

**ALL – AMÉRICA LATINA LOGÍSTICA S.A.**  
Corporate Taxpayer's ID (CNPJ/MF) #02.387.241/0001-60  
Corporate Registry ID (NIRE) #413.000.19886  
Publicly-Held Company

**MINUTES OF THE EXTRAORDINARY GENERAL MEETING  
HELD ON MAY 11, 2004**

1. Date, Time and Venue: The Company's headquarters, located at Rua Emílio Bertolini, 100, Sala 01, Cajuru, in the city of Curitiba, State of Paraná, on May 11, 2004, at 10:00 am.
2. Attendance: Shareholders representing more than two thirds (2/3) of the Company's voting capital, as per signatures on the Shareholders' Attendance Book..
3. Presiding Board: Sérgio Messias Pedreiro, Chairman; Anderson Henrique Prehs, Secretary.
4. Call: It was published by the Official Gazette of the State of Paraná and by the newspaper "Indústria & Comércio" in Curitiba, on April 26, 27 and 28, 2004.
5. Deliberations: Taken by unanimous vote of the shareholders attending the meeting.
  - 5.1 Authorize the drawing up of the Minutes referred to by this Extraordinary General Meeting in the summary format, as well as their publication not mentioning the signatures of the shareholders attending the meeting, under the terms of Article 130 and its paragraphs of the Law 6,404/76.
  - 5.2 Approve the Company's listing to the "Nível 2" (Level 2) of the São Paulo Stock Exchange's ("Bovespa") Special Corporate Governance Practices and the resulting alignment of the Company's Bylaws to the requirements of the Special Corporate Governance Practices Level 2 issued by Bovespa.
  - 5.3 Approve the issuance of preferred shares, with the rights listed below, at the amount of up to two thirds (2/3) of the Company's capital stock.
    - a) Voting right exclusively in the following matters: (i) transformation, incorporation, merger or spin-off of the Company; (ii) assessment of the assets destined to the payment of the Company's capital increase; (iii) choice of a specialized company to determine the economic value of the Company's shares, for the purposes of public tender offers, both for delisting of publicly-held company and for the exit from Level 2 of the Special Corporate Governance Practices issued by Bovespa; (iv) amendment or revocation of the provisions of these Bylaws, resulting in the non-compliance by the Company of the requirements provided for in the Section IV, item 4.1, of the Special Corporate Governance Practices Regulation – Level 2– issued by Bovespa, and; (v) approval of the agreements entered into between the Company and its controlling shareholder, directly or through third parties, as well as other companies in which the controlling shareholder holds interest, whenever in the future, by force of legal or

statutory provision, the approval of these agreements is deliberated by General Meeting; and

- b) Right to receive same value attributed to the shares of the seller controlling shareholder in case of sale of shares ensuring the power Company's control power, both by means of a single operation, and by means of successive operations.
- 5.4 In view of the non-acknowledgement on the part of the National Transportation Agency - ANTT, of the conversion of the totality of preferred shares issued by the Company into common shares, resolved by the Extraordinary General Meeting held on December 10, 2003, to approve the conversion of fifty-seven, five per cent (57.5%) of common shares issued by the Company into preferred shares, with rights listed in the items 5.3 (a) and 5.3 (b) above.
- 5.4.1 The shares held by shareholders owning one (1) single share issued by the Company shall not be converted. The shares held by other shareholders shall be converted, by applying the percentage specified in the item 5.4 above over total number thereof. In the event the conversion result implies fraction(s) of shares, the referred fraction(s) shall be cancelled and Logispar Logística e Participações S.A. shall donate to each shareholder, the fraction(s) of which has (have) been cancelled, one (1) common share and/or preferred share in replacement of the fraction(s) cancelled, depending on its type, in such manner that after the conversion, all the Company's shareholders hold round figures of common and/or preferred shares.
- 5.5 As a result of the matters approved in the items 5.2, 5.3 and 5.4 above, to approve the amendment to the Company's Bylaws, consolidating it, which now shall take effect as per the Attachment I to the Minutes referred to by this Extraordinary General Meeting.
- 5.6 Authorize the implementation of the conversion approved in the item 5.4, irrespective of the course of a thirty(30)-day period referred to by the Article 136 of the Law 6,404/76, by paying to the shareholders (i) who opposed or refrained from voting the matter mentioned in the item 5.4 above; or (ii) who did not attend the Extraordinary General Meeting referred to by these Minutes, the amount of reimbursement calculated as provided for by the Article 45 of the Law 6,404/76.
6. Closure: Nothing more to be dealt with, these present Minutes were drawn up, and then read, approved and signed by the shareholders attending the meeting. (Signatures) Delara Brasil Ltda.; Emerging Markets Capital Investments, LLC; GP Administradora de Ativos S.A.; Gruçai Participações S.A.; Judori Administração, Empreendimentos e Participações S.A.; Latin Freight Company; and Ralph Partners I, LLC.

This is a free English translation of the original instrument drawn up in the company's records..

Curitiba, May 11, 2004.

