;~~

~~(xii) — It shall be incumbent upon the Legal Officer: to represent the Company before legal and administrative bodies; act to protect and defend Company's assets and rights; identify legal risks and devise preventive measures seeking the Company's defense; provide solutions to technical or business matters through identification of legal solutions and recommend a course of action; offer support to promote compliance with corporate governance rules; coordinate Company's operation in all legal aspects in a preventive manner and in the litigation sphere, as well as to follow up on and inspect the operation of external legal offices; coordinate and oversee the performance and results of the Company's legal area; optimize and manage Company's legal information and documents; and perform other duties that from time to time might be assigned to him/her by the Vice-President to whom it reports to;~~

~~(xiii) — It shall be incumbent upon the Planning and Controlling Officer: to Answer for the Strategic Planning Area; providing financial support, including variation of estimates and budgets, and variation of analysis in reference to budget; analyzing and preparing tax accounts, financial statements and reports; conducting and assisting with documents of accounting projects; preparing and distributing periodic financial statements for users who are not directly employed by the organization; assuring that all reports and information are in accordance with relevant government regulations, professional standards and organizational policies; establishing tax controls; establish and coordinate the budget process structuring, so as to support the increase of TOTVS efficiency; oversee the budget of companies of the Group according to set plans and programs; coordinate the organization's growth program through merger and acquisition activities, ensuring an efficient process for the amalgamation of new companies in the event of future acquisitions; promote studies and propose alternatives for the economic and financial balance of the Company; and perform other duties that from time to time might be assigned to him/her by the Vice-President to whom it reports to;~~

~~(xiv) — It shall be incumbent upon the two (02) Segment Directors to: be responsible for a certain market segment of the Company; establishing the connection between the development of product and the client; defining strategies for the offer of software and pertinent go-to-market for the segments; contributing with improvement suggestions for the development of products, and also sponsoring the strategy of product and service development in their segment; planning and coordinating the activities of their production units, referring to resource management; establishing, maintaining and making continuous improvements to the development of software processes for which is responsible, in order to reach a high level of maturity; applying the best practices and most advanced methodologies to deal with change in development, technology and client environments; and perform other duties that from time to time might be assigned to him/her by the Vice-President to whom they reports to;~~

~~(xv) — It shall be incumbent upon the Commercial Intelligence, Channels and Education Officer to: Plan , define, develop and implement Service and Relationship strategies, in order to restructure the model and management of existing distribution~~

~~channels and the process of acquiring new channels; planning, defining, developing and implementing strategies of Service and Relationship to guarantee the commercial Intelligence and Efficiency, through studies, policies, processes and technology to structure the commercial management, as well as all information produced in the process, whether to duly monitor operations or to generate opportunities of improvement and campaigns of commercial incentive and/or recognition; plan, define, develop and implement strategies of Service and Relationship for the Opportunity Center (Receptive and Active upon request); plan, define, develop and implement strategies of Service and Relationship for TOTVS Education Business, support the sale, delivering directly the services sold, demanding and accompanying the Technical Roadmap of offered products and contents; and perform other duties that from time to time might be assigned to him/her by the Vice President to whom they reports to;~~

~~(xvi) — It shall be incumbent upon the five (05) Services and Relationship Officers to: plan, define and coordinate the regional activities of the “own sale” area and channels/franchises of distribution and/or the services area for the implementation of systems, referring to current and future potential client accounts; coordinating and supervising the area of sales in reference to the generation of business, according to the goals established by the administration; plan, organize, conduct the activities involving the Company’s service and relationship with clients; follow up, manage, leverage and handle the service indicators provided by own channels and/or franchises; to define and coordinate the implementation of best practices of project management, guaranteeing that the technical issues from clients are answered and diagnosed, therefore providing solutions for the problems with products and services; recommending the launch of new products and improvements, according to market expectations; participate in the definition of products prices and new launchings; to recommend Marketing actions, with the purpose of leveraging the businesses of the Company; direct the sales force to achieve the volume objectives for the products of the organization, including long term plans, objectives and strategies; and perform other duties that from time to time might be assigned to him/her by the Vice President to whom they reports to;~~

~~(xvii) — It shall be incumbent upon the four (04) Business Officers to: plan, organize, establish and coordinate all the activities of business under their responsibility, and which may demand specific strategies for their achievement proposing guidelines and ensuring that they be kept, always being concerned with the business costs and the scope of the expected results; adjusting the strategies according to market conditions and competition strategies; negotiating and administrating the results to be obtained, as well as the values to be invested per project and/or business; and perform other duties that from time to time might be assigned to him/her by the Vice President to whom they reports to;~~

~~(xviii) — It shall be incumbent upon the Alliances and New Businesses Officer to: plan, organize; establish and coordinate the strategies New Businesses activities; adjust the alliance and new business strategies according to market conditions and competition strategies; always having in mind the business costs and the scope of expected results; define the operation strategy for making feasible partnerships and/or important alliances for the Company; negotiate and manage the results to be achieved through the alliances and new businesses, as well as the amounts to be invested per project and/or business; propose and follow up on the development of the Company’s new fronts of business and/or products in relation to the new business development operation; and perform other~~

~~duties that from time to time might be assigned to him/her by the Vice-President to whom they reports to:~~

**Article 25** - The Board of Executive Officer holds all the powers to carry out the acts required for the Company's normal operation and for fulfilling its business purpose, however special they may be, including waiver of rights, negotiation and agreement, subject to any applicable legal or statutory provisions. It shall be responsible for managing the Company's business, particularly: (i) complying with and causing the compliance with these Bylaws and the resolutions of the Board of Directors and the Annual Meeting; (ii) annually submitting, to the appreciation of the Board of Directors, the Management Report and the accounts of the Board of Executive Officers, supported by the independent auditors' report, as well as the proposal for allocation of income determined in the prior year; (iii) proposing to the Board of Directors the annual and multiannual budgets of the Company, its controlled and affiliated companies, as well as the Company's strategic plans, expansion projects and investment projects; and (iv) deciding on any matter that is not of exclusive responsibility of the General Meeting or the Board of Directors.

**Article 26** – The Company shall be legally bound wherever represented by two (2) members of the Board of Executive Officers ~~effectively meets with the attendance of at least five (5) Executive Officers and by resolution of the majority vote of the attendees and, in the event of a voting tie, the casting vote shall be exercised by the Chief Executive Officer, or one (1) member of the Board of Executive Officers and one (1) proxy, or by two (2) proxies within the boundaries of the respective terms.~~

~~**Article 27**—The Board of Executive Officers shall meet whenever summoned by the Chief Executive Officer or by the majority of its members. The Board of Executive Officers' meetings may be held by conference call, video conference, or by any other means of communication that allows for the identification of the member and the simultaneous communication of all other persons attending the meeting.~~

~~**Article 28**—The calls for the meetings shall be made upon a written notice to be delivered to each Executive Officer at least three (3) days in advance, and the calls shall include the meeting's agenda, place, date and time.~~

~~**Article 29**—All of the Board of Executive Officers' resolutions shall be drawn up in the respective the Board of Executive Officers' minutes book and signed by all attending Executive Officers.~~

~~**Article 30**—The Company shall always be represented by the signature: (i) of the Chief Executive Officer (CEO) and of one (1) Vice-President; or (ii) of two (2) Vice Presidents; or (iii) of the CEO or (1) Vice President (1) attorney in fact, empowered pursuant to the provisions of items (i) and (ii) of this Article, through a power of attorney with specific powers and for a determinate period; or (iv) solely for the events contemplated by paragraphs 1 and 2 of this Article, by the individual signature of one (1) attorney in fact, empowered according to the provisions of items (i) and (ii) of this Article, or of one (1) Executive Officer.~~

~~**Paragraph 1**—The Company's representation in agreements, additions and terminations with business' agents, partners and associated companies, agreements with service and relationship managers, specific skill agreements, products intelligence development~~

~~agreements (DIP), solutions and services development agreements (DSS), independent seal agreements, services agreement, as well as the execution of use rights assignment agreements, technological upgrade and evolution maintenance agreements, services and relationship maintenance agreements, customized services agreement and the respective commercial proposals.~~

~~Paragraph 2—The Company’s representation for signing employee cards, any vacation related documents, employee severance indemnity fund, unemployment insurance, the Annual Listing of Information and Salaries (RAIS), social security (INSS) documents related to the employee’s absence period, documents related to the Federal Savings Bank (Caixa Econômica Federal), employees’ representations, employees’ agreements, probationary period agreements and any termination of employment.~~ 1 – The Company may be represented by a single Executive Officer or a single proxy in the following cases: (i) before any direct or indirect Public Administration body for the purposes of acts not involving the acceptance or waiver of rights and obligations; (ii) pursuant to “ad judicium” powers-of-attorney; and (iii) at general shareholders’ meetings, or meetings of shareholders or quota-holders in companies or investment funds where the Company is a participant; and (iv) elsewhere as specified by the Board of Directors.

~~Paragraph 3—The Company’s representation as plaintiff or defendant in court shall be carried out by the CEO or any Vice President or any Executive Officer, individually or through a letter of appointment of agent.~~ 2 – All powers-of-attorney shall be granted jointly by two (2) Executive Officers.

~~Paragraph 4—Company’s ad judicium attorney for representation in court, actively or passively, will give: (i) President or (ii) 01 (one) Vice President, or (iii) Legal Officer, the latter can sub-delegate this power.~~ 3 – The Company shall be represented in isolation by any of the Executive Officers or a duly appointed proxy for the purposes of service of process or legal notices and for personal testimony.

## CHAPTER V FISCAL COUNCIL

**Article 3127** - The Fiscal Council shall operate on a non-permanent basis, with the powers and duties assigned by law and shall only be convened upon General Meeting resolution, or at shareholders’ request, in the cases provided for by law.

**Article 3228** – When instated, the Fiscal Council shall be composed of three (3) sitting members and an equal number of deputies, shareholders or not, elected and removable from office at any time by the General Meeting.

**Paragraph 1** - The Fiscal Council members shall have the unified term of office of one (1) year, with reelection allowed.

**Paragraph 2** - The Fiscal Council members, at its first meeting, shall elect its Chairman.

**Paragraph 3** - The office of the Members shall be made by means of a transcript drawn upon in the Company's records, executed by the invested member, and is conditioned to the previous execution of the Fiscal Council Members' Instrument of Consent according to the Novo Mercado Regulation, as well as the attendance of other legal requirements.

**Paragraph 4** - The Fiscal Council members shall be replaced, upon any absences and impediments, by their respective deputies.

**Paragraph 5** - In the event a Fiscal Council member position is vacant, the respective deputy shall take office; in case there is no deputy, the General Meeting shall be called to arrange for the election of a new member for the vacant position.

**Paragraph 6** – Any person who has a relationship with any company deemed to be a competitor of the Company (“Competitor”) may not be elected for the position of member of the Company's Fiscal Council, and it is prohibited the election of any person who, among other things, is: (i) an employee, shareholder or member of a management, technical or fiscal body of the Competitor or of the Competitor's Controlling Party or Controlled Companies (as set forth in Article 41, Paragraph 1 of these Bylaws); (ii) a spouse or relative up to second degree of consanguinity of a member of a management, technical or fiscal body of the Competitor, or of the Competitor's Controlling Party or Controlled Companies.

