MLOG S.A.
CNPJ/MF nº 13.444.994/0001-87
NIRE 33.3.0029745-6
Public-held Company

ADMINISTRATION PROPOSAL TO THE EXTRAORDINARY GENERAL MEETING ("EGM") OF MLOG S.A. TO BE HELD ON DECEMBER 8, 2016

Pursuant to sections 11 and 16 of CVM Instruction No. 481 of December 17, 2009 ("ICVM 481/09"), the administration of MLog S.A. ("Company" or "MLog") presents this Administration Proposal ("Proposal") about the matters contained in the agenda of the EGM that will be held on December 8, 2016 at 2:00pm ("General Meeting") at Company's headquarters located at Rua Lauro Muller, No. 116, suites 2601 and 2608 – part, Botafogo, Zip Code 22.290-906, City and State of Rio de Janeiro, as follows:

(i) Approve the resizing of Company's capital increase approved at the Extraordinary General Meeting held on August 26, 2015 ("Capital Increase"), from the R$ 209,492,091.00 originally approved to R$ 166,860,334.70, which will result in the reduction of the Company's share capital by R$ 42,631,756.30, through cancellation of 152,788 of the total 746,262 issued shares subscribed under the Capital Increase and not yet paid-up, with reallocation of the amount already paid among the remaining subscribed and remaining non-paid shares, and the consequential approval of the modification of section 5 of Company's bylaws, as per Administration Proposal and procedures set forth under the Brazilian Corporation Law; and

(ii) Approve the revision of the payment schedule of the Capital Increase as per the Administration Proposal.

The Company's Board of Directors approved on a meeting held on November 10, 2016, the Board of Executive Officers' Proposal to resize the Company's share capital increase approved at the Extraordinary General Meeting held on August 26, 2015 ("Capital Increase"), from the R$ 209,492,091.00 originally approved to R$ 166,860,334.70, which will result in the reduction of the Company's share capital by R$ 42,631,756.30, through cancellation of 152,788 ("Cancelled Shares") of the total 746,262 issued shares subscribed under the Capital Increase and not yet paid-up ("Non-paid Shares"), with reallocation of the amount already paid among the remaining Non-Paid Shares and revision of the payment schedule as per Annex I. The resizing of the Capital Increase in the aforementioned terms will not result in the Company's cash outflow.

Since the reimbursement request of the investment made on the vessel Asgaard Sophia was duly formalized, based on the Merchant Maritime Additional Freight (AFRMM) credits held by its subsidiary, Companhia de Navegação da Amazônia – CNA,

in the approximately amount of R$ 76 million, the Company understands that its actual resources are sufficient to its maintenance on the path to achieve the goal to bring value to the shareholders by the development of its assets.

Considering the agenda of the EGM and pursuant to the ICVM 481/09, the following documents are attached to this Proposal:

- Annex I – information regarding the resizing of the Capital Increase and corresponding reduction of the Company's share capital;
- Annex II – information described on section 11 of ICVM 481/09 regarding the modification of the Company's bylaws.

The controller shareholder Maverick Holding S.A., a company with registered offices at Rua México, No. 3, 9th floor – part, Centro, Zip Code 20.031-144, Rio de Janeiro – RJ, enrolled before the CNPJ/MF No. 16.855.255/0001-76 ("Maverick Holding") is the owner of 746,262 Non Paid-Up Shares, for which reason Maverick Holding will abstain itself from voting on the resolutions to be taken on the matters object of the General Meeting agenda. In the event that the resizing is approved: (i) the share capital of the Company will be changed from R$1,318,825,018.28 divided into 3,052,500 common shares to R$1,276,193,261.98 divided into 2,899,712 common shares; (ii) Maverick Holding, currently owner of 1,692,000 common shares, will be the owner of 1,539,212 common shares; and (iii) the amount to be paid-up by Maverick Holding on the amount of R$170,527,025.22 will change and correspond to R$127,895,268.92.

Considering the aforementioned, we propose that all the matters contained in the EGM agenda, as per items (i) and (ii) above, should be approved.

In order to attend the General Meeting, the shareholders must prove its shareholder capacity, as per section 126 of the Brazilian Corporation Law, by submitting the following documents: (i) the respective share certificate issued by the depositary financial institution; (ii) identity document with photo, for the individual shareholder, and for the corporate shareholder, the documents proving its power of representation; and (iii) as the case may be, a power of attorney to represent the shareholder by an attorney in fact, granted under the terms of the first paragraph of section 126 of the Corporate Law.

Together with the power of attorney, each shareholder who is not a natural person or who is not signing the power of attorney in its own behalf shall send supporting documents of the signatory to represent him.

The Company will review the power of attorneys and the representation supporting documents and, if the representation is not valid based on the received documents, the Company will not give the power of attorney to the designated attorney in fact, pursuant to the provisions set forth under the Brazilian Corporation Law.

The address to where these documents should be sent is:

MLOG S.A.

Rua Lauro Muller, 116, suites 2601 e 2608 – part -
Botafogo - Rio de Janeiro, RJ - Zip Code 22.290-906

The Company recommends that you send in advance a copy of the power of attorney and the documents proving the quality of shareholder and of representation, by facsimileing these documents to (21) 2538-4900, in the attention to the Investor Relations Officer, or by e-mail to ri@manabi.com.

The documents and information related to the matters above, to be discussed at the EGM hereby called, are available to shareholders at the Company's headquarters, as well as on the website of the Brazilian Securities and Exchange Commission (CVM) (www.cvm.gov.br), in accordance with the provisions of the Brazilian Corporation Law and CVM Instruction 481/09.

Rio de Janeiro, November 23, 2016

Julia Souza de Paiva
Investor Relations and Strategic Planning Officer
MLog S.A.