Anderson Henrique Prehs

OAB(Brazilian Bar Association)/PR 34,608  
Secretary/Acknowledged and Accepted by Attorney

**Attachment I to the Minutes of the Extraordinary General Meeting held on May 11,  
2004**

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**BYLAWS**

**(Consolidated after the Extraordinary Shareholders Meeting held on 12.24.04)**

**CHAPTER I - NAME, PURPOSE, HEADQUARTERS, AND DURATION**

**Article 1.** ALL – AMÉRICA LATINA LOGÍSTICA S.A. shall be ruled by these present Bylaws and by applicable legislation.

**Article 2.** The Company's purpose is to develop the activities described below, whether directly, or through partnerships, consortiums, ventures, and other forms of association in which it participates or might participate:

**a)** to provide cargo transportation services through rail and road modals, amongst others, separately or combined among themselves on an inter-modal or multimodal basis;

**b)** to explore activities directly or indirectly related to transportation services mentioned in the previous item, such as logistic planning, loading, unloading, transshipment, movement and storage of goods and containers, port operation, exploration and management of storage warehouses, general warehouses, and customs houses of interior;

**c)** to import, export, purchase, sell, distribute, lease, rent, and lend containers, locomotives, wagons and other machinery, equipment, and inputs related to the activities described in the previous items.

**d)** to carry out operations of trade, import, export, and distribution of products and foodstuff, in their "in natura" condition, crude, refined, or processed, as well as the trade, import, export, and distribution of related packages and receptacles for their packing;

**e)** to carry out all the activities similar, connected, accessory, or supplementary to those described in the previous items, besides others using Company's structure as basis; and

**f)** to directly or indirectly participate in partnerships, consortiums, ventures, and other forms of association, the purpose of which is related to any of the activities mentioned in the previous items.

**Article 3.** The Company's headquarters and jurisdiction are located in the city of Curitiba, State of Paraná, at Rua Emílio Bertolini, 100, sala 01, Vila Oficinas, and by the Board of

Executive Officers' resolution, it may open and close branches, offices, and any other establishments in any part of the country.

**Article 4.** The Company's duration is indeterminate.

## CHAPTER II – CAPITAL STOCK AND SHARES

**Article 5.** The capital stock is six hundred, forty-four million, eighty-eight thousand, nine hundred, ten Reais and twelve centavos (R\$ 644,088,910.12), divided into forty-three million, one hundred, ninety-eight thousand, nine hundred and twenty-six (43,198,926) shares, of which, fifteen million, three hundred, eighty-three thousand, seven hundred and ninety-eight (15,383,798) are common shares and twenty-seven million, eight hundred, fifteen thousand, one hundred and twenty-eight (27,815,128) are preferred shares, all of them non-par, registered and book-entry shares.

**Paragraph 1.** The Company is authorized to increase the capital stock, regardless of the statutory amendment, until the limit of nine hundred million Reais (R\$ 900,000,000.00), by means of the issuance of common or preferred shares, without maintaining proportion between these and those already existing, as well as debentures convertible into shares or subscription bonus.

**Paragraph 2.** Each common share entitles to one (1) vote in the General Meeting's resolutions.

**Paragraph 3.** The preferred shares shall be entitled to vote in the following matters: (a) transformation, incorporation, merger, or spin-off of the Company; (b) appraisal of assets destined to the payment of Company's capital increase; (c) choice of a specialized company for the determination of the Company's shares economic value, for the purposes of public offerings mentioned in the Chapters VIII and IX; and (d) amendment or revocation of provisions of these Bylaws, removing from the Company the features provided for in the Section IV, item 4.1, of the Special Corporate Governance Practices Rules - Level 2 (hereinafter referred to as "Level 2 Rules"), established by the São Paulo Stock Exchange ("BOVESPA").

**Paragraph 4.** The preferred shares shall also be entitled to vote regarding the approval of agreements between the Company and its controlling shareholder ("Controlling Shareholder"), directly or through third parties, as well as of other companies in which the Controlling Shareholder holds interest, whenever, in the future, by force of legal or statutory provision, the approval of these agreements is deliberated in General Meeting.

**Paragraph 5.** The preferred shares shall have priority in the refund of their equity value, at the time, in the event of the Company's winding-up, without premium.

**Paragraph 6.** All the Company's shares shall be registered and may be maintained in a deposit account on behalf of its titleholders, with a financial institution by decision and designation of the Board of Directors, and the compensation mentioned in the paragraph 3 of Article 35 of Law 6,404/76 may be charged to shareholders.

**Paragraph 7.** It is permitted to the Company suspend the share transfer and splitting services and certificates to meet the General Meeting's resolution, however, it can neither carry out this, for more than intercalary ninety (90) days during the period, and nor for more than fifteen (15) consecutive days.

**Paragraph 8.** The Company, by the General Meeting's resolution, may create other classes of shares, whether or not redeemable, without maintaining proportion with the others.

**Paragraph 9.** The Company may not issue beneficiary parties.

**Article 6.** Within the limit of authorized capital, the Board of Directors shall be qualified to deliberate on the issuance of shares or subscription bonus, setting forth whether the increase shall occur by public or private subscription, the payment conditions, and the issuance price.

**Sole paragraph.** The Board of Directors, within the limit of authorized capital and pursuant to the plan approved by the General Meeting, may grant stock option plan to its management or employees, or to individuals rendering services to the Company or company under its control.

**Article 7.** The Company is authorized, until the maximum limit permitted by law, to create and/or issue, as a result of subscription, bonus or splitting, preferred shares, with or without voting right, in compliance with the provision in the article 5, paragraphs 3 and 4 of these Bylaws, in one or more classes, even if more favored than those previously existing, by determining them the respective preemptive rights, advantages, redemption conditions, amortization, or conversion.

**Paragraph 1.** Within this limit, the Company may increase the number of preferred shares of any class, even without maintaining proportion with the other preferred or common shares and also increase the common shares without maintaining proportion with the preferred shares.