**Paragraph 7** – Should any shareholder wish to nominate one or more representatives to comprise the Fiscal Council who have not been members of said Council after the period subsequent to the last Annual General Meeting, said shareholder shall notify the Company in writing five (5) days prior to the General Meeting that will elect the Board Members, providing the name, qualification and full professional curriculum of the nominees.

**Article ~~33~~29**- When convened, the Fiscal Council shall meet whenever required, as provided for by law, and analyze, at least on a quarterly basis, the Company's financial statements.

**Paragraph 1** - Irrespective of any formalities, any meeting attended by all Fiscal Council members shall be deemed as regularly called.

**Paragraph 2** - The Fiscal Council states its position by absolute majority of votes, with the attendance of most of its members.

**Paragraph 3** - All Fiscal Council's resolutions shall be stated in the minutes drawn up in the respective Fiscal Council Minutes and Opinions book and executed by the attending Board members.

**Article ~~34~~30** - The Fiscal Council members' compensation shall be defined by the Annual General Meeting electing such members, subject to Paragraph 3 of Article 162 of the Brazilian Corporation Law.

## **CHAPTER VI PROFIT DISTRIBUTION**

**Article ~~35~~31** - The fiscal year begins on January 1 and ends on December 31 of each year.



**Sole Paragraph** - At the end of each fiscal year, the Board of Executive Officers shall cause the preparation of the Company's financial statements, in conformity with any applicable legal provisions.

**Article 3632** - Together with the financial statements for the year, the Board of Directors shall submit to the Annual General Meeting a proposal on the appropriation of net income for the year, calculated after the deduction of any profit-sharing referred to in Article 190 of Brazilian Corporation Law, in accordance with the provision in Paragraph 1 of this Article, adjusted for purposes of calculation of dividends pursuant to Article 202 of the same law, subject to the following deduction order: (i) five percent (5%), at least, for the legal reserve, until it reaches twenty percent (20%) of the capital stock. In the year in which the legal reserve balance plus the capital reserve amounts exceeds thirty percent (30%) of the capital stock, the appropriation of part of net income to the year for the legal reserve shall not be mandatory; (ii) the portion required for payment of a mandatory dividend may not be lower, in each year, than twenty five percent (25%) of the annual adjusted net income, as set forth in Article 202 of the Brazilian Corporation Law.

**Paragraph 1** - The General Meeting may assign to the members of the Board of Directors and of the Board of Executive Officers a profit-sharing portion not higher than ten percent (10%) of the outstanding balance of the income for the year, after deduction of the accumulated losses and the provision for income and social contribution taxes, pursuant to the legal format and limits.

**Paragraph 2** - The remaining profit balance, if any, shall be appropriated as the General Meeting so determines, and any withholding of income for the year by the Company shall mandatorily have attached to it a budget proposal previously approved by the Board of Directors. In case the profits reserve balance exceeds the capital stock, the General Meeting shall resolve on the use of such excess for payment or increase of the capital stock or also for distribution of dividends to shareholders.

**Article 3733** – As proposed by the Board of Executive Officers, approved by the Board of Directors, ad referendum by the General Meeting, the Company may pay or credit interest to shareholders, as interest on equity of the latter, subject to applicable legislation. Any possible amounts thus disbursed may be attributed to the mandatory dividend amount set forth in these Bylaws.

**Paragraph 1** - In the event interest is credited to shareholders in the fiscal year and appropriated to the mandatory dividend amount, shareholders shall be paid with the dividends they are entitled to, and shall also be entitled to the payment of any possible remaining balance. In the event dividends are lower than the amount credited to shareholders, the Company may not charge the remaining balance from shareholders.

**Paragraph 2** - The effective payment of interest on equity, after being credited during the fiscal year, shall be made upon Board of Directors' resolution, in the fiscal year or in the following year, but never after the dividend payment dates.

**Article 3834** - The Company may prepare six-month balance sheets or balance sheets in shorter periods, and state, upon the Board of Directors resolution: (i) the payment of

dividends or interest on equity, to the account of income earned in the six month balance sheet, attributed to the mandatory dividend amount, if any; (ii) the dividend distribution in periods shorter than six (6) months, or interest on equity, attributed to the mandatory dividend amount, if any, provided that the total dividends paid in each half of the fiscal year does not exceed the capital reserve amounts; and (iii) the payment of interim dividends or interest on equity, to the account of retained earnings or profits reserve in the latest balance sheet for the year or for the six-month period, attributed to the mandatory dividend amount, if any.

**Article ~~39~~35**- The General Meeting may resolve on capitalization of profits or capital reserves, including those stated in interim balance sheets, subject to applicable legislation.

**Article ~~40~~36**- Any dividends not received or claimed shall expire within three (3) years, counted from the date in which they were made available to the shareholders, and shall inure to the benefit of Company.

## **CHAPTER VII DISPOSAL OF OWNERSHIP CONTROL, DEREGISTERING AS A PUBLICLY-HELD COMPANY AND DELISTING FROM THE NOVO MERCADO**

**Article ~~41~~37**- The direct or indirect disposal of the Company's ownership control (as defined in Paragraph 1 of this Article), either through a single or successive operations, shall be contracted under either a suspensive or resolutive condition that the Ownership Control buyer be obliged to carry out a Public Tender Offer ("PTO") for acquisition of shares of the other shareholders, subject to any conditions and terms set forth in legislation in force and the Novo Mercado Regulation, so that such shareholders are entitled to a treatment equal to that of the Shareholder Controlling Seller (as defined in Paragraph 1 of this article).

**Paragraph 1** - For purposes of these Bylaws, the expressions below started in capital letters shall have the following meanings: "Controlling Shareholder" means shareholder (s) or Group of Shareholders that owns the Company's Control. "Controlling Shareholder Seller" means the controlling shareholder when it promotes the sale of the Company's control. "Control Shares" means the block of shares that ensures, directly or indirectly, its holder(s) the individual and / or combined control of the Company. "Outstanding Shares" means all shares issued by the Company, except shares held by the Controlling Shareholder, by people linked to the Controlling Shareholder, by the Company's management and treasury shares. "Acquirer" means one for whom the Controlling Shareholder transfers Controlling Shares in a Change of Control of the Company. "Transfer of Control of the Company" means the transfer to third persons, against payment, of the Control Shares. "Group of Shareholders" means a group of people who are (i) pegged by agreements or contracts of any nature, either directly or by means of Controlled Companies, Controlling Parties or Under Common Control; or (ii) among which there is controlling relationship; or (iii) under common control. "Control" means the power effectively used to manage the activities and guide the organs of the Company, directly or indirectly, in fact or law, regardless of ownership interest held. There is a relative assumption of ownership of control related to the person or group of shareholders that hold shares that have secured an absolute majority of votes of shareholders present in 3 (three) last general meeting of the Company, even if they do not hold the actions that



ensure the absolute majority of the voting capital. "Economic Value" means the value of the company and its shares to be determined by a specialized company, by using recognized methodology or based on other criteria that may be defined by the CVM.

**Paragraph 2** – In the event the acquisition of Control also subjects the Control Buyer to the obligation of carrying out a Public Tender Offer required pursuant to Article ~~44~~40 of these Bylaws, the purchase price shall be the highest among those determined in conformity with this Article ~~41~~37 and Article ~~44~~40, Paragraph 2 of these Bylaws.

**Paragraph 3** - The Controlling Shareholder Seller may not transfer the ownership of its shares until the Buying Shareholder executes the Controlling Parties' Instrument of Consent referred to in the Novo Mercado Regulation.

**Paragraph 4** - The Company shall not register any transfer of shares to the Buying Shareholder with Controlling Power up until said shareholder execute the Controlling Shareholders' Instrument of Consent, which is related to the Novo Mercado Regulation.

**Paragraph 5** - No Shareholders' Agreement providing for the exercising of the Controlling Power may be registered in the Company's head office until its signatories have executed the Instrument of Consent of the Controlling Group which is related to the Novo Mercado Regulation.

**Article ~~42~~38**- The public tender offer referred to in Article above shall also be carried out: (i) in case of any remunerated assignment of subscription rights to shares or other securities or rights to securities convertible into shares, which may give rise to the Disposal of the Company's Ownership Control; or (ii) in case of disposal of the Ownership control of a company holding the Controlling Power of the Company and, in this case, the Controlling Shareholder Seller shall be obliged to report to BM&FBOVESPA the amount assigned to the Company in such disposal and attach any supporting documentation.

**Article ~~43~~39**- Any party which acquires the Controlling Power, in view of any private agreement for purchase of shares entered into with the Controlling, involving any number of shares, shall be obliged to: (i) carry out the public tender offer referred to in Article ~~41~~37 of these Bylaws; (ii) Pay, under the following, the amount equivalent to the difference between the public offering and the amount paid per share eventually purchased in stock exchanges within 6 (six) months prior to the date of acquisition of the Company's Control, updated until the payment date; This amount should be distributed among all the people who sold shares of the Company at the trading where the buyer made purchases, in proportion to the selling net balance of each, while the BM&FBOVESPA operates the distribution in terms of its regulations, and (iii) take any applicable measures to recover the minimum percentage of twenty five percent (25%) of the Company's total outstanding shares, within the six (6) months subsequent to the acquisition of Control.

**Article ~~44~~40**- Any person or shareholder who purchases or becomes the holder of shares issued by the Company, in a number equal to or higher than twenty percent (20%) of the total shares issued by the Company shall, within no longer than sixty (60) days counted from the acquisition date or the event giving rise to the ownership of shares in a number equal to or higher than twenty percent (20%) of the total shares issued by the Company,

carry out or request the registration of, as the case may be, a Public Tender Offer of all shares issued by the Company, subject to the applicable CVM regulation, the Novo Mercado Regulation, other BM&FBOVESPA regulations and the provisions of this Article.

**Paragraph 1** - The Public Tender Offer shall be: (i) equally addressed to all Company's shareholders; (ii) carried out in an auction to be held at BM&FBOVESPA; (iii) placed by the price determined in conformity with the provisions of Paragraph 2 of this Article; and (iv) paid on demand, in local legal tender, upon the acquisition of shares issued by the Company in the Tender Offer.

**Paragraph 2** - The purchase price in the Public Tender Offer for each share issued by the Company may not be lower than the highest amount between (i) one hundred twenty five percent (125%) of the highest unit quotation reached for the shares issued by the Company during the twelve (12) month period prior to the Public Tender Offer in any stock exchange in which the Company's shares are traded; (ii) one hundred twenty five percent (125%) of the highest unit price paid by the Buying Shareholder, at any time, for a share or a share lot issued by the Company; (iii) the economic value determined in the appraisal report.

**Paragraph 3** - Any shareholders who are holders of shares representing at least ten percent (10%) of capital stock may request a new appraisal report to be prepared in the same format as that referred to in item (iii) of Paragraph 2 of this Article, but by a different institution. (I) In case the new appraisal report determines a price per share lower than the one calculated as set forth in Paragraph 2 of this Article, the higher price shall prevail and the shareholders who requested the new appraisal report shall be fully liable for its costs proportionally to their interest in the Company's capital stock. (II) In case the appraisal report as set forth in this Paragraph determines a price per share higher than that obtained as set forth in Paragraph 2 of this Article, the Buyer may: (1) waive the Public Tender Offer and agree to dispose the excess interest within three months counted from the acquisition, and any costs on the preparation of new appraisal report must be fully paid by the shareholders who requested its preparation, proportionally to their interest in the Company's capital stock; (2) carry out the Public Tender Offer for the price per share stated in the new appraisal report, and any costs on the preparation of new appraisal report must be fully paid by the Company.