ANNEX I

INFORMATION RELATING TO THE RESIZING OF THE CAPITAL INCREASE AND THE CORRESPONDING REDUCTION OF THE CAPITAL OF THE COMPANY

The resolution to be passed concerns the proposal of a resizing of the Company's Capital Increase from the R$209,492,091.00 originally approved down to R$166,860,334.70, which will result in the reduction of the share capital of the Company in R$42,631,756.30, by means of the cancellation of 152,788 of the total of 746,262 Non-paid Shares, with the reallocation of the values already paid in among the remaining Non-paid shares and the reviewing of the payment schedule.

1. Informing the value of the reduction and the new share capital

As a result of the resizing of the Capital Increase, the share capital of the Company will be reduced R$42,631,756.30, thus changing the share capital from R$1,318,825,018.28 to R$1,276,193,261.98.

2. Explaining, in detail, the reasons, format and consequences of the reduction

In compliance with the Business Plan approved by the Company's Board of Directors on March 11, 2016, Management has expanded the focus on cash generating assets. As a first result of this guideline, on August 11, 2016, the acquisition of 100% of the capital stock of Companhia de Navegação da Amazônia – CNA took place.

The CNA acquisition brought to MLog an operational asset, with about R$ 80 million of revenues in 2015, besides R$ 135 million of Merchant Marine Additional Freight credits (AFRMM).

Besides the business opportunities, the CNA acquisition provided MLog with an additional alternative: to use the AFRMM credits for reimbursement of the price of acquisition of the vessel Asgaard Sophia, fully paid with free cash of the Company. The legal proceedings for the release of the credits was initiated with BNDES, the financial entity responsible for the release of funds managed by the Merchant Marine Fund ("FMM") and the Management estimates to receive, initially, R$ 76 million in free cash until the end of the year.

In relation to the mining asset in Morro do Pilar ("MOPI"), the recent increase in the price of the iron ore may bring strategic opportunities for the asset. Management has been working on the development of what it understands to be the most significant item in the generation of value to MOPI: the logistics solution. Understandings with market players were started and the new options not only represent tangible opportunities, but also the need of a smaller amount of Capex.

3. Providing copy of the Fiscal Council opinion, in case it is established, when the proposal of the reduction of the share capital comes from the management.

Non applicable.

4. Informing, as the case may be:

(a) the value of restitution per share;

The resizing of the Capital Increase will not result in any cash leaving the Company. The installment already paid up of the price of the Cancelled Shares, corresponding to R$50.5169090593955 per share, will be reallocated among the remaining Non-paid Shares, being kept the same original subscription price per share issued when of the Capital Increase.

(b) the value of the reduction of value of the shares towards the incoming value, in case of the non-paid capital;

Non applicable, for the value of the shares (i.e., the price the shares were issued) will not be changed; on the contrary, shares will be cancelled and the installments already paid will be reallocated to the remaining subscribed shares.

(c) amount of shares object of the reduction:

Of the total of Non-paid Shares, the amount of 152,788 shares will be cancelled with the reallocation of the values already paid among the remaining Non-paid Shares. The payment schedule will be revised in a manner to reduce the total subscribed value in 20.4738148085982% (and the corresponding amount of Non-paid Shares).

The shares issued in the Capital Increase which have been fully paid up before the effectiveness of the resizing of the Capital Increase (and consequent reduction of the share capital of the Company) will not be cancelled. In case the resizing of the Capital Increase and the new payment schedule are approved in the EGM, the Company's Management will disclose a note to the shareholders in order to regulate the proceedings for the cancellation of the shares (pursuant the provision of section 174 of Law 6,404/76), as well as the rectification of the subscription list.

- Original Schedule:

Installment	Payment due	Percentage over the amount due
1ª	At subscription date	18.1047407656072%

installment		
2ª installment	Within 12 months from the subscription date Payment due date: December 9,2016	20.4738148085982%
3ª installment	Within 24 months from the subscription date Payment due date: December 9, 2017	20.4738148085982%
4ª installment	Within 36 months from the subscription date Payment due date: December 9, 2018	20.4738148085982%
5ª installment	Within 46 months from the subscription date Payment due date: December 9, 2019	20.4738148085982%
		100%

- Schedule altered in relation to the Non-paid Shares:

Installment	**Payment due**	**Percentage over the amount due**
1ª installment	At subscription date	22.7657603902805% (*)
2ª installment	Within 24 months from the subscription date Payment due date: December 9, 2017	25.7447465365732% (*)
3ª installment	Within 36 months from the subscription date Payment due date: December 9, 2018	25.7447465365732% (*)

4ª installment	Within 46 months from the subscription date Payment due date: December 9, 2019	25.7447465365732% (*)
		100% (*)

(*) The change in the percentage over the due value as displayed above considers that the total value of the 2nd installment was excluded from the subscription, thus the total value of subscription corresponds to 79.52618519% of the total value of subscription set forth in the original schedule. The value in Reais of the installments due on 09/12/2017, 09/12/2018 e 09/12/2019 will not undergo any change.

In case the resizing of the Capital Increase is approved according to the terms of this Proposal, the reduction of the share capital of the Company and the resulting resizing will only become effective 60 days after the publication of the minutes of the EGM, pursuant the provisions of section 174 of Law 6,404/76, being agreed that the chargeability of the 2nd installment set forth in the original payment schedule of the Capital Increase will be suspended from the date of the EGM until the date the reduction of the share capital becomes effective.

Considering that the reduction of the share capital will only become effective after the 60 day term after the publication of the EGM meeting, it is mandatory, under any circumstance (including eventual creditors opposition), that the Original Schedule be altered from now on, so that the maturity of the installment predicted for December 9, 2016 be postponed to the 63rd day counting from the publication of EGM's minutes.

ANNEX II
INFORMATION DESCRIBED ON SECTION 11 OF ICVM 481/09 REGARDING THE MODIFICATION OF THE COMPANY'S BYLAWS

I – Report describing the origin and justification of the modifications herein proposed and analyzing its legal and economic effects:

With the approval of the reduction of the share capital of Company herein proposed (and after observing the procedures set forth under section 174 of the Brazilian Corporation Law), the caput of the section 5 of the Company's bylaws will be amended in order to reflect the new share capital and the new number of shares.