**Paragraph 2.** Non-voting right preferred shares with fixed or minimum dividends shall acquire the exercise of this right if the Company fails to pay fixed or minimum dividends they are entitled to during three consecutive fiscal years, right of which shall be maintained until the payment, if these dividends are not cumulative, or until the cumulative dividend in arrears is paid, everything under the form of paragraph 1 of Article 111 of Law 6,404/76.

**Paragraph 3.** Shares, debentures convertible into shares, and subscription bonus, the placement of which is made by one of the forms provided for in the Article 172 of Law 6,404/76, may be issued, without preemptive right to the former shareholders.

### CHAPTER III – GENERAL MEETING

**Article 8.** The Shareholders' General Meeting shall meet on an ordinary basis within the first four months of each year, for the purposes provided for by the law and, on an extraordinary basis, whenever necessary, observing the relevant legal statute of limitations in its call notice, instatement and resolutions.

**Article 9.** The General Meeting, whether on an ordinary or extraordinary basis, shall be summoned by the Board of Directors and presided over by the Board of Directors' Chairman, or by his statutory deputy, choosing one or more secretaries amongst the shareholders attending the Meeting.

## **CHAPTER IV – MANAGEMENT**

### **SECTION I – GENERAL PROVISIONS**

**Article 10.** The Company's management bodies are the Board of Directors and the Board of Executive Officers.

**Paragraph 1.** The administrators' investiture is subject to a previous execution of the Statement of Agreement on the part of the Administrators mentioned in the Level 2 Rules issued by BOVESPA.

**Paragraph 2.** In addition to the Audit Committee, which shall operate on a mandatory basis, the Board of Directors, may when it deems necessary, create committees providing advisory services and guidelines for the matters related thereto, defining the respective composition and specific attributions.

**Article 11.** The Board of Directors' members and its deputies shall be elected by the General Meeting and the members of the Board of Executive Officers shall be elected by the Board of Directors.

**Paragraph 1.** The term of office of the Board of Directors' members is one (1) year, the re-election being allowed; the investiture commences by means of instrument drawn up in the company's records and shall always end simultaneously, even if any of them has been elected after the others, and maintained in their office until the investiture of new elected members.

**Paragraph 2.** The term of office of the Executive Officers is two (2) years, the re-election being allowed; the investiture commences by means of instrument drawn up in the company's records and shall always end simultaneously, even if any of them has been elected after the others, and maintained in their office until the investiture of new elected members.

**Article 12.** The administrators' compensation shall be set forth by the General Meeting on an individual or global basis. In this case, it shall be incumbent upon the Board of Directors to distribute this amongst its members and those members of the Board of Executive Officers.

**Article 13.** The replacement of the administrators shall occur in accordance with the following rules:

a) in case of absence or temporary impediment of any Executive Officer, the Chief Executive Officer inclusive, the duties of the absent or impeded Executive Officer shall be cumulated by another Executive Officer, by designation of the absent Executive Officer. In

case of impediment or lack of nomination by the absent Executive Officer for the temporary deputy, this shall be appointed by the Chief Executive Officer;

**b)** in case of absence or temporary impediment of any member of the Board of Directors, he/she shall be replaced by the respective deputy, whereas, in the absence or temporary impediment of the Board Chairman, he shall be replaced by the Board member appointed by the Chairman, bringing into effect under the condition as Board Member, the Chairman's deputy;

**c)** in the case of vacancy in any of the positions as Executive Officer, the Chief Executive Officer inclusive, his duties shall be performed on a cumulative basis by the Executive Officer appointed for this purpose in Board of Executive Officers' meeting, who shall perform these duties until the first meeting of the Board of Directors following the vacancy;

**d)** in case of vacancy in any position of the Board of Directors, this shall be performed by the respective deputy, whereas in the vacancy of the Chairman, it shall be incumbent upon the Board of Directors' members to designate, amongst the others, the Board Member who shall perform his duties until the first General Meeting, bringing into effect under the condition as Board Member, the deputy of the Chairman replaced.

## **SECTION II – BOARD OF DIRECTORS**

**Article 14.** The Board of Directors shall be composed of at least, five (5) and at most, eleven (11) sitting members and respective deputies, all of them shareholders.

**Sole Paragraph.** The Board of Directors shall be presided over by one or two of its members, appointed by the General Meeting electing them.

**Article 15.** The Board of Directors meets quarterly on an ordinary basis, on dates to be set forth in the first annual meeting, and on an extraordinary basis, always when summoned by the Chairman, to whom it is incumbent to determine the respective Agenda. The extraordinary meetings shall be called, at least, eight (8) days in advance, and the documents supporting the Agenda, both for ordinary meetings and for extraordinary ones, shall be sent, at least, five (5) days in advance.

**Sole Paragraph.** The Chairman shall call the Board of Directors when the referred request, duly justified, pointing the matter to be analyzed, is submitted to him:

**a)** by, at least, three Board members;

**b)** by the Chief Executive Officer.

**Article 16.** The Board of Directors operates with the attendance of the majority of its members, and deliberates by majority vote.

**Sole Paragraph.** Any member of the Board of Directors may be assisted by a professional of his/her free choice in the Board of Directors' meetings, as well as, he/she may be represented, in the absence of his/her deputy, by another Board member.