**Paragraph 4** - In the event the Public Tender Offer price is revised, as set forth in Paragraph 3 of this Article, and provided that there is no waiver from the Buyer, the auction shall start at the new price, and a material fact shall be published to report the price revision and the maintenance or waiver of the Public Tender Offer.

**Paragraph 5** - Upon revision of the Public Tender Offer price, the following procedure shall be adopted:

(i) the request for a new appraisal report on the price per Company's share, based on the economic value, duly documented and supported by evidence showing the flaw or inaccuracy of the calculation methodology employed or the evaluation criterion adopted, shall be carried out within fifteen (15) days counted from the disclosure of the Public Tender Offer amount, and shall interrupt the registration process or, in case such registration is already granted, it shall interrupt the Public Tender Offer notice period,

postponing the respective auction, and the Buying Shareholder shall arrange for the publication of a material fact reporting such postponement and the date stated for the holding of the Board of Directors' meeting which shall choose a specialized company to prepare the new appraisal report;

(ii) in case the Board of Directors decides that a new appraisal of the Company shall not be prepared, the registration process or the Public Tender Offer itself shall be resumed for the remaining period, as the case may be, and, for the latter, the Buying Shareholder shall arrange for the publication of a material fact with the new auction date;

(iii) in case the appraisal report determines an amount equal to or lower than the Public Tender Offer value obtained as set forth in Paragraph 2 of this Article, the registration process or the Public Tender Offer itself shall be resumed for the remaining period, as the case may be, and, for the latter, the Buying Shareholder shall arrange for the publication of a material fact with the new auction date;

(iv) in case the appraisal report determines an amount higher than the Public Tender Offer value obtained as set forth in Paragraph 2 of this Article, the Buying Shareholder shall publish, within five (5) days counted from the submission of the appraisal report, a material fact stating its position to maintain or waive the Public Tender Offer, by clarifying, for the first case, that it will resume the registration process, or of the Public Tender Offer itself for the remaining period, as the case may be, and, for the latter, the Buyer shall arrange for the publication of a material fact with the new auction date and the new price;

(v) the fifteen (15) day period referred to in item (i) of this Paragraph 5 shall only start after the original appraisal report is delivered to CVM, or after it is made available as set forth in item (viii) of this Paragraph 5, if it comes first, and the Buying Shareholder shall publish a material fact reporting such delivery;

(vi) the Board of Directors' meeting resolving on a new appraisal shall nominate the institution in charge for the preparation of such appraisal report, approve the related fees, establish a period no longer than thirty (30) days for conclusion of services, and determine that the appraisal report be forwarded to the Company, for the attention of its Investor Relations Officer, to the stock exchange in which the auction is to be held, and to CVM, in addition to being sent to CVM electronic mail in the specific format determined by CVM;

(vii) the institution in charge for preparing the appraisal report shall also, on the same date it forwards the appraisal report to CVM, inform the intermediate institution operating in the Public Tender Offer, as set forth in Article 4, IV of CVM Instruction No. 361, of March 5, 2002 ("CVM Instruction 361"), the outcome of such appraisal, so that such institution and the Buying Shareholder adopt any applicable measures among those set forth in items (iii) and (iv) of this Paragraph 5;

(viii) the appraisal report referred to in this Paragraph 5 shall be made available in the same locations, and in the same format, of the appraisal report referred to in Article 8 of CVM Instruction 361; and,

(ix) the minutes of the Board of Directors' meeting referred to in this Paragraph 5 shall necessarily state the names of the shareholders who requested the new appraisal, for effects of the possible application of the provision in Paragraph 3, (I) and (II.2) of this Article ~~44.40.~~

**Paragraph 6** - The Public Tender Offer mentioned in the main provision of this Article shall not exclude the possibility of another shareholder of the Company or, if applicable, the Company itself, to prepare a concurrent Public Tender Offer, pursuant to applicable regulation.

**Paragraph 7** - The Buyer shall be obliged to comply with any possible CVM requests or requirements, related to the Public Tender Offer, made based on and within the deadlines set forth in applicable regulation.

**Paragraph 8** - In the event the Buyer fails to comply with any obligations imposed by this Article, including those related to the compliance with deadlines for (i) carrying out or requesting registration of the Public Tender Offer; or (ii) complying with any possible CVM requests or requirements, or with any obligations provided for by Article ~~53~~49 of these Bylaws, the Company's Board of Directors shall call an Extraordinary General Meeting, in which the Buyer may not vote, in order to resolve on the suspension of the exercise of the rights of the Buyer who failed to comply with any obligation imposed by this Article, provided for by Article 120 of Brazilian Corporation Law, without prejudice to the Buyer's liability for any losses and damages caused to other shareholders arising from such noncompliance with obligations imposed by this Article.

**Paragraph 9** - Any Shareholder or person acquiring or becoming the holder of other rights, including usufruct or trust, on the shares issued by the Company in a number equal to or higher than twenty percent (20%) of the total shares issued by the Company, shall be equally obliged to carry out or request the registration, as the case may be, of a Public Tender Offer, within no longer than sixty (60) days counted from the date of such purchase or the event which gave rise to the holding of such rights on shares in an amount equal to or higher than twenty percent (20%) of the total shares issued by the Company, pursuant to the provisions in this Article.

**Paragraph 10** - The obligations stated in Article 254-A of the Brazilian Corporation Law and Articles ~~41, 42~~37, 38 and ~~43~~39 of these Bylaws do not release the Buying Shareholder from complying with any obligations stated in this Article, except for the provisions in Articles ~~51~~47 and ~~52~~48 of these Bylaws.

**Paragraph 11** - The provision in this Article shall not apply in the event of a person becoming the holder of shares issued by the Company in a number higher than twenty percent (20%) of the total shares issued, arising from: (i) any legal succession, under the condition that the shareholder disposes of any excess shares within sixty (60) days counted from the material event; (ii) any amalgamation of another company by the Company; (iii) the merger of shares of another company by the Company; or (iv) the subscription of Company's shares, carried out at a single primary issue, which has been approved in a Company's Annual General Meeting called by its Board of Directors, and whose capital increase proposal has determined the issue price of shares based on the economic value obtained from a valuation report on the Company conducted by a specialized company with proven experience in the evaluation of publicly-held companies.

**Paragraph 12** - For calculation of the percentage of twenty percent (20%) of the total shares issued by the Company described in the main provision of this Article, any involuntary additions to ownership interest arising from cancellation of treasury shares or decrease in the Company's capital stock with the cancellation of shares shall not be computed.

**Paragraph 13** - In the event the CVM regulation applicable to Public Tender Offer set forth in this Article determines the adoption of a calculation criterion to define the purchase price of each Company's share in the Public Tender Offer which gives rise to a purchase price higher than that defined in Paragraph 2 of this Article, then the purchase price calculated pursuant to CVM regulation shall prevail for holding the Public Tender Offer set forth in this Article.

**Paragraph 14** - Any change which restricts the shareholders' right to carry out the Public Tender Offer set forth in this Article, or the exclusion of this Article, shall oblige the shareholders who voted for such change or exclusion at a General Meeting to carry out the Public Tender Offer set forth in this Article, in conformity with the provisions in Paragraph 3 of Article 10 of these Bylaws.

**Article ~~45~~41** - In the Public Tender Offer to be carried out by the Controlling Shareholder, or the Company for the Company's deregistration as a publicly-held company, the minimum price to be offered shall correspond to the Economic Value determined in the appraisal report, referred to in Article ~~50~~46 of these Bylaws and subject to the applicable law and regulations.

**Article ~~46~~42** - In the of a decision on the Company's delisting from the Novo Mercado, in order for trading of securities outside the Novo Mercado, or if due to a corporate restructuring in which the Company's shares resulting from such restructuring are not admitted for trading in the Novo Mercado, within 120 (one hundred twenty days) from the date of the Extraordinary General Meeting which has approved the restructuring, the Controlling Shareholder shall carry out a Public Tender Offer, with the minimum price to be offered shall correspond to the economic value determined in the appraisal report, referred to in Article ~~50~~46 of these Bylaws and subject to the applicable law and regulations.

**Article ~~47~~43** - In the event of absence of a Controlling Shareholder when a there is a decision to Company's delisting from the Novo Mercado, , either for registration for trading of shares outside the Novo Mercado or for corporate restructuring in which the Company's shares resulting from such restructuring are not admitted for trading in the Novo Mercado, within 120 (one hundred twenty days) from the date of the Extraordinary General Meeting which has approved the restructuring, the Company's delisting shall be conditioned to the carrying out of a Public Tender Offer as set forth in Article ~~46~~42 of these Bylaws.

**Paragraph 1** – This General Meeting shall define the responsible for the Public Tender Offer. The responsible must be an attendee at the General Meeting and shall expressly assume the obligation to conduct the Public Tender Offer.

**Paragraph 2** – In the absence of a responsible for the Public Tender Offer definition, in the event of a corporate restructuring in which the resulting Company securities are not admitted for trading in the Novo Mercado, the Public Tender Offer shall be carried out by the shareholders who have voted in favor of the respective resolution at the General Meeting.

**Article ~~48~~44** – If there is no Controlling Shareholder and BM&FBOVESPA determines that the quotations of securities issued by the Company be disclosed separately or have

their trading interrupted in the Novo Mercado in view of any noncompliance with the obligations stated in the Novo Mercado Regulation, the Board of Directors' Chairman shall call an Extraordinary General Meeting to replace the whole Board of Directors within two (2) days from such determination, and this period shall only compute the days in which the newspapers usually used by the Company are published.

**Paragraph 1** - In the event the Board of Directors' Chairman fails to call the Extraordinary General Meeting referred to in the main provision of this Article within the established period, such Meeting may be called by any shareholder of the Company.

**Paragraph 2** - The new Board of Directors elected at the Extraordinary General Meeting referred to in the main provision and in Paragraph 1 of this Article shall remedy any noncompliance with the obligations stated in the Novo Mercado Regulation as soon as possible or within a new deadline granted by BOVESPA for this purpose, whichever is shorter.

**Article 4945** - In the event of Company delisting from the Novo Mercado in view of any noncompliance with obligations stated in the BM&FBOVESPA's Novo Mercado Regulation, that delisting shall be preceded by the carry out of a Public Tender Offer, with the minimum price to be offered equals to the economic value determined in the appraisal report as referred to in Article 5046 of these Bylaws and subject to the applicable law and regulations.

**Paragraph 1** – The Controlling Shareholder shall carry out the Public Tender Offer referred in the caput of this article.

**Paragraph 2** - If there is no Controlling Shareholder and the delisting from Novo Mercado arises from a General Meeting resolution, the Public Tender Offer shall be carried out by the shareholders who have voted at the General Meeting in favor of the matter that implied the noncompliance with obligations stated by the Novo Mercado Regulation.

**Paragraph 3** - If there is no Controlling Shareholder and the delisting from Novo Mercado arises from any management's act or fact, the Management shall call for a General Meeting to discuss on how to remedy the arisen noncompliance, or to deliberate on the delisting.

**Paragraph 4** – In the event the General Meeting referred at Paragraph 3 above deliberates on Company's delisting from the Novo Mercado, this General Meeting shall define the responsible for the Public Tender Offer. The responsible must be an attendee at the General Meeting and shall expressly assume the obligation to conduct the Public Tender Offer.