Original wording:

"*Section 5 – The capital of the Company is of R$ 1,318,825,018.28, fully subscribed and partially paid-in, divided into 3.052.500 common, nominative, book entry and with no par value."*

Proposed wording considering the reduction of the share capital in the amount of R$42,631,756.30, through the canceling of 152,788 shares:

"*Section 5 – The capital of the Company is of R$ R$1,276,193,261.98, fully subscribed and partially paid-in, divided into 2.899.712 common, nominative, book entry and with no par value."*

I – Copy of the Company's bylaws containing, in highlight, the proposed modifications:

MLog S.A.

CNPJ/MF Nº.

13.444.994/0001-87 NIRE

33.3.0029745-6

Public-held Company

BYLAWS

CHAPTER I - NAME, HEADQUARTERS, PURPOSE AND DURATION

Article 1. MLog S.A. (the "Company") is a publicly-held corporation, governed by these Bylaws and by the applicable law.

Article 2. The Company's headquarters and forum are located in the city of Rio de Janeiro, State of Rio de Janeiro. The Company may, by resolution adopted by the board of directors, change the address of its headquarters, and open, transfer and extinguish branches, agencies, offices, warehouses, representation offices and any other establishments anywhere within Brazilian territory or abroad.

Article 3. The purpose of the Company encompasses the following activities, directly or indirectly through its subsidiaries:

(i) To prospect, develop and negotiate business opportunities in the exploration, economic exploitation, development, mining, extraction, production and commercialization of iron ore, other base metal deposits and natural resources in South America;

(ii) To provide logistics solutions and chartering service to the oil and gas industry;

(iii) To invest, hold equity interest, operate assets or any other form of participating in other companies as partner, shareholder, quotaholder or consortium member;

(iv) To research, exploit, mining, process, manufacture, transport, exploit and trade goods, mining products and natural resources indicated in item (i) above; and

(v) To render geological services."

Article 4. The Company has an indefinite term of duration.

CHAPTER II - CAPITAL AND SHARES

Article 5. The capital of the Company is of R$ R$1,276,193,261.98, fully subscribed and partially paid-in, divided into 2.899.712 common, nominative, book entry and with no par value.

Paragraph 1. The cost of share transfer services charged by the account agent shall be borne by the shareholders, subject to such limits as may be imposed by applicable law.

Paragraph 2. Shares representing the capital stock are indivisible in relation to the Company and each common share entitles its holder to one vote at the Shareholders' Meetings of the Company.

Paragraph 3. The Company shall not issue preferred shares or participation certificates (*partes beneficiárias*).

Article 6. The capital stock of the Company may be increased by resolution approved by the Board of Directors, regardless of amending these Bylaws until it reaches 6,000,000 common shares. The Board of Directors shall stipulate the number of shares to be issued, the issuance price and the conditions of the subscription, payment and issuance.

Sole Paragraph. The Company may, within its authorized capital and in accordance with a plan approved by the shareholders in a Shareholders' Meeting, grant stock options to (i) its officers, directors and employees, or (ii) individuals who provide services to the Company or to any company under its control, without regard to any preemptive rights of existing shareholders.

Article 7. At the discretion of the Board of Directors, the deadline for the exercise of

preemptive rights relating to the issuance of new shares, debentures convertible into shares and warrants may be excluded or reduced in the event the placement of such securities takes place at a stock exchange or by a public subscription, as well as by means of a share swap in a tender offer, pursuant to the legal applicable provisions.

Article 8. Failure by the subscriber to pay the subscribed value on the conditions set forth in the subscription list or call shall cause it to be considered in default by operation of law, for purposes of sections 106 and 107 of Law 6,404/76 (the "Brazilian Corporation Law"), subjecting it to the payment of the amount in arrears, adjusted for inflation according to the variation in the General Market Price Index (IGP-M) in the shortest period permitted by law, in addition to interest at twelve percent (12%) per year, *pro rata temporis*, and a fine corresponding to ten percent (10%) of the amount in arrears, duly updated. Once in default on the conditions set forth in the subscription bulletin or call, the rights of such a shareholder to vote in Shareholders Meetings or to participate in the distribution of corporate profits shall be temporarily suspended until the respective shares are paid-in, in addition to any other restrictions that may be imposed by the shareholders on a Shareholders Meeting pursuant to article 120 of Brazilian Corporation Law.

CHAPTER III - SHAREHOLDERS' MEETING

Article 9. The shareholders shall meet ordinarily within the first four (4) months after the end of the fiscal year, to resolve on the matters provided for in section 132 of Brazilian Corporation Law, and, extraordinarily, whenever the interests of the Company so require.

Paragraph 1. The Shareholders' Meetings shall be called in the manner provided for by law. Regardless of the formalities for calling Shareholders' Meetings, any meeting attended by all shareholders shall be considered to have been regularly called.

Paragraph 2. The Shareholders' Meetings shall be chaired by the chairmain of the board of directors or, in his absence, by a person appointed by the majority of the present shareholders who may be another member of the Board of Directors, preferably, or a shareholder (or a representative of a shareholder). The chairman of the Shareholders' Meeting shall appoint one of the attendees to act as secretary.

Paragraph 3. The resolutions of the General Meetings shall be approved by majority vote, unless a greater quorum is required by the Brazilian Corporation Law.

CHAPTER IV - MANAGEMENT

SECTION IV.I. - GENERAL RULES

Article 10. The Company will be managed by the Board of Directors (C*onselho de Administração*) and the Board of Executive Officers (D*iretoria*).

Article 11. The members of the Board of Directors and the Board of Executive Officers shall be invested in their respective offices within 30 (thirty) days from the date they were appointed, by signing an instrument of investiture in the appropriate book, and shall remain in office until the investiture of the newly-elected members of the

Company's management.

Sole Paragraph. The investiture of the members of the board of directors and the board of executive officers in their respective offices will depend on their adherence to the Manual for Disclosure and Use of Information and Policy for Trading with Securities Issued by the Company (*Manual de Divulgação e Uso de Informações e Política de Negociação de Valores Mobiliários de Emissão da Companhia*), by executing an instrument to that effect.