**Article 17.** It shall be incumbent upon the Board of Directors:

- a) to elect and remove from office the Company's executive officers, appointing, by Chief Executive Officer's proposal, who shall cumulate the Investor Relations duties;
- b) to resolve on the Chief Executive Officer's proposal about the performance areas of other Executive Officers;
- c) to determine the Company's business general guidance and of its subsidiaries, previously approving its trading business policies, personnel and financial management, application of tax incentives and ensure the strict compliance therewith;
- d) to approve plans, projects and annual and pluriannual budgets;
- e) to authorize contributions on the part of the Company and its subsidiaries to employees' associations, private pension plans, social welfare entities or recreation entities;
- f) to inspect the Executive Officers' management, by examining, at any time, the Minutes, books and documents of the Company and of its subsidiaries, requesting information about the agreements executed, or to be executed, and any other instruments;
- g) to call for the General Meeting;
- h) to voice an opinion about the Management Report and financial statements and propose the allocation of net income for each period;
- i) to deliberate on the issuance of shares and subscription bonus, within the limit of the Company's authorized capital;
- j) to authorize the trading by the Company and by its subsidiaries of the shares of their respective issuance, and the issuance, conversion, early redemption and other conditions for debentures, whether or not convertible, commercial papers, bonus and other instruments destined to the primary or secondary offering in the capital markets;
- k) to resolve on the issuance of promissory notes for public offering, under the terms of the CVM (Securities and Exchange Commission of Brazil) Instruction #134/90;
- l) to choose and withdraw the independent accountants;
- m) to authorize the sale or encumbrance of the Company's permanent assets and of its subsidiaries, in one or more successive operations during the course of twelve (12) consecutive months, of added value exceeding five per cent (5%) of its updated shareholders' equity;
- n) to determine the overall conditions for the execution of agreements of any nature between the Company and any of its controlling shareholders or subsidiaries or holding companies of its controlling shareholders, whatever is the amount, or authorize the execution of agreements not meeting these conditions;
- o) to authorize financial and trade operations, whether active and passive, of amount higher than what is determined by resolution of the Board of Directors itself;



p) to authorize acts implying the granting of guarantees of any kind in favor of third parties or implying waiver;

q) to voice an opinion about the matters submitted by the Board of Executive Officers for the Board of Directors' deliberation or to be submitted to the General Meeting;

r) to deliberate on the organization of companies or stake of the Company and its subsidiaries in other entities, as well as any interest or investment in business different from the company's purpose, including through consortium or unincorporated joint venture;

s) to approve the sale, leasing or another form of disposal of concession rights of the companies in which the Company holds stake;

t) to deliberate on the interruption of the Company's activities and its subsidiaries;

u) at any time, to call on the examination of any matter referring to the Company's business and of its subsidiaries, even if this is not included in the enumeration above, and render decision thereon to be mandatorily executed by the Board of Executive Officers;

v) to perform the other powers granted thereto by law and by these present Bylaws;

x) to resolve on the cases not provided for by these Bylaws and carry out other attributions that the law or these Bylaws did not confer to another Company's body.

**Paragraph 1.** An in-company audit body shall be created and shall be directly subordinated to the Board of Directors' Chairman; his delegation to another Company's body is forbidden.

**Paragraph 2.** The Board of Directors shall have an Executive Secretary, who shall be incumbent to prepare and distribute the documents supporting the matters of the Agenda and draw up the Minutes.

## **SECTION II-A – AUDIT COMMITTEE**

**Article 17-a.** The Audit Committee shall be composed of three (3) members elected by the Board of Directors. The Audit Committee's members shall have notorious experience and technical skills in financial, accounting or corporate issues.

**Article 17-b.** The commencement of term of office of the Audit Committee's members shall occur from their appointment by the Board of Directors and its expiration shall always coincide with the expiration of the term of office of the Board of Directors' members, re-direction being allowed.

**Article 17-c.** The Audit Committee's members shall be remunerated as set forth by the Company's Board of Directors, whereas those who are the Company's administrators shall opt between the compensation by the performance of duty as administrator and the compensation by the performance of duty as the Audit Committee's member.

**Article 17-d.** The operation of the Audit Committee shall be governed by in-company regulation, approved by the Board of Directors.

**Article 17-e.** The Audit Committee's members shall be subject to same administrators' duties and responsibilities.

**Article 17-f.** The Audit Committee has no executive duty and its proposals shall be sent to the Board of Directors for deliberation.

**Article 17-g.** The following are the Audit Committee's attributions, besides others to be determined by the Board of Directors:

I – to recommend to the Board of Directors, the entity to be contracted, for the rendering of independent audit services, and its replacement, if necessary;

II – to review prior to the publication, the quarterly accounting statements, including the explanatory notes, management reports, and independent accountant's opinion;

III – to analyze the Management Annual Report, as well as the Company's Financial Statements and give recommendations deemed as appropriate to the Board of Directors;

IV – to recommend to the Board of Directors the correction or improvement of policies, practices and procedures identified under the scope of its attributions;

V – to follow-up the company's internal audit results, identify and propose measures thereupon to the Board of Directors;

VI – to evaluate the observance by the company's management of the recommendations given by the independent account or by the internal audit body.

### **SECTION III – BOARD OF EXECUTIVE OFFICERS**

**Article 18.** The Board of Executive Officers is composed of two (2) to eight (8) members, one Chief Executive Officer, one Chief Financial Officer and Investor Relations Officer, and other Executive Officers without specific designation. The General Meeting may leave vacant up to six (6) positions as Executive Officer, except for the Chief Executive Officer.