**Article 5046** - The appraisal report referred to in Article 44,40, paragraphs 2 and 3, and Articles 4541 and 4642 of these Bylaws shall be prepared by a specialized company, with proven experience and independence from the Company, , its management and/or Shareholders, and such appraisal report shall also comply with the requirements of Paragraph 1 of Article 8 of the Brazilian Corporation Law and include the obligation set forth in Paragraph 6 of the same Article 8.



**Paragraph 1** - The selection of the specialized company or institution responsible for determining the Company's economic value, as set forth in Articles [4541](#) and [4642](#) of these Bylaws lies privately with the General Meeting, as from the submission by the Board of Directors of a list with three names, and the respective resolution, and with no blank votes considered, shall be taken by the absolute majority vote of shareholders representing the Outstanding Shares who attended the General Meeting instated at first call, shall have shareholders representing at least twenty percent (20%) of the total Outstanding Shares or, if instated at second call, may have the attendance of any number of shareholders representing these Outstanding Shares.

**Paragraph 2** – It is incumbent upon the Board of Directors to resolve for carrying out a new appraisal of the Company and appoint who will prepare the report referred to in Article [4440](#), Paragraphs 2 and 3 of these Bylaws.

**Paragraph 3** - Any costs on the preparation of the appraisal report shall be fully paid by those parties responsible for carrying out the public tender offer, as the case may be, except for the provision in Paragraph 3 of Article [4440](#) of these Bylaws.

**Article 5147** – Carrying out a single Public Tender Offer, aiming at more than one of the purposes set forth in this Chapter VII, in the Novo Mercado Regulation or in the regulation issued by the CVM, shall be permitted, provided that it is possible to match the procedures of all types of Public Tender Offers and there is no loss to the offer addressees and that the CVM approval be obtained if required by applicable legislation.

**Article 5248** - The Company or the shareholders in charge of the Public Tender Offer set forth in this Chapter VII, in the Novo Mercado Regulation or in the regulation issued by the CVM, may ensure it is carried out by any shareholder, third party or, as the case may be, by the Company. The Company or the shareholder, as the case may be, shall not be released from the obligation of carrying out the Public Tender Offer until it is concluded in compliance with the applicable rules.

**Article 5349** - Any Buyer who has subscribed and/or purchased shares issued by the Company in a number equal to or higher than eight percent (8%) of the Company's capital stock, and is willing to purchase additional shares issued by the Company in stock exchanges, shall be obliged to, prior to each new purchase, report its intention to purchase additional shares issued by the Company, in writing, to the Company, with at least three (3) business days in advance of the date scheduled for the new purchase of shares, always subject to the provisions of the legislation in force and applicable CVM and BOVESPA regulations.

## **CHAPTER VIII COURT OF ARBITRATION**

**Article 5450** - The Company, its shareholders, Managers and Fiscal Council members shall agree to settle, by means of arbitration, before the Market Arbitration Chamber, any and all disputes or controversies that might arise among them, either related to or arising from, in special, the application, validity, efficiency, interpretation, violation and its effects, of the provisions stated in Novo Mercado, the Brazilian Corporation Law, in these Bylaws, rules issued by the Brazilian Monetary Council, Central Bank of Brazil or CVM, as well as the other rules applicable to the capital markets operation in general, addition



to those contained in The Novo Mercado Regulation, in the Market Arbitration Chamber's Arbitration Regulation, established by BM&FBOVESPA ("Arbitration Rules"), the Rules of imposition of fines on the Novo Mercado ("Sanctions Regulation") and the Agreement for the Novo Mercado Membership.

**Sole Paragraph** – Without prejudice to the validity of this arbitration clause, the request of emergency measures by the parties to the Judiciary, where applicable, shall observe the provisions stated in the Arbitration Regulation of the Market Court of Arbitration.

## **CHAPTER IX WINDING UP OF THE COMPANY**

**Article 5551** - The Company shall be liquidated in the cases provided for by the law, and the General Meeting shall be responsible for choosing the liquidator or liquidators, as well as the Fiscal Council to operate during such period, subject to any legal formalities.

## **CHAPTER X FINAL AND TEMPORARY PROVISIONS**

**Article 5652** - Any cases not ruled herein shall be settled by the General Meeting and regulated in accordance with the provisions of the Brazilian Corporation Law and of The Novo Mercado Regulation.

**Article 5753** – The Company may not grant loans or guarantees of any kind to third parties, in any modality, for businesses that are alien to the business purpose.

**Article 5854** - The Company shall comply with the shareholders' agreements filed in its head office, and any transfer of shares and computation of votes cast in the General Meeting or Board of Directors' meeting contrary to their provisions shall be barred.

**Article 5955** - The provisions of Articles 4440 and 5349 of these Bylaws shall not apply to the current shareholders already owning a number equal to or higher than twenty percent (20%) and eight percent (8%), respectively, of the total shares issued by the Company and its successors on the publication date of the Notice of Commencement of Public Primary and Secondary Distribution of Shares issued by Totvs S.A ("Notice of Commencement"), referring to the public offering of shares issued by the Company, subject to CVM Process No. RJ/2005-09750, of December 21<sup>st</sup> 2005, ("Public Offering") and shall be applied only to those investors acquiring shares and becoming Company shareholders after the date of the Company's adhesion to and listing in the Novo Mercado.

~~**Article 60**—The prohibition of accumulating the positions, set out in Paragraph 1 of article 17, shall be upheld only after the timeframe referred to in item 4.15, Section XIV of the Novo Mercado Regulations has elapsed.~~

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**C. PROPOSED DRAFT OF THE COMPANY’S BYLAWS – UNMARKED COPY**

**BYLAWS OF TOTVS S.A.**

**CHAPTER I  
NAME, HEAD OFFICE, BUSINESS PURPOSE AND VALIDITY**

**CHAPTER I  
NAME, HEAD OFFICE, BUSINESS PURPOSE AND VALIDITY**

**Article 1** - TOVTS S.A. (“Company”) is a corporation ruled by these Bylaws and the applicable legislation.

**Paragraph 1** – With the Company’s admission in special listing segment called Novo Mercado (“Novo Mercado”) of BM&FBOVESPA (Stock Exchange, Commodities and Futures (“BM&FBOVESPA”), subject the Company, its shareholders, officers and members of Audit Committee, when installed, the provisions of the Listing Rules of BOVESPA’s Novo Mercado ("Novo Mercado Rules").

**Paragraph 2** - The provisions of Novo Mercado must prevail over statutory provisions, in case of injury to the rights of recipients of public offerings provided herein.

**Article 2** - The Company has its head office and jurisdiction in the City of São Paulo, State of São Paulo, and the Board of Directors is responsible for establishing its exact location.

**Sole Paragraph** – The Company may open and close bureaus, branches, warehouses, offices and any other establishments in or out of the country as well as change their address upon resolution by the Board of Directors.

**Article 3** – The Company’s main corporate purpose is the creation and development of computerized systems (software). As its secondary activities to provide consultancy, advisory, exploitation of rights of use of own or third-party computer-based systems, including by means of software and hardware rent, providing data processing and training services, and the purchase and sale of computers and related accessories, peripherals and supplies, being authorized to import goods and services related to its main activity, concession of franchising, retail trade of clothes, related products and its accessories, research and technology innovation activities, IT technical support including installation, set up and maintenance of computer programs and databanks, business management consultancy services, data handling, hosting, portals, Internet provision and information services, outsourcing, in addition to holding interest in other companies as a partner, shareholder or quotaholder.

**Article 4** - The Company’s validity period is indeterminate.

## **CHAPTER II CAPITAL STOCK**

**Article 5** – The Company’s corporate capital fully subscribed and paid in is five hundred and twenty-six million, five hundred and ninety-two thousand, one hundred and two Brazilian Reais and twenty two centavos (R\$ 526,592,102.22), divided into one hundred and sixty-three million, four hundred and sixty-seven thousand and seventy one (163,467,071) registered, book-entry common shares, without par value.

“**Article 6º** - The Company is authorized to increase its capital stock, up to the limit eight hundred million (800,000,000) Brazilian Reais.”

**Paragraph 1** – Within the limit authorized in this Article, the Company may, upon resolution of the Board of Directors, increase its capital stock, irrespective of any amendment to the Bylaws. The Board of Directors shall establish the issue conditions, including the price and payment period.

**Paragraph 2** - Within the limit of authorized capital, the Board of Directors may determine the issue of subscription bonus.

**Paragraph 3** - Within the limit of authorized capital and in accordance with the plans approved by the General Meeting, the Board of Directors may grant stock option or share subscription to its managers (“Managers”) and employees (“Employees”), as well as to the managers and employees of other companies directly or indirectly controlled by the Company, without granting preemptive rights to shareholders.

**Paragraph 4** - The Company is barred from issuing founders’ shares.

**Article 7** - The capital stock shall be solely represented by common shares and each common share be entitled to a vote with respect to the resolutions of the General Meeting.

**Article 8** - All Company’s shares are registered and held in a deposit account with a financial institution authorized by the Brazilian Securities Commission (“CVM”), on behalf of their holders, without certificates.

**Sole Paragraph** - Any transfer and registration costs, as well as any service costs related to the registered shares, may be charged directly from shareholders by the underwriting institution, as to be defined in the stock registration agreement.

**Article 9** - The Board of Directors may decide on the exclusion or reduction of preemptive rights for the purpose of issuing shares, debentures convertible into shares and subscription bonuses, whose placement takes place by sale in stock exchanges or public subscription, or through swap of shares in a public tender offer, as provided by law, within the limits of authorized capital.

### **CHAPTER III GENERAL MEETING**

**Article 10** - The General Meeting shall regularly meet once a year and, on an extraordinary basis, when called, pursuant to Law 6,404, of December 15, 1976 (“Brazilian Corporation Law”) or these Bylaws.

**Paragraph 1** - Any General Meeting’s resolutions shall be taken by the absolute majority of votes cast, in conformity with the provisions of Article 50 of these Bylaws.

**Paragraph 2** - The General Meeting resolving on deregistration of the Company as a publicly held company, or its delisting from the Novo Mercado shall be called with at least thirty (30) days in advance.

**Paragraph 3** - Any resolution about any change to or exclusion of Article 44 of these Bylaws shall be taken by the absolute majority of votes, complying with the required minimum quorum of thirty per cent (30%) of the voting capital for taking resolutions.

**Paragraph 4** - The General Meeting may only resolve on the agenda matters included in the respective call notice, subject to the exceptions set forth in the Brazilian Corporation Law.

**Paragraph 5** - At the General Meetings, the shareholders shall submit the following documentation, with at least forty eight (48) hours in advance, and in addition to the identity card and/or applicable corporate documents evidencing legal representation, as the case may be: (i) evidence issued by the underwriting institution, no longer than five (5) days before the date the General Meeting is to be held; (ii) the proxy with the grantor’s notarized signature; and/or (iii) with respect to the shareholders taking part in the fungible custody of book-entry shares, the statement including the respective ownership interest issued by the applicable body.

**Paragraph 6** - The minutes of Meetings shall be: (i) drawn up in the General Meetings Minutes Book as a summary of the events occurred, including the summarized indication of the votes cast by the attending shareholders, the blank votes and abstentions; and (ii) published without signatures.

**Article 11** - The General Meeting shall be installed and presided over by the Board of Directors’ Chairman or, in his absence or impediment, installed and presided over by another Board Member, Executive Officer or shareholder nominated in writing by the Board of Directors’ Chairman. The General Meeting’s Chairman shall nominate up to two (2) Secretaries.