Article 12. The Board of Directors may approve the creation of committees to advise the Board of Directors and/or the Board of Executive officers in the performance of their duties, provided that no such committees shall have authority to pass any binding resolution.

Article 13. The Shareholders in the Shareholders' Meeting shall determine, on an individual or global basis, the remuneration of the Company's managers. In case the remuneration is fixed on a global basis, the Board of Directors shall resolve on the distribution thereof between its managers.

SECTION IV.II. - BOARD OF DIRECTORS (CONSELHO DE ADMINISTRAÇÃO)

Article 14. The board of directors is composed until 9 (nine) members, appointed and removed at any time by the Shareholders' Meeting, with a unified term of office of one (1) year, re-election being permitted.

Paragraph 1. If, as a result of death, disability, retirement, resignation, removal or otherwise, there shall exist or occur any vacancy on the Board during the term of office to which such member was elected, a Shareholders' Meeting shall be called to elect the new board member, who shall be in office for the rest of the term of office of the replaced member.

Article 15. At least 20% of the effective members of the Board of Directors shall be Independent Directors, as defined below and as expressly stated in the minutes of the Shareholders' Meeting that elects such Independent Directors, provided further that a director elected pursuant to section 141, paragraphs 4 and 5 of Brazilian Corporation Law will also be deemed an Independent Director. Should compliance with the foregoing percentage requirement lead to a fractional number of directors, the fraction shall be rounded (***i***) to the immediately subsequent higher whole number, if the fraction is equal to or greater than 0.5; and (***ii***) to the immediately lower whole number, if the fraction is under 0.5.

Paragraph 1. For purposes of these Bylaws, "Independent Director" is the one who: (***i***) has no relationship with the Company, except for an interest in its capital stock; (***ii***) is not a Controlling Shareholder, nor a spouse or relative up to the second degree of the Controlling Shareholder, and is not and has not been, in the past three years, related to a company or entity related to the Controlling Shareholder (persons related to public institutions of education and/or research are excluded from this restriction); (***iii***) has not been, in the past three years, an employee or officer of the Company, the Controlling Shareholder or a company controlled by the Company; (***iv***) is not a direct or

indirect supplier or purchaser of the Company's services and/or products, in a degree that configures loss of independence; (***v***) is not an employee, officer or director of a company or entity offering or demanding services and/or products to the Company, in a degree that configures loss of independence; (***vi***) is not a spouse or relative up to the second degree of any of the Company's officers or directors; and (***vii***) does not receive any remuneration from the Company other than that in connection with its position of director (cash earnings resulting from the ownership of an equity stake in the Company are excluded from this restriction).

Paragraph 2. The position of chairman of the Board of Directors and Chief Executive Officer or Main Officer of the Company may not be accumulated by the same person.

Paragraph 3. The directors shall have an indisputable reputation, and cannot be elected, unless waived by the Shareholders' Meeting, if he/she (i) occupies a position in companies that can be considered as a competitor of the Company and/or in companies that that are Affiliates of a company that can be considered as a competitor of the Company, or (ii) has or represents a conflicting interest with the Company; the voting rights of the director cannot be exercised by him/her in case the same impediment factors are configured.

Article 16. The Board of Directors shall have a chair, who shall be elected by the affirmative vote of the majority of the effective members. In the event of temporary incapacity or absence of the chair, the chair shall be assumed by the member appointed by the remaining members.

Article 17. The board of directors shall meet at least on a quarterly basis. Meetings of the board of directors shall be called by the chairman or by any other director by means of delivery of at least 3 (three) business days' prior notice to all directors (or such shorter period consented to by all the directors) sent by letter, telegram, fax, e-mail or other means of communication, with proof of delivery, containing the place, date, and time of the meeting and the agenda for the meeting, it being expressly forbidden the inclusion of generic items such as, for example, "general matters of interest" and the like. Notices of call to the meetings must, whenever possible, be accompanied by the proposals or documents to be considered at the meeting.

Paragraph 1. Regardless of the formalities for calling meetings, the board of directors shall be considered duly convened for a meeting if all the directors of the Company are present at such meeting.

Paragraph 2. Meetings of the board of directors shall only be held, in first call, with the attendance of at least a majority of its members, and, in a second call, with any quorum. Resolutions shall be approved upon the favorable vote of the majority of members present at the meeting.

Paragraph 3. The decisions of the board of directors shall be recorded in minutes, which shall be signed by the directors present at the meeting.

Paragraph 4. Directors may be represented at meetings of the board of directors by another director, to whom special powers have been granted. The directors may also

participate in meetings by telephone or video conference, and, in that event, shall be considered to be present at the meeting and shall confirm their vote by written statement sent to the chairman by letter, fax or e-mail immediately after the end of the meeting. Upon receipt of statement of confirmation, the chairman shall have full powers to sign the minutes of the meeting on behalf of the member in question. The chairman shall make the minutes of meetings promptly available for review of directors who participated remotely through email or another method that allows for remote access.

Article 18. In addition to such other powers and duties conferred by law and these Bylaws, the board of directors shall have authority to:

(a) define the strategic guidelines for the Company's business;

(b) elect, remove and replace the officers and determining their duties, subject to the provisions of these Bylaws;

(c) convene Shareholders' Meetings;

(d) opine on the management report and management's accounts;

(e) resolve, when authorized by these Bylaws, on the issuance of shares or stock warrants;

(f) appoint and remove the independent auditors;

(g) approve the annual budget for the following fiscal year;

(h) supervise the activities conducted by the management, examine, at any time, the books and papers of the Company and request information about contracts executed or about to be executed and any other acts;