**Article 19.** The Board of Executive Officers always meets whenever it is called by its Chief Executive Officer.

**Article 20.** In the acts and instruments resulting in responsibility for the Company, it shall be represented by two Executive Officers. Within the limits set forth by the Board of Executive Officers, the Company may be represented by one Executive Officer acting jointly with one attorney-in-fact or by two attorneys-in-fact acting jointly, within the limits expressed in the respective powers of attorney.

**Paragraph 1.** The Board of Executive Officers may delegate, inclusive the obligations to be assumed overseas, to only one Executive Officer or one attorney-in-fact, the Company's

representation, under the terms and limits to be determined by the Board of Executive Officers.

**Paragraph 2.** The powers of attorney granted by the Company shall always be signed by two Executive Officers and shall contain specific powers and term of effectiveness not exceeding one (1) year, except for the granting of powers of *ad judicium et extra* clause, authorized by the Board of Executive Officers in each case.

**Article 21.** It shall be incumbent upon the Executive Officers to ensure the permanent management of business and execute the Board of Directors' resolutions.

**Article 22.** Specially, it shall be incumbent upon the Board of Executive Officers, acting as a joint committee:

**a)** to submit to the Board of Directors the basic structure of the Company's organization and of its subsidiaries, as well as to define the attributions of various of their units;

**b)** to issue standards and regulations for the good operation of services, in compliance with the provisions of these Bylaws;

**c)** to maintain the general control of the execution of resolutions, as well as to evaluate results of the Company's activity and of its subsidiaries;

**d)** to prepare and submit for approval of the Board of Directors the annual and pluriannual budgets, expansion and modernization projects and investment plans;

**e)** to submit to the Board of Directors the positions and payroll plan, as well as the staff of the Company and its subsidiaries;

**f)** to submit to the Board of Directors the hiring-related standards;

**g)** to submit to the previous and express approval of the Board of Directors the operations related to investments and financing in the country or overseas;

**h)** to submit to the Board of Directors all the acts involving the Company's responsibility, observing the limit provided for in specific delegation, which, in this regard, to be derived from act of that joint committee;

**i)** to prepare and propose to the Board of Directors the acts under the incumbency thereof and those to be submitted to the General Meeting;

**j)** to prepare the Management Report, the Financial Statements and other documents to be submitted to the General Meeting;

**k)** to decide on the opening, transfer or closing of offices, branches, premises or other establishments of the Company;

**l)** to authorize the constitution of attorneys-in-fact, defining them powers;

**m)** to approve the instructions to be given to the Company's representatives in the General Meetings of companies in which it holds shares;

n) to carry out the other attributions provided for by law and by these Bylaws.

**Article 23.** It shall be incumbent upon the Chief Executive Officer:

a) to direct the Company, by coordinating the executive officers' activities;

b) to propose to the Board of Directors the performance areas and designation of each Executive Officer;

c) to ensure the execution of the Board of Directors and Board of Executive Officers' resolutions;

d) to call and preside the Board of Executive Officers' meeting, setting forth the Agenda and conducting respective works;

e) to represent the Company, in or out-of-court, whether on a judicial or extrajudicial basis, inclusive in its relations with the Government and private entities;

f) to propose for the approval of the Board of Executive Officers, the Company's basic structure and of its subsidiaries and the attributions of various of their units;

g) to supervise, with the collaboration of other Executive Officers, the activities of all the Company's units and of its subsidiaries;

h) to appoint for approval of the Board of Executive Officers, the Company's representatives in the entities, companies and associations in which the Company holds interest;

i) to carry out other attributions provided for in these Bylaws.

**Article 24.** The Chief Financial Officer and Investor Relations Officer is liable for the economic-financial policy guidelines of the Company and its subsidiaries. His basic duties are: (i) to plan, propose and implement the Company's economic-financial planning and of its subsidiaries; (ii) to coordinate the accounting area; (iii) to implement the tax planning policy of the Company and its subsidiaries; (iv) to coordinate the preparation of the financial statements of the Company and its subsidiaries; (v) to manage the Company's financial resources; (vi) to support the Company's operational area and its subsidiaries in what is necessary for their good development; (vii) to coordinate potential Company's projects and of its subsidiaries; and (viii) represent the Company with the Securities and Exchange Commission of Brazil, shareholders, investors, Stock Exchange, Central Bank of Brazil and other bodies related to the activities developed in the capital markets.

## **CHAPTER V – FISCAL COUNCIL**

**Article 25.** The Fiscal Council, with attributions and powers conferred by law, shall not have a permanent operation and shall be composed of three (3) to five (5) sitting members and equal number of deputies, all of them resident in the country, elected by the General Meeting, and they may be re-elected.

**Paragraph 1.** The remuneration of the Fiscal Council's members shall be determined by the General Meeting electing them, in compliance with the legal minimum limit.

**Paragraph 2.** The investiture of the Fiscal Council's members shall be subject to the previous execution of the Statement of Agreement on the part of the Fiscal Council's members mentioned in the Level 2 Rules issued by BOVESPA.

**Paragraph 3.** The Fiscal Council shall elect its Chairman in the first meeting.

**Paragraph 4.** The Fiscal Council shall operate in accordance with the internal regulation approved by the first General Meeting resolving upon its installation.

**Paragraph 5.** The Fiscal Council may only deliberate with the attendance of the absolute majority of its members and the resolutions shall be taken by absolute majority vote of those attending the meeting. Minutes of the meetings shall be drawn up in the company's records.