**Article 12** - In addition to the duties provided for by law, the General Meeting shall be responsible for:

- (i) electing and dismissing any Board of Directors’ members;
- (ii) establishing the overall annual compensation of the members of the Board of Directors and of the Board of Executive Officers, as well of the Fiscal Council, if convened;
- (iii) changing the Bylaws;

- (iv) resolving on the dissolution, winding-up, merger, spin-off, amalgamation of the Company or of any company controlled by the Company;
- (v) assigning share bonuses and deciding on possible splits or reverse splits of shares;
- (vi) approving plans for granting of stock options or share subscription to its Managers or Employees, as well to the managers and employees of other companies directly or indirectly controlled by the Company;
- (vii) resolving, in accordance with proposal submitted by management, on the appropriation of income for the year and dividend distribution;
- (viii) electing the liquidator, as well as the Fiscal Council which shall operate during the winding-up period;
- (ix) resolving on the delisting from the Novo Mercado of BM&FBOVESPA;
- (x) resolving on the Company's deregistration as a publicly-held company with the CVM, except for the provisions of Article 49 (ii) of these Bylaws;
- (xi) choosing a specialized company, out of the companies nominated by the Board of Directors, which shall be responsible for preparing an appraisal report on the Company's shares in the event of its deregistration as a publicly-held company or delisting from the Novo Mercado, as set forth in Chapter VII of these Bylaws; and
- (xii) resolving on any matters submitted by the Board of Directors.

## **CHAPTER IV MANAGEMENT BODIES**

### **Section I - General Provisions Common to the Management Bodies**

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

**Paragraph 1** - The office of the members of the Board of Directors and the Executive Officers shall be carried out through an instrument drawn up in the Company's records, to be executed by the invested manager, waiving any management guarantee, and is conditioned to the prior execution of the Management's Instrument of Consent referred to by the Novo Mercado Regulation, as well as the attendance of other legal requirements.

**Paragraph 2** - The Managers shall remain in their positions up to the investiture of their deputies, except if resolved differently by the General Meeting of the Board of Directors, as the case may be.

**Article 14** - The General Meeting shall establish the overall annual compensation for distribution among Managers, and the Board of Directors shall be responsible for individually allocating such amounts, after considering the Personnel and Compensation Committee report, pursuant to the provisions of Article 20 of these Bylaws.

**Article 15** - Save in accordance with the provisions of these Bylaws, any of the management bodies or technical committees shall legally meet with the attendance of the majority of its respective members, and resolutions shall be taken by absolute majority of votes of the attending members.

**Sole Paragraph** - For the meeting to be valid, the prior call for the meeting may only be waived if all members are present. Any management body members who state their vote

by means of a proxy in favor of another member of the respective body, either by written vote in advance or written vote transmitted by fax, electronic mail or by any other means of communication shall be deemed as present.

## **Section II - Board of Directors**

**Article 16** - The Board of Directors shall be composed of at least five (5) and at the most nine (9) members, elected and dismissible by the General Meeting, with a unified term of office of two (2) annual years, with reelection allowed.

**Paragraph 1** - At least twenty percent (20%) of the Board of Directors' members must be Independent Members, as defined in the Novo Mercado (as transcribed in Paragraph 2 of this article), and expressly as such in the minutes of the General Assembly that elects, and also considered as independent (s) number (s) Advisor (s) elect (s) by faculty provided for in Article 141, §§ 4 and 5 and Article 239 of Law 6.404/76 ("Corporation Law") in Paragraph 2 of this Article. In the event, as a result of the compliance with this percentage, the outcome is a fraction number of Board Members, there shall be a rounding to a full number, as follows: (i) immediately higher, when the fraction is equal to or higher than five tenths (0.5); or (ii) immediately lower, when the fraction is lower than five tenths (0.5), according to the "Novo Mercado Rules".

**Paragraph 2** - An "Independent Member", according to the Novo Mercado Rules, is characterized as: (i) not having any relationship with the Company, except for interest in the capital stock; (ii) not being the Controlling Shareholder (as defined in Article 41, Paragraph 1 of these Bylaws), spouse or relative up to second degree of consanguinity of the Controlling Shareholder, not being or not having been, for the last three (3) years, related to a company or entity related to the Controlling Shareholder (except for any persons related to public education and/or research institutions); (iii) not being, in the last three (3) years, an employee or executive officer of the Company, the Controlling Shareholder or company controlled by the Company; (iv) not being a direct or indirect supplier or purchaser of services and/or products of the Company, in such a volume that it may imply loss of independence; (v) not being an employee or manager of a company or entity that is offering or demanding services and/or products to/from the Company, to a degree that results in independence loss; (vi) not being the spouse or relative up to second degree of consanguinity of any manager of the Company; (vii) not receiving other compensation from the Company in addition to the one he/she receives as a Board Member (amounts in cash arising from interest on capital are excluded from this restriction).

**Paragraph 3** - At the Annual General Meeting the purpose of which is to resolve on the election of the Board of Directors, having in mind the expiration of the Board's term of office, the shareholders shall determine the effective number of members of the Board of Directors for the next term.

**Paragraph 4** - The Board of Directors' members shall have flawless reputation, and may not be elected, except for General Meeting waive, any individual who (i) holds positions in companies which may be deemed as Company's competitors; or (ii) has or represents any interests conflicting with the Company. Members of the Board of Directors shall not exercise their voting right in case the aforementioned impediment factors occur.

**Paragraph 5** - The Board of Directors' members may not have access to any information or take part in any Board of Directors' meetings related to matters they have or represent any interests which conflict with those of the Company.

**Paragraph 6** - For better performance of its duties, the Board of Directors may set up, in addition to the Personnel and Compensation Committee, any committees or workgroups with defined purposes, always seeking to advise the Board of Directors, and these committees shall be composed of individuals nominated among management and/or other persons directly or indirectly related to the Company.

**Paragraph 7** - In the event any shareholder is willing to nominate one or more representatives to comprise the Board of Directors who are not members in its most recent composition, such shareholder shall notify the Company in writing five (5) days prior to the General Meeting which will elect the Board Members, by reporting the name, qualification and the complete professional résumé of such candidates.

**Article 17** - The Board of Directors shall have one (1) Chairman and one (1) Vice-Chairman, who shall be elected by absolute majority of votes of the attendees, at the first Board of Directors' meeting held immediately after the investiture of such members, or in case of a resignation or vacancy in these positions. The Vice-Chairman shall exercise the Chairman's duties in his temporary absences and impediments, irrespective of any formality. In the event of any temporary absence or impediment of the Chairman and the Vice-Chairman, the Chairman's duties shall be exercised by another Board of Directors' member nominated by the Chairman.

**Paragraph 1** - The positions of Chairman of the Board of Directors and Chief Executive Officer or Main Executive Officer of the Company may not be accumulated by the same person.

**Paragraph 2** - The Board of Directors' Chairman shall call and chair the Board meetings and the General Meetings, except for, with respect to the General Meetings, the cases in which another Board Member, Executive Officer or shareholder is appointed by the Chairman in writing to preside over the meeting.

**Paragraph 3** - In the Board of Directors' resolutions, the Chairman shall be entitled to the casting vote in case of a draw.

**Article 18** - The Board of Directors shall regularly meet four (4) times per year, and on an extraordinary basis, whenever called by the Chairman or by the majority of its members. The Board meetings may be held via conference call, videoconference or by any other means of communication that allows for the identification of the member and the simultaneous communication with all other persons attending the meeting.

**Paragraph 1** – Calls for the meetings shall be made by means of a written notice to be delivered to each Board Member at least five (5) days in advance, including the agenda, place, date and time of the meeting.

**Paragraph 2** - All Board of Directors' resolutions shall be stated in the minutes drawn up in the respective Minutes Book of the Board of Directors' Meetings and executed by the attending Board Members.



Article 19 – In addition to other duties assigned to it by law or these Bylaws, the Board of Directors shall be responsible for:

- (i) establishing the overall guidance for the Company's business;
- (ii) electing and dismissing the Company's executive officers and establishing their duties;
- (iii) calling the General Meeting, when deemed applicable, or pursuant to Article 132 of the Brazilian Corporation Law;
- (iv) inspecting the Executive Officers' management, reviewing, at any time, the Company's books and papers and requesting information on any agreements entered into or to be entered into and any other acts;
- (v) choosing and dismissing the Company's independent auditors;
- (vi) providing a prior opinion on the Management Report and the accounts of the Executive Officers and resolving on their submission to the General Meeting;
- (vii) approving the annual and multiannual budgets of the Company, its controlled and affiliated companies, the strategic plans, the expansion projects and investment programs of the Company, as well as following its performance;
- (viii) resolving on the opening, closing and modification of branches of the Company, domestically and abroad;
- (ix) authorizing the issue of Company's shares and subscription bonuses, within the Company's authorized capital limit;
- (x) resolving on the Company's purchase of its own shares to be held in treasury and/or for later cancellation or sale;
- (xi) resolving on the granting of stock options or share subscription to its Managers and Employees, as well as to the managers and employees of other companies directly or indirectly controlled by the Company, without preemptive rights for any shareholders pursuant to the plans approved at General Meetings, after taking into account the Personnel and Compensation Committee Report;
- (xii) submitting to the Annual General Meeting a proposal for allocation of the fiscal years's net income;
- (xiii) distributing among the Executive Officers, individually, the portion of the overall annual compensation of the Managers established by the General Meeting, after considering the Personnel and Compensation Committee Report;
- (xiv) resolving on any deals or agreements between (a) the Company and its controlled companies (except for wholly-owned controlled companies) and (b) between the Company or its controlled companies (whether wholly owned or not) and any of their Managers and/or shareholders (except for employment contracts) to include companies directly or indirectly controlled by said managers and/or shareholders, or by any third parties related to them;
- (xv) resolving, as delegated by the General Meeting, when debentures are issued by the Company, on the period and conditions for maturity, amortization or redemption, on the period and conditions for payment of interest, profit sharing and repayment premiums, if any, and on the subscription and placement methods, as well as the types of debentures;
- (xvi) resolving on the subscription, purchase, sale or encumbrance by the Company of any shares or securities issued by any of the Company's controlled or affiliated companies, except in connection with operations involving exclusively the Company and wholly owned entities;

(xvii) resolving on the Company's participation in other societies, as well as any involvement in other endeavors, including as a member of a consortium or a party to a silent partnership.

(xviii) deciding on the payment or credit of interest on equity to shareholders, according to applicable laws;

(xix) resolving on the distribution of interim dividends, including at the expense of accumulated profits or profit reserves from the latest annual or interim balance sheet;

(xx) resolving on the assignment or transfer to a third party, by any means, of intellectual or industrial rights of the Company and/or of a company directly or indirectly controlled by it or its affiliated companies, except for a remunerated licensing made by the Company in the ordinary course of business;

(xxi) authorizing the following acts in amounts exceeding five (5) percent of the subscribed corporate capital, such amount to be taken in consideration of isolated transactions or sets of related transactions: (a) purchase by the Company, by any means, of assets in other societies, including its controlled or affiliated companies; (b) divestiture of assets from permanent assets, (c) provision of warranties of any nature by the Company; (d) granting of loans in favor of any third parties; (e) investing in expansion and improvement projects; (f) entering into long- or short-term debt operations; and (g) entering into any long-term agreements (with a duration in excess of one year);

(xxii) manifesting favorable or otherwise regarding any public offer of shares that has as object the shares of the Company, through prior informed opinion, issued within fifteen (15) days of publication of the notice of public offering acquisition of shares, which should address at least (a) the convenience and opportunity of the public offer for acquisition of shares and the interest of all shareholders in relation to the liquidity of the securities it owns, (b) the impact of supply public acquisition of shares over the interests of the company, (c) strategic plans disclosed by the issuer in relation to the Company, (d) other items which the Board deems appropriate, as well as information required by applicable rules established by the CVM.