(i) issue a favorable or unfavorable opinion on any tender offer to purchase shares of the capital stock of the Company, such opinion to be well reasoned and to be issued no later than fifteen (15) days after publication of the notice for the tender offer, including at least (i) the convenience and timeliness of the tender offer, in view of the interests of the shareholders as a whole and the liquidity of their securities; (ii) the repercussions of the tender offer in relation to the interests of the Company; (iii) the strategic plans communicated by the offer or with regards to the Company; and (iv) other points that the board of directors may deem relevant, as well as any information required by the applicable rules issued by the Brazilian Securities and Exchange Commission ("CVM");

(j) submit to the Shareholders' Meeting any proposed amendment to these Bylaws;

(k) approve any business or agreements between the Company and (i) any of its Affiliates (other than wholly-owned subsidiaries) or companies on which the Company has a relevant influence (influência significativa) as per the Resolution of the Brazilian

Securities and Exchange Commission No. 642/10; (ii) its managers (or the managers of its Affiliates), his/her spouse, stable union or equivalent companion, ancestors or descendants in straight line, brother and sister, as well as any person Controlled by any of them or on which they have a relevant influence (influência significativa) as per the Resolution of the Brazilian Securities and Exchange Commission No. 642/10; and/or (iii) its shareholders, as well as any person Controlled by any of them or on which they have a relevant influence (influência significativa) as per the Resolution of the Brazilian Securities and Exchange Commission No. 642/10; *provided that* any legal rules and regulations on related parties transaction are observed and conflicts of interest are dealt with as prescribed by law;

(l) approve the creation, acquisition, assignment, transfer, encumbering and/or disposal by the Company, in any way whatsoever, of shares, quotas and/or any securities issued by any company controlled by the Company; except in case of operations involving only the Company and companies wholly-owned by it or in case of indebtedness operation, in which case the provisions of item "(m)" below shall apply;

(m) approve the contracting by the Company of any debt in excess of 20% of the Company's shareholders' equity (patrimônio líquido) reflected on the latest audited balance sheet; this amount shall be considered per individual transaction or a series of related transactions within twelve (12) months;

(n) approve the granting of loans or guarantees of any kind by the Company for amounts exceeding 5% of the shareholders' equity (patrimônio líquido) of the Company reflected on the latest audited balance sheet, to any third party, except in favor of any companies controlled by the Company;

(o) approve the execution by the Company of any agreements involving an amount in excess of 20% of the shareholders' equity (patrimônio líquido) of the Company, as shown on the latest audited balance sheet; this amount shall be considered per individual transaction or a series of related transactions within twelve (12) months;

(p) resolve on the Company's participation in other companies, as well as on any participation in other undertakings, including through a consortium or special partnership that involve a commitment in an amount in excess of 20% of the Company's shareholders' equity (patrimônio líquido);

(q) authorize the acquisition of shares of the Company to be kept in treasury, be canceled or subsequently disposed of, as well as the cancellation and further sale of such shares, with due regard for applicable law;

(r) resolve, within the limits of the authorized capital, on the issuance of convertible debentures, specifying the limit of the increase of capital arising from debentures conversion, by number of shares, and the species and classes of shares that may be issued, under the terms of article 59 paragraph 2 Brazilian Corporation Law;

(s) resolve, within the limits of the authorized capital, on the issuance of stock purchase warranties (bônus de subscrição);

(t) authorize the disposal of fixed assets (other than those specified in item "(l)") in an amount greater than 20% of the shareholders' equity (patrimônio líquido) reflected in the latest audited balance sheet. This amount will be considered per individual transaction or a series of related transactions within twelve (12) months;

(u) perform the other legal duties assigned thereto at the Shareholders' Meeting or in these By-laws; and

(v) resolve on the vote to be casted by the Company's representatives at shareholders' meetings or partners meetings of its controlled companies, if in connection with any of the matters listed in this Article 18 or in sections 132 and 136 of Brazilian Corporation Law;

(w) resolve on any cases omitted by these By-laws and perform other attributions not conferred on another body of the Company by the law or these By-laws.

SECTION IV.III. – BOARD OF EXECUTIVE OFFICERS (*DIRETORIA*)

Article 19. The board of executive officers shall be composed of at least 3 (three) and up to 7 (seven) members, individuals, residing and domiciled in Brazil, shareholders or not, elected by the board of directors for an one (1) year term of office, reelection being allowed, and removable from office by the board of directors at any time. The members of the board of executive officers shall be designated as Chief Executive Officer, Chief Financing Officer and others with no specific designation (any of which shall accumulate the position of Investor Relations Officer if no executive officer is exercising this position). The executive officers shall carry out their powers and duties in compliance with the following terms and limitation, subject to Article 18 and the applicable law:

(a) The Chief Executive Officer will be responsible for the day-to-day management and administration of the Company's business and shall: (i) annually submit to the board of directors the management report and accounts, together with the independent auditors' report, as well as the proposal for allocation of the profits of the preceding fiscal year; (ii) elaborate and submit to the board of directors the annual and multi-annual budget, strategic plans, expansion projects and investment programs, and cause them to be carried out once approved; (iii) formulate the Company's operating strategies and guidelines, as well as establish the criteria for executing the resolutions of the Shareholders' Meetings and of the board of directors, together with the other Executive Officers; (iv) supervise all the Company's activities, providing the guidelines best suited to its corporate purpose; (v) coordinate and oversee the activities of the Board of Executive Officers and convene and chair the meetings of the Board of Executive Officers, when necessary; and (vi) exercising the other prerogatives conferred upon it by the board of directors.

(b) The Chief Financial Officer will be responsible for: (i) assisting the Chief Executive Officer in performing his/her duties; (ii) coordinating and directing financial related activities carried out by the Company; (iii) coordinating and supervising the

performance and results of the financial affairs of the Company and its controlled companies; (iv) optimizing and managing information and economic–financial results of the Company and of its controlled companies; (v) investing and divesting financial resources; (vi) controlling the compliance of financial commitments as regards the legal, administrative, budgetary, fiscal and contractual requirements of any transactions, interacting with the Company's bodies and all parties involved; (vii) coordinating the implementation of financial systems and managerial information; (viii) promoting studies and suggesting alternatives for the Company's economic–financial balance; (ix) elaborating the Company's financial statements; (x) undertaking responsibility for the Company's accounting to meet the legal provisions; and (xi) exercising all other duties or attributions from time to time stipulated by the Chief Executive Officer.