## **CHAPTER VI – FISCAL YEAR**

**Article 26.** The fiscal year coincides with the calendar year, and the financial statements shall be drawn up at the end of each year, in accordance with the provision in the Law 6,404/76 and other applicable legal provisions.

**Sole Paragraph.** The Company may draw up quarterly balance sheets or smaller periods for the payment of interim dividends, as provided for by the provisions in the Article 204 of Law 6,404/76.

**Article 27.** The Company shall allocate as mandatory dividend, in each fiscal year, twenty-five per cent (25%) of the net income for the year, adjusted under the terms of the Article 202 of Law 6,404/76.

**Paragraph 1.** When the amount of minimum or fixed dividend paid to the preferred shares holding this preemptive right is equal or higher than twenty-five per cent (25%) of the net income for the year, adjusted as provided for by law, the full payment of mandatory dividend is characterized.

**Paragraph 2.** An amount not less than twenty-five per cent (25%) and not higher than seventy-five per cent (75%) of the net income for the year, adjusted as provided for by the Article 202 of the Law 6,404/76, shall be attributed to the investment reserve, which shall not exceed one hundred per cent (100%) of the capital stock subscribed, with a view to financing the expansion of activities of the Company and its subsidiaries, including through the subscription of capital increases, or the creation of new ventures.

**Article 28.** The dividends attributed to the shareholders shall be paid under the terms of law, and if these are not claimed within three (3) years from the publication of the act authorizing their distribution, they shall be barred by law in favor of the Company.

**Article 29.** The Company shall draw up semi-annual balance sheets, and also may draw up balance sheets for smaller periods and declare by decision of the Board of Directors,

dividends to the account of income earned in these balance sheets, on account of total to be distributed by the end of the respective year, in compliance with the limitations provided for by the law.

**Paragraph 1.** The dividends then declared shall constitute an acceleration of the mandatory dividend referred to by the Article 27 of these Bylaws.

**Paragraph 2.** In case of dividends distribution to the account of income earned in semi-annual balance sheets, or in smaller periods, the percentage referred to by the Article 27 of these Bylaws may also be paid, by means of the Board of Directors' resolution, subject to the approval of the General Meeting. In this assumption, the Board of Directors shall determine, in compliance with the legal limits, the total amount to be paid.

**Paragraph 3.** Also by the Board of Directors' resolution, interim dividends may be distributed to the retained earnings account or profit reserve existing in the last annual or semi-annual balance sheet, including to the investment reserve account referred to by the Paragraph Two of Article 27. The Board of Directors may at its discretion comply with the obligation to distribute mandatory dividend based on the dividends then declared.

## **CHAPTER VII – SALE OF CONTROL**

**Article 30.** The Controlling Shareholder or group of shareholders bound by voting agreement holding the power of control ("Controlling Group"), shall not transfer the ownership of their shares bound by this agreement ("Restricted Shares") while the buyer does not sign the Controlling Shareholders' Statement of Agreement, as set forth by the Level 2 Rules issued by BOVESPA.

**Paragraph 1** The Company shall also not register any transfer of Restricted Shares to the buyer while the same does not sign the Controlling Shareholders' Statement of Agreement.

**Paragraph 2** "Power of Control" is defined as the power effectively used to permanently conduct the corporate activities and guide the operation of the Company's bodies, whether directly or indirectly, actually and legally.

**Paragraph 3** There is a relative assumption of ownership of the Power of Control in relation to the person, the shareholders integrating the Controlling Group or group of people under the common control, who are titleholders of shares ensuring them the absolute majority vote of shareholders attending the last three (3) Shareholders' general meetings of the Company, even if they are not titleholders of shares representing the absolute majority of the Company's voting capital.

**Paragraph 4** The trading of shares amongst members of the Controlling Group, even if this implies the consolidation of Power of Control to only one shareholder, this does not constitute transfer of Power of Control.

**Article 31.** The sale of shares ensuring the Company's Power of Control, both by means of a single operation, and by means of successive operations, shall be contracted under the suspensive or resolutive condition, that the buyer assumes to materialize, within no later than ninety (90) days, from the date of acquisition of these shares, a public tender offer for

the other shares of other Company's shareholders, in such manner, to ensure them an equal treatment to that given to the seller Controlling Shareholder.

**Paragraph 1** In the case of acquisition by third parties of shares pertaining to one or more shareholders exercising the Power of Control, the public offering set forth in the *caput* of this Article only shall be required from the acquisition of the number of shares necessary for the exercise of Power of Control.

**Paragraph 2** In the event the Company's Power of Control is exercised by more than one shareholder, the obligation set forth in the *caput* of this Article shall not be required if the buyer then starts to hold the Power of Control jointly with another (other) shareholder(s) already exercising the Power of Control, but not holding the votes necessary to the exercise of Power of Control.

**Paragraph 3** For the purposes of provisions in the paragraphs 1 and 2 of this Article, the percentage equivalent to the quorum qualified for deliberations set forth in Shareholders' Agreement filed at the Company's headquarters is understood as the number of shares and/or votes necessary for the exercise of Power of Control.

**Article 32.** The public offering referred to in the Article 31 shall also be required:

a) in case of onerous assignment of rights to subscribe shares and other securities or rights related to securities convertible into shares, which might result in the sale of shares ensuring the Company's Power of Control;

b) in case of sale of control of the corporation holding the Company's Power of Control to a non-controlling third party, whether directly or indirectly, in this case, the seller Controlling Shareholder shall undertake to declare to BOVESPA the amount attributed to the Company in this sale and attach the documentation confirming this amount.