**Paragraph 1-** The Company shall not grant loans or guarantees to its Board of Directors' members or Executive Officers, except proportionally to the extent that these loans or guarantees are available to the Employees or clients of the Company.

**Paragraph 2 –** A representative of the Company's vote in favor of any resolution regarding the topics listed in Article 19 at General Meetings and other corporate bodies of the Company's directly or indirectly controlled companies shall require the approval of the Company's Board of Directors.

**Article 20 –** The Board of Directors shall elect one (1) external member and one (1) Board member, among its members, who shall comprise the Personnel and Compensation Committee together with the Chief Executive Officer (CEO) and the Human Relations and Organizational Infrastructure Vice President with a term of office of two (2) annual years, which shall meet whenever necessary. The Personnel and Compensation Committee shall exercise consulting functions in accordance with its bylaws and shall assist the Board of Directors to establish the terms of the compensation and other benefits and payments to be received on any account from the Company by Executive Officers and Board Members. The following is incumbent upon the Personnel and Compensation Committee:

- (i) submitting to the Board of Directors a proposal for distribution of the overall annual compensation to the Executive Officers and Board Members, based on the information technology market standards and following up on the payment of compensation and, if the compensation is not in line with the information technology market standards, informing said fact to the Board of Directors;;
- (ii) expressing an opinion on the grant of stock options or share subscriptions to the Company's Managers and Employees;
- (iii) expressing an opinion on the profit sharing of the Company's Executive Officers and Employees.

### **Section III- Board of Executive Officers**

Article 21 – The Board of Executive Officers shall be made up of a minimum of five (5) and a maximum of twenty (20) members, including the following positions, whose duties shall be determined by the Board of Directors: (i) Chief Executive Officer, (ii) President; (iii) up to eight (8) Vice-Presidents, and (iv) up to ten (10) Executive Officers. Executive Officers may accumulate positions and shall serve for a unified term of two (2) annual terms, where an annual term shall be deemed to be the period between two (20 Ordinary General Meetings. Reelection shall be permitted.

Article 22 – In the event of the absence or impediment of any Executive Officer, the Board of Executive Officers shall name a pro-tem replacement from among its members, with the condition that the Chief Executive Officer and the President shall stand in for one another in the performance of the respective duties, including where such a position is not filled or is left vacant mid-term.

Article 23 – In the event of the vacancy of any position, the Board of Directors may designate a replacement Executive Officer who shall serve for the duration of the remained of the replaced Executive Officer's term.

Article 24 – Vice-Presidents and Executive Officers shall collaborate with the Chief Executive Officer and the President in the management of business and the conduction of corporate services.

**Article 25** - The Board of Executive Officer holds all the powers to carry out the acts required for the Company's normal operation and for fulfilling its business purpose, however special they may be, including waiver of rights, negotiation and agreement, subject to any applicable legal or statutory provisions. It shall be responsible for managing the Company's business, particularly: (i) complying with and causing the compliance with these Bylaws and the resolutions of the Board of Directors and the Annual Meeting; (ii) annually submitting, to the appreciation of the Board of Directors, the Management Report and the accounts of the Board of Executive Officers, supported by the independent auditors' report, as well as the proposal for allocation of income determined in the prior year; (iii) proposing to the Board of Directors the annual and multiannual budgets of the Company, its controlled and affiliated companies, as well as the Company's strategic plans, expansion projects and investment projects; and (iv) deciding on any matter that is not of exclusive responsibility of the General Meeting or the Board of Directors.

**Article 26** – The Company shall be legally bound wherever represented by two (2) members of the Board of Executive Officers, or one (1) member of the Board of Executive

Officers and one (1) proxy, or by two (2) proxies within the boundaries of the respective terms.

Paragraph 1 – The Company may be represented by a single Executive Officer or a single proxy in the following cases: (i) before any direct or indirect Public Administration body for the purposes of acts not involving the acceptance or waiver of rights and obligations; (ii) pursuant to “ad judicia” powers-of-attorney; and (iii) at general shareholders’ meetings, or meetings of shareholders or quota-holders in companies or investment funds where the Company is a participant; and (iv) elsewhere as specified by the Board of Directors.

Paragraph 2 – All powers-of-attorney shall be granted jointly by two (2) Executive Officers.

Paragraph 3 – The Company shall be represented in isolation by any of the Executive Officers or a duly appointed proxy for the purposes of service of process or legal notices and for personal testimony.

## **CHAPTER V FISCAL COUNCIL**

**Article 27** - The Fiscal Council shall operate on a non-permanent basis, with the powers and duties assigned by law and shall only be convened upon General Meeting resolution, or at shareholders’ request, in the cases provided for by law.

**Article 28** – When instated, the Fiscal Council shall be composed of three (3) sitting members and an equal number of deputies, shareholders or not, elected and removable from office at any time by the General Meeting.

**Paragraph 1** - The Fiscal Council members shall have the unified term of office of one (1) year, with reelection allowed.

**Paragraph 2** - The Fiscal Council members, at its first meeting, shall elect its Chairman.

**Paragraph 3** - The office of the Members shall be made by means of a transcript drawn upon in the Company’s records, executed by the invested member, and is conditioned to the previous execution of the Fiscal Council Members’ Instrument of Consent according to the Novo Mercado Regulation, as well as the attendance of other legal requirements.

**Paragraph 4** - The Fiscal Council members shall be replaced, upon any absences and impediments, by their respective deputies.

**Paragraph 5** - In the event a Fiscal Council member position is vacant, the respective deputy shall take office; in case there is no deputy, the General Meeting shall be called to arrange for the election of a new member for the vacant position.

**Paragraph 6** – Any person who has a relationship with any company deemed to be a competitor of the Company (“Competitor”) may not be elected for the position of member of the Company’s Fiscal Council, and it is prohibited the election of any person who, among other things, is: (i) an employee, shareholder or member of a management,

technical or fiscal body of the Competitor or of the Competitor's Controlling Party or Controlled Companies (as set forth in Article 41, Paragraph 1 of these Bylaws); (ii) a spouse or relative up to second degree of consanguinity of a member of a management, technical or fiscal body of the Competitor, or of the Competitor's Controlling Party or Controlled Companies.

**Paragraph 7** – Should any shareholder wish to nominate one or more representatives to comprise the Fiscal Council who have not been members of said Council after the period subsequent to the last Annual General Meeting, said shareholder shall notify the Company in writing five (5) days prior to the General Meeting that will elect the Board Members, providing the name, qualification and full professional curriculum of the nominees.

**Article 29**- When convened, the Fiscal Council shall meet whenever required, as provided for by law, and analyze, at least on a quarterly basis, the Company's financial statements.

**Paragraph 1** - Irrespective of any formalities, any meeting attended by all Fiscal Council members shall be deemed as regularly called.

**Paragraph 2** - The Fiscal Council states its position by absolute majority of votes, with the attendance of most of its members.

**Paragraph 3** - All Fiscal Council's resolutions shall be stated in the minutes drawn up in the respective Fiscal Council Minutes and Opinions book and executed by the attending Board members.

**Article 30** - The Fiscal Council members' compensation shall be defined by the Annual General Meeting electing such members, subject to Paragraph 3 of Article 162 of the Brazilian Corporation Law.

## **CHAPTER VI PROFIT DISTRIBUTION**

**Article 31** - The fiscal year begins on January 1 and ends on December 31 of each year.

**Sole Paragraph** - At the end of each fiscal year, the Board of Executive Officers shall cause the preparation of the Company's financial statements, in conformity with any applicable legal provisions.

**Article 32** - Together with the financial statements for the year, the Board of Directors shall submit to the Annual General Meeting a proposal on the appropriation of net income for the year, calculated after the deduction of any profit-sharing referred to in Article 190 of Brazilian Corporation Law, in accordance with the provision in Paragraph 1 of this Article, adjusted for purposes of calculation of dividends pursuant to Article 202 of the same law, subject to the following deduction order: (i) five percent (5%), at least, for the legal reserve, until it reaches twenty percent (20%) of the capital stock. In the year in which the legal reserve balance plus the capital reserve amounts exceeds thirty percent (30%) of the capital stock, the appropriation of part of net income to the year for the legal reserve shall not be mandatory; (ii) the portion required for payment of a mandatory

dividend may not be lower, in each year, than twenty five percent (25%) of the annual adjusted net income, as set forth in Article 202 of the Brazilian Corporation Law.

**Paragraph 1** - The General Meeting may assign to the members of the Board of Directors and of the Board of Executive Officers a profit-sharing portion not higher than ten percent (10%) of the outstanding balance of the income for the year, after deduction of the accumulated losses and the provision for income and social contribution taxes, pursuant to the legal format and limits.

**Paragraph 2** - The remaining profit balance, if any, shall be appropriated as the General Meeting so determines, and any withholding of income for the year by the Company shall mandatorily have attached to it a budget proposal previously approved by the Board of Directors. In case the profits reserve balance exceeds the capital stock, the General Meeting shall resolve on the use of such excess for payment or increase of the capital stock or also for distribution of dividends to shareholders.

**Article 33** – As proposed by the Board of Executive Officers, approved by the Board of Directors, ad referendum by the General Meeting, the Company may pay or credit interest to shareholders, as interest on equity of the latter, subject to applicable legislation. Any possible amounts thus disbursed may be attributed to the mandatory dividend amount set forth in these Bylaws.

**Paragraph 1** - In the event interest is credited to shareholders in the fiscal year and appropriated to the mandatory dividend amount, shareholders shall be paid with the dividends they are entitled to, and shall also be entitled to the payment of any possible remaining balance. In the event dividends are lower than the amount credited to shareholders, the Company may not charge the remaining balance from shareholders.

**Paragraph 2** - The effective payment of interest on equity, after being credited during the fiscal year, shall be made upon Board of Directors' resolution, in the fiscal year or in the following year, but never after the dividend payment dates.

**Article 34** - The Company may prepare six-month balance sheets or balance sheets in shorter periods, and state, upon the Board of Directors resolution: (i) the payment of dividends or interest on equity, to the account of income earned in the six month balance sheet, attributed to the mandatory dividend amount, if any; (ii) the dividend distribution in periods shorter than six (6) months, or interest on equity, attributed to the mandatory dividend amount, if any, provided that the total dividends paid in each half of the fiscal year does not exceed the capital reserve amounts; and (iii) the payment of interim dividends or interest on equity, to the account of retained earnings or profits reserve in the latest balance sheet for the year or for the six-month period, attributed to the mandatory dividend amount, if any.

**Article 35**- The General Meeting may resolve on capitalization of profits or capital reserves, including those stated in interim balance sheets, subject to applicable legislation.

**Article 36**- Any dividends not received or claimed shall expire within three (3) years, counted from the date in which they were made available to the shareholders, and shall inure to the benefit of Company.