(c) The Investor Relations Officer will be responsible for: (i) representing the Company before controlling agencies and other authorities that act in the capital market; (ii) providing information to investors, CVM and stock exchange in which the Company negotiates its securities and other agencies related to the activities developed in the capital markets, as per the applicable law, in Brazil or abroad; (iii) keep the registry of the Company as a publicly-held corporation updated; and (iv) exercise all other duties or attributions from time to time stipulated by the Chief Executive Officer. The position of Investor Relations Officer may be exercised cumulatively by any Officer.

Sole Paragraph. No more than one-third (1/3) of the members of the board of directors may concurrently hold positions as members of the board of executive officers.

Article 20. The Officers shall have the powers to manage the Company's business, thus being allowed to perform all acts necessary or convenient to that end, except for those that by law or by the provision of these Bylaws are attributed to the Shareholders' Meeting or the board of directors.

Sole Paragraph. In case of vacancy in the position of a member of the board of executive officers, replacement thereof shall be resolved by the board of directors at a meeting to be called upon within 30 (thirty) days from the date of vacancy. For the purposes of this paragraph, a position of officer shall be considered vacant in the event of permanent impediment, death, disability, retirement, resignation, removal or unjustified absence for more than thirty (30) consecutive days.

Article 21. Subject to prior approval by the Shareholders' Meeting or by the Board of Directors, as required by applicable law or by this Bylaws, the legal representation of the Company for the execution of any and all acts or documents that imply liabilities to the Company or anyhow binds the Company, including, but not limited to, the contracting of employees, checks, payment orders, agreements in general and obtaining services from third parties, shall always necessarily be performed by (i) two (2) officers, one of them being necessarily the Chief Executive Officer or the Chief Strategic Planning Officer; (ii) an attorney-in-fact jointly with an officer; or (iii) for the purposes set forth in Paragraph 2 below, any officer or attorney-in-fact.

Paragraph 1. The powers of attorney (i) shall always be granted on the Company's behalf by two (2) officers, acting jointly, one of them being the Chief Executive Officer or the Chief Strategic Planning Officer; (ii) shall specify the powers granted; and (iii) except for those granted for representation in court, shall have a validity period limited to twelve (12) months.

Paragraph 2. The Company's representation in and out-of-court, as plaintiff or defendant, before government agencies, federal, state or local authorities, as well as autonomous government agencies, mixed corporations and quasigovernmental entities, in particular but not limited to the Federal Revenue Office (Receita Federal), the State Secretariat of Finance (Secretária do Estado da Fazenda), municipal government authorities, the Social Security Institute (Instituto Nacional do Seguro Social - INSS), the Severance Guarantee Fund (Fundo de Garantia do Tempo de Serviço – FGTS), Regional Employment Secretariats (Secretaárias Regionais do Trabalho) and consumer defense authorities, shall be severally incumbent upon any officer or attorney-in-fact.

Article 22. The acts of any shareholders, member of the board of directors, officer, employee or attorney-in-fact involving the Company in any obligation regarding businesses or transactions unrelated to its corporate purposes are expressly forbidden and shall be deemed ineffective, null and void with regard to the Company.

CHAPTER V – FISCAL COUNCIL (*CONSELHO FISCAL*)

Article 23. The Company shall have a non-permanent fiscal council, composed of three (3) members, shareholders or not, residing in the country and annually elected in a Shareholders' Meeting, with reelection permitted.

Sole Paragraph. The members of the fiscal council must be individuals that fulfill the legal requirements for the position and that have proven skills, knowledge and experience necessary for performing the duties as member of the fiscal council.

Article 24. If a seat on the fiscal council falls vacant, a Shareholders' Meeting shall be convened to elect a member to conclude the term of office.

Paragraph 1. The compensation of the members of the fiscal council shall be approved by the same Shareholders' Meeting that elected them.

Paragraph 2. The fiscal council's meetings shall be called upon a notice by any of its members within at least five (5) days in advance, by means of personal notice sent by e-mail, letter, return receipt requested or by a reputable courier services provider, return receipt requested, to each of the members of the fiscal council, containing the following information: (***i***) the date, time and place of the meeting; (***ii***) the matters to be stated in the agenda; and (***iii***) copies of all documents and proposals related to the matters included in the agenda.

Paragraph 3. No decision regarding any matter may be taken in any fiscal council's meeting if not included in the agenda provided in the call notice. Nevertheless, any

matters not included in the call notice may be submitted by any member of the fiscal council and voted upon if (***i***) all members of the fiscal council in office are present at the meeting and (***ii***) no objection to the discussion of said matters is made by any of such members.

Paragraph 4. The call notices referred to in this Article will be waived if all members of the fiscal council in office attend the meeting. Fiscal council's meetings may be held by conference call or any other electronic means established by its members, and minutes of the meeting shall be formalized in writing, immediately after the meeting is held and forwarded to the attending members for signature. For purposes of this paragraph, any member of the fiscal council that participates in the meeting by videoconference, conference call, or any other means of communication allowing discussion in real time between the members of the fiscal council shall be considered present at the meeting.

CHAPTER VI - FISCAL YEAR, BALANCE SHEET AND RESULTS

Article 25. The fiscal year begins on January 1st and ends on December 31st of each year. At the end of each fiscal year and each calendar quarter, the financial statements required by law shall be prepared.

Article 26. The board of directors may require the preparation of half-yearly balance sheets or balance sheets for shorter periods and declare dividends of profits ascertained in such statements, provided that the legal requirements are duly complied with.

Paragraph 1. The dividends distributed under the terms of this Article 26 shall be attributed to the mandatory dividend.

Paragraph 2. By resolution adopted by the board of directors, the Company may credit or pay to shareholders interest on net equity, pursuant to applicable law.