**Article 33.** The Company's shareholder to acquire his/its Power of Control, in view of private instrument of purchase of shares entered into with the Controlling Shareholder, involving any quantity of shares, shall be obliged to:

a) materialize the public offering, under the terms of the Article 31 of these Bylaws; and

b) indemnify the shareholders from whom shares were purchased on the stock exchange over the six (6) months prior to the date of acquisition of shares ensuring them the Company's Power of Control, and shall pay them the difference between (i) the price paid to the seller Controlling Shareholder, and (ii) the amount paid on the Stock Exchange by the Company's shares during this period, updated as provided for by the legislation in force, up to the date of the respective payment.

**Article 34.** If acquisition of Power of Control is verified, under the terms of Articles 32 and 33, the criteria defined in the paragraph 4 of Article 30 and paragraphs 1 to 3 of Article 31 shall be applied.

## CHAPTER VIII – DELISTING OF PUBLICLY-HELD COMPANY

**Article 35.** Without prejudice to the legal and regulatory provisions, the delisting of a publicly-held company shall be preceded by a public tender offer, having mandatorily as minimum price, the economic value calculated by using the methodology acknowledged by CVM or based on criteria to be defined thereby.

**Article 36.** The valuation report shall be prepared by a specialized company, with proved experience and independency as to the Company's decision-making power, its administrators and/or Controlling Shareholder or Controlling Group, in addition to meet the requirements of paragraph 1 of the Article 8, of Law 6,404/76, and shall contain the responsibility provided for in the paragraph 6 of the same Article.

**Paragraph 1.** The choice of a specialized company liable for the determination of the Company's economic value is the private incumbency of the general meeting, from the submission, by the Board of Directors, of a tripartite list, and the respective deliberation shall be taken by absolute majority vote of shares being traded, not counting the blank votes, and each share, regardless of its type or class, is entitled to one vote in this deliberation.

**Paragraph 2.** For the purposes of the provisions in paragraph 1, the outstanding shares are all the shares issued by the Company, except for those:

- a) owned by the Controlling Shareholder, his/her spouse, companion and dependents included in the annual income tax return;
- b) held in treasury;
- c) owned by the Company's subsidiaries or affiliated companies, as well as other corporations, which with any of these integrate a same group, actually or legally; and
- d) owned by the Controlling Shareholder's subsidiaries and affiliated companies, as well as other corporations, which with any of these integrate a same group, actually or legally.

**Paragraph 3.** The costs incurred with the preparation of the report shall be borne by the offeror.

**Article 37.** In case the valuation report referred to in the Article 36 is not concluded until the extraordinary general meeting summoned to deliberate on the delisting of publicly-held company, the offeror shall inform at this meeting the amount per share or lot of thousand shares by which the public offering shall be made.

**Paragraph 1.** The public offering shall be conditioned that the amount determined in the valuation report does not exceed the amount disclosed at the meeting referred to in the *caput* of this Article.

**Paragraph 2.** If the economic value of the shares, determined as provided for by the Articles 35 and 36, is higher than the amount informed by the offeror, the deliberation referred to in this Article shall be automatically cancelled, and this fact shall be fully disclosed to the market, except if the offeror expressly agrees to prepare the public offering by the economic value determined.



## CHAPTER IX – EXIT FROM LEVEL 2

**Article 38.** The Company's exit from Level 2 shall be approved in general meeting by shareholders representing, at least, more than a half of the Company's voting capital stock and communicated to the BOVESPA in written, at least, thirty (30) days in advance.

**Paragraph 1.** The Controlling Shareholder or the Controlling Group shall materialize the public tender offer for the shares owned by other Company's shareholders, within ninety (90) days, by the economic value determined as provided for by the CHAPTER VIII of these Bylaws.

**Paragraph 2.** In case the Company's exit from Level 2 occurs by virtue of the delisting of publicly-held company, all the procedures provided for by legislation shall be observed, with the performance of the offering by the economic value determined as provided for by the CHAPTER VIII of these Bylaws.

**Paragraph 3.** In case the Company's exit from Level 2 occurs by virtue of corporate reorganization operation, in which the company resulting from this reorganization is not accepted for trading on Level 2, the Controlling Shareholder or Controlling Group, within one hundred and twenty (120) days from the date the Company's general meeting has been held, approving the referred reorganization, shall materialize a public tender offer for the shares owned by other Company's shareholders, by the economic value determined as provided for by the Articles 35 and 36 of these Bylaws.

**Paragraph 4.** The Controlling Shareholder or Controlling Group shall be exempted from carrying out the public offering referred to in the paragraph above if the company resulting from the corporate reorganization is listed under the BOVESPA's special listing segment named as "Novo Mercado" (New Market), within the term set forth to carry out the public offering.

**Article 39.** The sale of the Company's Power of Control occurring during the twelve (12) months subsequent to its exit from Level 2 shall oblige the seller Controlling Shareholder or Controlling Group, as this is the case, to severally and jointly with the buyer, offer to the other shareholders the acquisition of his/its shares by the price and under the conditions obtained by the Controlling Shareholder or Controlling Group in the sale of his/its own shares, duly updated as provided for by the legislation in force, observing the same rules applicable to the sales of control provided for by the CHAPTER VII of these Bylaws.