**CHAPTER VII**  
**DISPOSAL OF OWNERSHIP CONTROL, DEREGISTERING AS A**  
**PUBLICLY-HELD COMPANY AND DELISTING FROM THE NOVO**  
**MERCADO**

**Article 37-** The direct or indirect disposal of the Company's ownership control (as defined in Paragraph 1 of this Article), either through a single or successive operations, shall be contracted under either a suspensive or resolutive condition that the Ownership Control buyer be obliged to carry out a Public Tender Offer ("PTO") for acquisition of shares of the other shareholders, subject to any conditions and terms set forth in legislation in force and the Novo Mercado Regulation, so that such shareholders are entitled to a treatment equal to that of the Shareholder Controlling Seller (as defined in Paragraph 1 of this article).

**Paragraph 1** - For purposes of these Bylaws, the expressions below started in capital letters shall have the following meanings: "Controlling Shareholder" means shareholder (s) or Group of Shareholders that owns the Company's Control. "Controlling Shareholder Seller" means the controlling shareholder when it promotes the sale of the Company's control. "Control Shares" means the block of shares that ensures, directly or indirectly, its holder(s) the individual and / or combined control of the Company. "Outstanding Shares" means all shares issued by the Company, except shares held by the Controlling Shareholder, by people linked to the Controlling Shareholder, by the Company's management and treasury shares. "Acquirer" means one for whom the Controlling Shareholder transfers Controlling Shares in a Change of Control of the Company. "Transfer of Control of the Company" means the transfer to third persons, against payment, of the Control Shares. "Group of Shareholders" means a group of people who are (i) pegged by agreements or contracts of any nature, either directly or by means of Controlled Companies, Controlling Parties or Under Common Control; or (ii) among which there is controlling relationship; or (iii) under common control. "Control" means the power effectively used to manage the activities and guide the organs of the Company, directly or indirectly, in fact or law, regardless of ownership interest held. There is a relative assumption of ownership of control related to the person or group of shareholders that hold shares that have secured an absolute majority of votes of shareholders present in 3 (three) last general meeting of the Company, even if they do not hold the actions that ensure the absolute majority of the voting capital. "Economic Value" means the value of the company and its shares to be determined by a specialized company, by using recognized methodology or based on other criteria that may be defined by the CVM.

**Paragraph 2** – In the event the acquisition of Control also subjects the Control Buyer to the obligation of carrying out a Public Tender Offer required pursuant to Article 40 of these Bylaws, the purchase price shall be the highest among those determined in conformity with this Article 37 and Article 40, Paragraph 2 of these Bylaws.

**Paragraph 3** - The Controlling Shareholder Seller may not transfer the ownership of its shares until the Buying Shareholder executes the Controlling Parties' Instrument of Consent referred to in the Novo Mercado Regulation.

**Paragraph 4** - The Company shall not register any transfer of shares to the Buying Shareholder with Controlling Power up until said shareholder execute the Controlling Shareholders' Instrument of Consent, which is related to the Novo Mercado Regulation.



**Paragraph 5** - No Shareholders' Agreement providing for the exercising of the Controlling Power may be registered in the Company's head office until its signatories have executed the Instrument of Consent of the Controlling Group which is related to the Novo Mercado Regulation.

**Article 38-** The public tender offer referred to in Article above shall also be carried out: (i) in case of any remunerated assignment of subscription rights to shares or other securities or rights to securities convertible into shares, which may give rise to the Disposal of the Company's Ownership Control; or (ii) in case of disposal of the Ownership control of a company holding the Controlling Power of the Company and, in this case, the Controlling Shareholder Seller shall be obliged to report to BM&FBOVESPA the amount assigned to the Company in such disposal and attach any supporting documentation.

**Article 39-** Any party which acquires the Controlling Power, in view of any private agreement for purchase of shares entered into with the Controlling, involving any number of shares, shall be obliged to: (i) carry out the public tender offer referred to in Article 37 of these Bylaws; (ii) Pay, under the following, the amount equivalent to the difference between the public offering and the amount paid per share eventually purchased in stock exchanges within 6 (six) months prior to the date of acquisition of the Company's Control, updated until the payment date; This amount should be distributed among all the people who sold shares of the Company at the trading where the buyer made purchases, in proportion to the selling net balance of each, while the BM&FBOVESPA operates the distribution in terms of its regulations, and (iii) take any applicable measures to recover the minimum percentage of twenty five percent (25%) of the Company's total outstanding shares, within the six (6) months subsequent to the acquisition of Control.

**Article 40-** Any person or shareholder who purchases or becomes the holder of shares issued by the Company, in a number equal to or higher than twenty percent (20%) of the total shares issued by the Company shall, within no longer than sixty (60) days counted from the acquisition date or the event giving rise to the ownership of shares in a number equal to or higher than twenty percent (20%) of the total shares issued by the Company, carry out or request the registration of, as the case may be, a Public Tender Offer of all shares issued by the Company, subject to the applicable CVM regulation, the Novo Mercado Regulation, other BM&FBOVESPA regulations and the provisions of this Article.

**Paragraph 1** - The Public Tender Offer shall be: (i) equally addressed to all Company's shareholders; (ii) carried out in an auction to be held at BM&FBOVESPA; (iii) placed by the price determined in conformity with the provisions of Paragraph 2 of this Article; and (iv) paid on demand, in local legal tender, upon the acquisition of shares issued by the Company in the Tender Offer.

**Paragraph 2** - The purchase price in the Public Tender Offer for each share issued by the Company may not be lower than the highest amount between (i) one hundred twenty five percent (125%) of the highest unit quotation reached for the shares issued by the Company during the twelve (12) month period prior to the Public Tender Offer in any stock exchange in which the Company's shares are traded; (ii) one hundred twenty five percent (125%) of the highest unit price paid by the Buying Shareholder, at any time, for a share

or a share lot issued by the Company; (iii) the economic value determined in the appraisal report.

**Paragraph 3** - Any shareholders who are holders of shares representing at least ten percent (10%) of capital stock may request a new appraisal report to be prepared in the same format as that referred to in item (iii) of Paragraph 2 of this Article, but by a different institution. (I) In case the new appraisal report determines a price per share lower than the one calculated as set forth in Paragraph 2 of this Article, the higher price shall prevail and the shareholders who requested the new appraisal report shall be fully liable for its costs proportionally to their interest in the Company's capital stock. (II) In case the appraisal report as set forth in this Paragraph determines a price per share higher than that obtained as set forth in Paragraph 2 of this Article, the Buyer may: (1) waive the Public Tender Offer and agree to dispose the excess interest within three months counted from the acquisition, and any costs on the preparation of new appraisal report must be fully paid by the shareholders who requested its preparation, proportionally to their interest in the Company's capital stock; (2) carry out the Public Tender Offer for the price per share stated in the new appraisal report, and any costs on the preparation of new appraisal report must be fully paid by the Company.

**Paragraph 4** - In the event the Public Tender Offer price is revised, as set forth in Paragraph 3 of this Article, and provided that there is no waiver from the Buyer, the auction shall start at the new price, and a material fact shall be published to report the price revision and the maintenance or waiver of the Public Tender Offer.

**Paragraph 5** - Upon revision of the Public Tender Offer price, the following procedure shall be adopted:

(i) the request for a new appraisal report on the price per Company's share, based on the economic value, duly documented and supported by evidence showing the flaw or inaccuracy of the calculation methodology employed or the evaluation criterion adopted, shall be carried out within fifteen (15) days counted from the disclosure of the Public Tender Offer amount, and shall interrupt the registration process or, in case such registration is already granted, it shall interrupt the Public Tender Offer notice period, postponing the respective auction, and the Buying Shareholder shall arrange for the publication of a material fact reporting such postponement and the date stated for the holding of the Board of Directors' meeting which shall choose a specialized company to prepare the new appraisal report;

(ii) in case the Board of Directors decides that a new appraisal of the Company shall not be prepared, the registration process or the Public Tender Offer itself shall be resumed for the remaining period, as the case may be, and, for the latter, the Buying Shareholder shall arrange for the publication of a material fact with the new auction date;

(iii) in case the appraisal report determines an amount equal to or lower than the Public Tender Offer value obtained as set forth in Paragraph 2 of this Article, the registration process or the Public Tender Offer itself shall be resumed for the remaining period, as the case may be, and, for the latter, the Buying Shareholder shall arrange for the publication of a material fact with the new auction date;

(iv) in case the appraisal report determines an amount higher than the Public Tender Offer value obtained as set forth in Paragraph 2 of this Article, the Buying Shareholder shall publish, within five (5) days counted from the submission of the appraisal report, a material fact stating its position to maintain or waive the Public Tender Offer, by

clarifying, for the first case, that it will resume the registration process, or of the Public Tender Offer itself for the remaining period, as the case may be, and, for the latter, the Buyer shall arrange for the publication of a material fact with the new auction date and the new price;

(v) the fifteen (15) day period referred to in item (i) of this Paragraph 5 shall only start after the original appraisal report is delivered to CVM, or after it is made available as set forth in item (viii) of this Paragraph 5, if it comes first, and the Buying Shareholder shall publish a material fact reporting such delivery;

(vi) the Board of Directors' meeting resolving on a new appraisal shall nominate the institution in charge for the preparation of such appraisal report, approve the related fees, establish a period no longer than thirty (30) days for conclusion of services, and determine that the appraisal report be forwarded to the Company, for the attention of its Investor Relations Officer, to the stock exchange in which the auction is to be held, and to CVM, in addition to being sent to CVM electronic mail in the specific format determined by CVM;

(vii) the institution in charge for preparing the appraisal report shall also, on the same date it forwards the appraisal report to CVM, inform the intermediate institution operating in the Public Tender Offer, as set forth in Article 4, IV of CVM Instruction No. 361, of March 5, 2002 ("CVM Instruction 361"), the outcome of such appraisal, so that such institution and the Buying Shareholder adopt any applicable measures among those set forth in items (iii) and (iv) of this Paragraph 5;

(viii) the appraisal report referred to in this Paragraph 5 shall be made available in the same locations, and in the same format, of the appraisal report referred to in Article 8 of CVM Instruction 361; and,

(ix) the minutes of the Board of Directors' meeting referred to in this Paragraph 5 shall necessarily state the names of the shareholders who requested the new appraisal, for effects of the possible application of the provision in Paragraph 3, (I) and (II.2) of this Article 40.

**Paragraph 6** - The Public Tender Offer mentioned in the main provision of this Article shall not exclude the possibility of another shareholder of the Company or, if applicable, the Company itself, to prepare a concurrent Public Tender Offer, pursuant to applicable regulation.

**Paragraph 7** - The Buyer shall be obliged to comply with any possible CVM requests or requirements, related to the Public Tender Offer, made based on and within the deadlines set forth in applicable regulation.

**Paragraph 8** - In the event the Buyer fails to comply with any obligations imposed by this Article, including those related to the compliance with deadlines for (i) carrying out or requesting registration of the Public Tender Offer; or (ii) complying with any possible CVM requests or requirements, or with any obligations provided for by Article 49 of these Bylaws, the Company's Board of Directors shall call an Extraordinary General Meeting, in which the Buyer may not vote, in order to resolve on the suspension of the exercise of the rights of the Buyer who failed to comply with any obligation imposed by this Article, provided for by Article 120 of Brazilian Corporation Law, without prejudice to the Buyer's liability for any losses and damages caused to other shareholders arising from such noncompliance with obligations imposed by this Article.