Article 27. After the deduction referred to in Article 26, the following allocations shall be made from the net profits for the year:

(a) five percent (5%) shall be allocated to the Legal Reserve, which shall not exceed twenty percent (20%) of the paid-up share capital or the limit set forth in the first paragraph of section 193 of Brazilian Corporation Law;

(b) from the remaining net profits for the year, after the deduction referred to in item (a) of this Article and the adjustment provided for in section 202 of Brazilian Corporation Law, (i) twenty-five percent (25%) shall be allocated to payment of the mandatory dividend to all shareholders; (ii) up to seventy-five percent (75%) may be allocated to the formation of an Investment Reserve, for the purpose of financing the expansion of the activities of the Company and its controlled companies, including through subscription of capital increases or the creation of new business developments, as approved by the Shareholders' Meeting, based on the proposal made by the board of directors, pursuant to section 176, third paragraph, and 196 of

the Brazilian Corporation Law, and subject to section 134, fourth paragraph of the Brazilian Corporation Law.

Paragraph 1. The reserve set out in item (b)(ii) of this Article may not exceed 100% of the share capital. Upon reaching this limit, the Shareholders' Meeting shall resolve either to distribute the balance to the shareholders or increase the Company's corporate capital.

CHAPTER VII - CONTROL AND ABSCENSE OF CONTROL

Article 28. The Disposal of Control of the Company, in either a single transaction or a series of transactions, shall be subject to the commitment by the Purchaser to make a public tender offer for the shares of the remaining shareholders in order to ensure equal treatment with the Disposing Controlling Shareholder.

Article 29. The public tender offer referred to in the Article 28 shall also be made:

(a) in the event of an assignment, for consideration, of rights to subscribe for shares or other securities or rights convertible into shares, in case such assignment results in a Disposal of Control of the Company; or

(b) in the event of a Disposal of Control of a company that holds Control of the Company, in which case the Disposing Controlling Shareholder shall declare to BM&FBOVESPA the value ascribed to the Company within the disposal and to submit documentation to prove the declared value.

Article 30. Any person which acquires Control by reason of a private purchase agreement executed with the Controlling Shareholder involving any number of shares is required to:

(a) make the public tender offer referred to in Article 28; and

(b) pay, as set forth herein, the amount equivalent to the difference between the price paid in the public tender offer and the amount paid by share eventually acquired in the stock exchange within the six-month period prior to the date of acquisition of Control, duly adjusted until the date of payment. Said amount shall be distributed amongst all people who sold shares of issuance of the Company within the trading days the Purchaser carried out the acquisitions, proportionally to the daily net selling balance for each of them, and BM&FBovespa shall be responsible for operating the distribution, according to its regulations.

Article 31. In the tender offer for purchase of shares to be made by the Disposing Controlling Shareholder or by the Company, in the case of cancellation of registration as a publicly-held company, the minimum offered price shall correspond to economic value, as determined by an appraisal report prepared pursuant to the paragraphs of this Article, subject to applicable rules and regulations.

Paragraph 1. The appraisal report referred to in this Article 31 will be prepared by a specialized entity or firm of recognized expertise and independent from the decision-

making power of the Company, its managers and/or Controlling Persons, provided, further, that such appraisal report will meet the requirements in paragraph 1of section 8 of Brazilian Corporation Law, and will provide for the liability mentioned in paragraph 6 of said section 8.

Paragraph 2. The selection of the specialized entity or firm in charge of the evaluation of the economic value of the Company falls within the exclusive authority of the Shareholders' Meeting and will be made from a list of three names submitted by the board of directors. The relevant decision will disregard any blank votes and will be made by a majority of votes of the attending shareholders owning Outstanding Shares, which shall depend, in first call, upon attendance by shareholders representing at least twenty percent (20%) of the total Outstanding Shares or, in second call, upon attendance by any number of shareholders owning Outstanding Shares.

CHAPTER VIII - LIQUIDATION

Article 32. The Company shall be wound up and liquidated in the events set forth in the applicable law, and the Shareholders' Meeting shall decide on the liquidation method to be adopted and elect the liquidator. The fiscal council, if established, shall continue to operate during the liquidation period.

CHAPTER VIII - ARBITRATION

Article 33. The Company and its shareholders, managers and members of the fiscal council, when established, shall resolve, exclusively by means of arbitration, any and all disputes or controversies that may arise among them relative to, or deriving from, particularly, the application, validity, effectiveness, construction, violation and its effects, of the provisions of the Brazilian Corporation Law, these Bylaws, the rules issued by the National Monetary Council (*Conselho Monetário Nacional – CMN*), the Central Bank of Brazil (*Banco Central do Brasil*) and the CVM, as well as any other rules applicable to the operation of the financial market in general, and the BM&F BOVESPA's Market Arbitration Chamber (*Câmara de Arbitragem do Mercado da BM&F BOVESPA*).

Paragraph 1. The arbitration shall be conducted by three arbitrators ("Arbitral Tribunal"), one nominated by the claimant, another one nominated by the respondent, and the third one, who shall act as president of the Arbitral Tribunal, shall be nominated by the other two arbitrators within the period prescribed in the Rules. In case there are multiple parties, whether as claimant or as respondent, the multiple claimants, jointly, and/or the multiple respondents, jointly, as the case may be, shall appoint one arbitrator each. If any of the three arbitrators is not nominated within the time prescribed in the Rules, then the Arbitration Chamber shall appoint the arbitrator(s) in accordance with the Rules. Any and all controversies related to the nomination of arbitrators by the Parties and/or the nomination of the third arbitrator shall be settled by the Arbitration Chamber. The Parties agree to jointly waive the applicability of the Rules' provisions that limit their choice of sole arbitrator, coarbitrator or chairman of the Arbitral Tribunal to the Arbitration Chamber's roster of arbitrators.

Paragraph 2. The arbitration shall be conducted in English and the city of Rio de Janeiro, Brazil, shall be the seat of arbitration, where the arbitral award shall be deemed rendered. The Arbitral Tribunal shall decide the merits of the Dispute in accordance to the applicable Brazilian law and shall not act as amiable compositeurs or decide the merits of the Dispute *ex aequo et bono*.