**Paragraph 9** - Any Shareholder or person acquiring or becoming the holder of other rights, including usufruct or trust, on the shares issued by the Company in a number equal to or higher than twenty percent (20%) of the total shares issued by the Company, shall be equally obliged to carry out or request the registration, as the case may be, of a Public Tender Offer, within no longer than sixty (60) days counted from the date of such purchase or the event which gave rise to the holding of such rights on shares in an amount equal to or higher than twenty percent (20%) of the total shares issued by the Company, pursuant to the provisions in this Article.

**Paragraph 10** - The obligations stated in Article 254-A of the Brazilian Corporation Law and Articles 37, 38 and 39 of these Bylaws do not release the Buying Shareholder from complying with any obligations stated in this Article, except for the provisions in Articles 47 and 48 of these Bylaws.

**Paragraph 11** - The provision in this Article shall not apply in the event of a person becoming the holder of shares issued by the Company in a number higher than twenty percent (20%) of the total shares issued, arising from: (i) any legal succession, under the condition that the shareholder disposes of any excess shares within sixty (60) days counted from the material event; (ii) any amalgamation of another company by the Company; (iii) the merger of shares of another company by the Company; or (iv) the subscription of Company's shares, carried out at a single primary issue, which has been approved in a Company's Annual General Meeting called by its Board of Directors, and whose capital increase proposal has determined the issue price of shares based on the economic value obtained from a valuation report on the Company conducted by a specialized company with proven experience in the evaluation of publicly-held companies.

**Paragraph 12** - For calculation of the percentage of twenty percent (20%) of the total shares issued by the Company described in the main provision of this Article, any involuntary additions to ownership interest arising from cancellation of treasury shares or decrease in the Company's capital stock with the cancellation of shares shall not be computed.

**Paragraph 13** - In the event the CVM regulation applicable to Public Tender Offer set forth in this Article determines the adoption of a calculation criterion to define the purchase price of each Company's share in the Public Tender Offer which gives rise to a purchase price higher than that defined in Paragraph 2 of this Article, then the purchase price calculated pursuant to CVM regulation shall prevail for holding the Public Tender Offer set forth in this Article.

**Paragraph 14** - Any change which restricts the shareholders' right to carry out the Public Tender Offer set forth in this Article, or the exclusion of this Article, shall oblige the shareholders who voted for such change or exclusion at a General Meeting to carry out the Public Tender Offer set forth in this Article, in conformity with the provisions in Paragraph 3 of Article 10 of these Bylaws.

**Article 41**- In the Public Tender Offer to be carried out by the Controlling Shareholder, or the Company for the Company's deregistration as a publicly-held company, the minimum price to be offered shall correspond to the Economic Value determined in the

appraisal report, referred to in Article 46 of these Bylaws and subject to the applicable law and regulations.

**Article 42-** In the of a decision on the Company's delisting from the Novo Mercado, in order for trading of securities outside the Novo Mercado, or if due to a corporate restructuring in which the Company's shares resulting from such restructuring are not admitted for trading in the Novo Mercado, within 120 (one hundred twenty days) from the date of the Extraordinary General Meeting which has approved the restructuring, the Controlling Shareholder shall carry out a Public Tender Offer, with the minimum price to be offered shall correspond to the economic value determined in the appraisal report, referred to in Article 46 of these Bylaws and subject to the applicable law and regulations.

**Article 43 -** In the event of absence of a Controlling Shareholder when a there is a decision to Company's delisting from the Novo Mercado, , either for registration for trading of shares outside the Novo Mercado or for corporate restructuring in which the Company's shares resulting from such restructuring are not admitted for trading in the Novo Mercado, within 120 (one hundred twenty days) from the date of the Extraordinary General Meeting which has approved the restructuring, the Company's delisting shall be conditioned to the carrying out of a Public Tender Offer as set forth in Article 42 of these Bylaws.

**Paragraph 1** – This General Meeting shall define the responsible for the Public Tender Offer. The responsible must be an attendee at the General Meeting and shall expressly assume the obligation to conduct the Public Tender Offer.

**Paragraph 2** – In the absence of a responsible for the Public Tender Offer definition, in the event of a corporate restructuring in which the resulting Company securities are not admitted for trading in the Novo Mercado, the Public Tender Offer shall be carried out by the shareholders who have voted in favor of the respective resolution at the General Meeting.

**Article 44** – If there is no Controlling Shareholder and BM&FBOVESPA determines that the quotations of securities issued by the Company be disclosed separately or have their trading interrupted in the Novo Mercado in view of any noncompliance with the obligations stated in the Novo Mercado Regulation, the Board of Directors' Chairman shall call an Extraordinary General Meeting to replace the whole Board of Directors within two (2) days from such determination, and this period shall only compute the days in which the newspapers usually used by the Company are published.

**Paragraph 1** - In the event the Board of Directors' Chairman fails to call the Extraordinary General Meeting referred to in the main provision of this Article within the established period, such Meeting may be called by any shareholder of the Company.

**Paragraph 2** - The new Board of Directors elected at the Extraordinary General Meeting referred to in the main provision and in Paragraph 1 of this Article shall remedy any noncompliance with the obligations stated in the Novo Mercado Regulation as soon as possible or within a new deadline granted by BOVESPA for this purpose, whichever is shorter.

**Article 45** - In the event of Company delisting from the Novo Mercado in view of any noncompliance with obligations stated in the BM&FBOVESPA's Novo Mercado

Regulation, that delisting shall be preceded by the carry out of a Public Tender Offer, with the minimum price to be offered equals to the economic value determined in the appraisal report as referred to in Article 46 of these Bylaws and subject to the applicable law and regulations.

**Paragraph 1** – The Controlling Shareholder shall carry out the Public Tender Offer referred in the caput of this article.

**Paragraph 2** - If there is no Controlling Shareholder and the delisting from Novo Mercado arises from a General Meeting resolution, the Public Tender Offer shall be carried out by the shareholders who have voted at the General Meeting in favor of the matter that implied the noncompliance with obligations stated by the Novo Mercado Regulation.

**Paragraph 3** - If there is no Controlling Shareholder and the delisting from Novo Mercado arises from any management's act or fact, the Management shall call for a General Meeting to discuss on how to remedy the arisen noncompliance, or to deliberate on the delisting.

**Paragraph 4** – In the event the General Meeting referred at Paragraph 3 above deliberates on Company's delisting from the Novo Mercado, this General Meeting shall define the responsible for the Public Tender Offer. The responsible must be an attendee at the General Meeting and shall expressly assume the obligation to conduct the Public Tender Offer.

**Article 46** - The appraisal report referred to in Article 40, paragraphs 2 and 3, and Articles 41 and 42 of these Bylaws shall be prepared by a specialized company, with proven experience and independence from the Company, , its management and/or Shareholders, and such appraisal report shall also comply with the requirements of Paragraph 1 of Article 8 of the Brazilian Corporation Law and include the obligation set forth in Paragraph 6 of the same Article 8.

**Paragraph 1** - The selection of the specialized company or institution responsible for determining the Company's economic value, as set forth in Articles 41 and 42 of these Bylaws lies privately with the General Meeting, as from the submission by the Board of Directors of a list with three names, and the respective resolution, and with no blank votes considered, shall be taken by the absolute majority vote of shareholders representing the Outstanding Shares who attended the General Meeting instated at first call, shall have shareholders representing at least twenty percent (20%) of the total Outstanding Shares or, if instated at second call, may have the attendance of any number of shareholders representing these Outstanding Shares.

**Paragraph 2** – It is incumbent upon the Board of Directors to resolve for carrying out a new appraisal of the Company and appoint who will prepare the report referred to in Article 40, Paragraphs 2 and 3 of these Bylaws.

**Paragraph 3** - Any costs on the preparation of the appraisal report shall be fully paid by those parties responsible for carrying out the public tender offer, as the case may be, except for the provision in Paragraph 3 of Article 40 of these Bylaws.

**Article 47** – Carrying out a single Public Tender Offer, aiming at more than one of the purposes set forth in this Chapter VII, in the Novo Mercado Regulation or in the regulation issued by the CVM, shall be permitted, provided that it is possible to match the procedures of all types of Public Tender Offers and there is no loss to the offer addressees and that the CVM approval be obtained if required by applicable legislation.

**Article 48** - The Company or the shareholders in charge of the Public Tender Offer set forth in this Chapter VII, in the Novo Mercado Regulation or in the regulation issued by the CVM, may ensure it is carried out by any shareholder, third party or, as the case may be, by the Company. The Company or the shareholder, as the case may be, shall not be released from the obligation of carrying out the Public Tender Offer until it is concluded in compliance with the applicable rules.

**Article 49** - Any Buyer who has subscribed and/or purchased shares issued by the Company in a number equal to or higher than eight percent (8%) of the Company's capital stock, and is willing to purchase additional shares issued by the Company in stock exchanges, shall be obliged to, prior to each new purchase, report its intention to purchase additional shares issued by the Company, in writing, to the Company, with at least three (3) business days in advance of the date scheduled for the new purchase of shares, always subject to the provisions of the legislation in force and applicable CVM and BOVESPA regulations.

## **CHAPTER VIII COURT OF ARBITRATION**

**Article 50** - The Company, its shareholders, Managers and Fiscal Council members shall agree to settle, by means of arbitration, before the Market Arbitration Chamber, any and all disputes or controversies that might arise among them, either related to or arising from, in special, the application, validity, efficiency, interpretation, violation and its effects, of the provisions stated in Novo Mercado, the Brazilian Corporation Law, in these Bylaws, rules issued by the Brazilian Monetary Council, Central Bank of Brazil or CVM, as well as the other rules applicable to the capital markets operation in general, addition to those contained in The Novo Mercado Regulation, in the Market Arbitration Chamber's Arbitration Regulation, established by BM&FBOVESPA ("Arbitration Rules"), the Rules of imposition of fines on the Novo Mercado ("Sanctions Regulation") and the Agreement for the Novo Mercado Membership.

**Sole Paragraph** – Without prejudice to the validity of this arbitration clause, the request of emergency measures by the parties to the Judiciary, where applicable, shall observe the provisions stated in the Arbitration Regulation of the Market Court of Arbitration.

## **CHAPTER IX WINDING UP OF THE COMPANY**

**Article 51** - The Company shall be liquidated in the cases provided for by the law, and the General Meeting shall be responsible for choosing the liquidator or liquidators, as well as the Fiscal Council to operate during such period, subject to any legal formalities.

## **CHAPTER X FINAL AND TEMPORARY PROVISIONS**



**Article 52** - Any cases not ruled herein shall be settled by the General Meeting and regulated in accordance with the provisions of the Brazilian Corporation Law and of The Novo Mercado Regulation.

**Article 53** – The Company may not grant loans or guarantees of any kind to third parties, in any modality, for businesses that are alien to the business purpose.

**Article 54** - The Company shall comply with the shareholders' agreements filed in its head office, and any transfer of shares and computation of votes cast in the General Meeting or Board of Directors' meeting contrary to their provisions shall be barred.

**Article 55** - The provisions of Articles 40 and 49 of these Bylaws shall not apply to the current shareholders already owning a number equal to or higher than twenty percent (20%) and eight percent (8%), respectively, of the total shares issued by the Company and its successors on the publication date of the Notice of Commencement of Public Primary and Secondary Distribution of Shares issued by Totvs S.A (“Notice of Commencement”), referring to the public offering of shares issued by the Company, subject to CVM Process No. RJ/2005-09750, of December 21<sup>st</sup> 2005, (“Public Offering”) and shall be applied only to those investors acquiring shares and becoming Company shareholders after the date of the Company’s adhesion to and listing in the Novo Mercado.

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