Paragraph 3. The Arbitral Tribunal shall have the authority to make orders for interim relief necessary to preserve any Party's rights including orders for the specific performance of any obligation provided for herein. Any order, decision, determination or award rendered by the Arbitral Tribunal shall be final, compulsory and legally binding on the parties and their successors, and may be entered and enforced in any court having jurisdiction thereof or having jurisdiction over the relevant party and/or any of its assets.

Paragraph 4. Without prejudice to the foregoing, the Parties choose the central courts of the city of Rio de Janeiro, Brazil, and hereby waive to any other court, as the courts with exclusive jurisdiction for the sole purposes of (i) ensuring the commencement of the arbitral proceedings; and (ii) granting interim measures to protect rights before the constitution of the Arbitral Tribunal, without this being considered as a waiver to the arbitration. Any interim measure granted by a judicial authority shall be promptly informed by the requesting party to the Arbitration Chamber. Once constituted, the Arbitral Tribunal may modify, suspend or terminate any measures granted in court.

Paragraph 5. Until the allocations contemplated by the final sentence of this section are made by the Arbitral Tribunal, all costs and expenses of the arbitral proceedings shall be borne equally by the parties whose dispute is subject of such arbitral proceedings. Each party shall bear all costs and expenses involved in preparing and presenting its case, including of its own counsel, experts and witnesses. The arbitral award shall allocate to the losing party, or to both parties in the proportion of their relative failure on their claims and counterclaims, the arbitration costs and expenses, including non-contractual attorneys' fees.

Paragraph 6. If one or more Disputes arise under of the provisions of the Brazilian Corporation Law, these Bylaws, the rules issued by the National Monetary Council (*Conselho Monetário Nacional – CMN*), the Central Bank of Brazil (*Banco Central do Brasil*) and the CVM, as well as any other rules applicable to the operation of the financial market in general, then any or all such Disputes may be brought into a single arbitration. Before the constitution of the Arbitral Tribunal, the Arbitration Chamber may consolidate two or more Disputes in accordance with the Rules. After its constitution, the Arbitral Tribunal may, at the request of any of the parties, consolidate the arbitral proceeding with any other pending arbitral proceeding involving the above, if (i) the proceedings involve the same parties; (ii) the proceedings present common issues of law or fact; and (iii) the consolidation under these circumstances would not result in damages due to undue delay for the resolution of disputes. The consolidation order shall be final and binding upon all the parties involved in the consolidated proceedings. In the event of conflicting awards on the issue of consolidation, the ruling of the first arbitral tribunal constituted shall govern, and that

arbitral tribunal shall decide all Disputes in the consolidated proceeding. The Parties agree that upon such an order of consolidation, they will promptly dismiss any arbitration proceeding, the subject of which has been consolidated into another arbitral proceeding.

Paragraph 7. The parties shall preserve the confidentiality of all aspects of the arbitration and shall not disclose to a third party any information made known or documents produced in the arbitration not otherwise in the public domain, any evidence or materials created for the purpose of the arbitration, or any order or award issued or rendered in or arising from the arbitration, except, and to the extent that disclosure is required (i) by law or regulation, (ii) to protect or pursue a legal right, (iii) to enforce or challenge an order or award before a competent judicial or arbitral authority; (iv) to obtain advice or counsel from their legal, regulatory, financial, accounting or similar advisors; or (v) as necessary and advisable for any Party to discuss the arbitration process or outcome with any direct or indirect officer, director, employee, investor or equity holder of a Party or its affiliates.. Any and all controversies related to the confidentiality obligations set forth herein shall be finally settled by the Arbitral Tribunal.

CHAPTER IX - MISCELLANEOUS

Article 34. The Company shall comply with the shareholders' agreements registered in accordance with section 118 of Brazilian Corporation Law, if any. The Company's management shall refrain from recording the transfer of shares made contrary to the provisions of a registered Shareholders' Agreements and the chairman of the Shareholders' Meetings and board of directors meetings shall not count votes cast in violation of such shareholders' agreements.

Article 35. The Company shall maintain and enforce an Ethics and Compliance Program (the "Compliance Program"), including a Code of Conduct, designed to prevent, detect, and remediate corruption, bribery and other unethical practices by the Company, its subsidiaries and staff in accordance with best practices of corporate governance and applicable laws. The Fiscal Council, if installed, or the board of directors, otherwise, shall exercise reasonable oversight as to the implementation and effectiveness of the Compliance Program.

Article 36. For purposes of these Bylaws:

"Affiliate" means, in relation to a person, any person or persons directly or indirectly Controlling, Controlled by or under common Control with such person.

"Control" (and the related terms "Controlling Company", "Controlled Company", "Controlling Persons" and "under Common Control") means the power effectively used to direct corporate activities and orient the functioning of the Company's corporate bodies, whether directly or indirectly and whether *de facto* or *de jure,* regardless of the equity stake held;

"Control Shares" means the block of shares that ensures, either directly or indirectly, to its holder(s) sole or shared Control of the Company;

"Controlling Shareholder" means the shareholder or Shareholder Group that exercises Control of the Company;

"Disposal of Company Control" means the transfer, for consideration, of Control Shares; and

"Disposal of Control" means the transfer to a third party, for consideration, of Control Shares;

"Disposing Controlling Shareholder" means the Controlling Shareholder, when it causes a disposal of control of the Company.

"Outstanding Shares" means all the shares issued by the Company, with the exception of shares held by the Controlling Shareholder, by persons related to the Controlling Shareholder or by the Company's officers and directors and treasury shares; and

"Purchaser" means the person to whom the Disposing Controlling Shareholder transfers Control by means of the Disposal of Company Control;

"Shareholder Group" means a group of persons (a) that are bound by contracts or agreements of any kind, including shareholders' agreements, whether directly or by means of Controlled Companies, Controlling Companies or companies under Common Control; or (b) among whom there is a Control relationship; or (c) that are under Common Control;

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