**Paragraph 1.** If the price obtained by the Controlling Shareholder or Controlling Group in the sale referred to in the *caput* of this Article is higher than the amount of public offerings performed in accordance with other provisions of the CHAPTER IX of these Bylaws, duly updated as provided for by the legislation in force, the seller Controlling Shareholder or Controlling Group, as this is the case, severally and jointly with the buyer, shall be obliged to pay the difference of amount determined to those accepting the respective public offering, under the same conditions provided for in the *caput* of this Article.

**Paragraph 2.** The Company and the Controlling Shareholder or Controlling Group shall be obliged to record on the Company's Shares Registry Book, in relation to the shares owned by the Controlling Shareholder or by the Controlling Group, the burden obliging the buyer of those shares to extend to the other Company's shareholders, price and conditions of

payment identical to those paid to the Controlling Shareholder or Controlling Group, in case of sale, as provided for in the *caput* and in the paragraph 1, above.

## **CHAPTER X – ARBITRATION COURT**

**Article 40.** The disputes or controversies related to the Level 2 Rules issued by BOVESPA, these Bylaws, the Shareholders' Agreements, the provisions of the Law 6,404/76, the standards issued by the Brazilian Monetary Council, Central Bank of Brazil and CVM, BOVESPA's regulations and other rules applicable to the operation of the capital markets in general, or arising therefrom, shall be resolved by means of arbitration conducted with the Market Arbitration Panel created by BOVESPA, in compliance with the Rules of this Panel.

## **CHAPTER XI – GENERAL PROVISIONS**

**Article 41.** The rights and obligations provided for in the Article 10, Sole Paragraph, as well as in the chapters VII, VIII, IX and X of these Bylaws only shall be effective from the date the Company publishes the Notice of Commencement of the Public Offering, referring to the public offering for the distribution of shares, approved by the Company's Board of Directors' Meeting on May 11, 2004.

**Article 42.** The Company shall observe the Shareholders' Agreements registered as provided for by the Article 118 of Law 6,404/76, and it is incumbent upon the management to refrain itself from registering transfers of shares contrary to the respective terms and the Chairman of General Meetings and of the Board of Directors' meetings to refrain himself from computing the votes recorded against same agreements.

## **CHAPTER XII – DISSOLUTION**

**Article 43.** The Company shall enter into dissolution in the cases provided for by the law, or by virtue of General Meeting's resolution.

**Sole Paragraph.** It shall be incumbent upon the General Meeting to set forth the manner of dissolution, elect the liquidator and the Fiscal Council's members, which shall operate during the dissolution period, determining their respective fees.

## **CHAPTER XIII – FINAL PROVISIONS – ISSUANCE OF UNITS**

**Article 44.** The Company may sponsor the issuance of share deposit certificates (hereinafter referred to as "Units" or severally as "Unit").

**Paragraph 1.** Each Unit shall represent one (1) common share and four (4) preferred shares issued by the Company and only shall be issued upon request of the shareholders intending

this, observing the rules to be set forth by the Board of Directors in accordance with the provisions of these Bylaws.

**Paragraph 2.** Only free-of-burden and encumbrance shares may be purpose of deposit for the issuance of Units.

**Article 45.** The Units shall have the book-entry form and except in the event of cancellation of the Units, the ownership of shares represented by the Units only shall be transferred by means of transfer of the Units.

**Paragraph 1.** The titleholder of the Units shall be entitled at any time to request the cancellation of Units and the delivery of the respective shares deposited to the depository financial institution, observing the rules to be set forth by the Board of Directors in accordance with the provisions in these Bylaws.

**Paragraph 2.** The Company's Board of Directors may, at any time, suspend for a determinate duration, the possibility of canceling the Units provided for in the paragraph 1 of this Article, in the following events:

I – the Company announces the possibility of its shareholders requesting the conversion of shares, under the terms of the Article 47 of these Bylaws, and in this case, the term for suspension may not exceed sixty (60) days;

II – the commencement of the public offering for the primary and/or secondary distribution of Units, at the local and/or international market, and in this case, the term for suspension may not exceed thirty (30) days.

**Paragraph 3.** The Units having burden, encumbrance or lien may not be cancelled.

**Article 46.** The Units shall grant to its titleholders the same rights and advantages of shares deposited.

**Paragraph 1.** The right to participate in the Company's General Meetings and there exercise all the attributions granted to the shares represented by the Units, by means of evidence of their ownership, shall be exclusively incumbent upon the Units titleholder.

**Paragraph 2.** In the event of splitting, reverse split, bonus or issuance of new shares by means of profit capitalization or reserves, the following rules related to the Units shall be observed:

I - In case of occurring increase in the number of shares issued by the Company, the depository financial institution shall register the deposit of new shares and shall credit new Units at the account of the respective titleholders, in such manner to reflect the new number of shares held by the Units titleholders, always maintaining the proportion of one (1) common share and four (4) preferred shares issued by the Company for each Unit, whereas the shares not subject to creating Units shall be directly credited to the shareholders, without issuing Units.

II - In the event of occurring reduction in the number of shares issued by the Company, the depository financial institution shall debit the Units deposit accounts of reverse split shares titleholders, by carrying out the automatic cancellation of the Units in number

sufficient to reflect the new number of shares held by the Units titleholders, always maintaining the proportion of one (1) common share and 4 preferred shares issued by the Company for each Unit, whereas the remaining shares not subject to establishing Units shall be directly delivered to the shareholders, without issuing the Units.”

#### **CHAPTER XIV – TEMPORARY PROVISIONS**

**Article 47.** The Company’s shareholders may request the conversion of preferred shares issued by the Company into common shares, as well as common shares issued by the Company into preferred shares, observing the provisions of this Article.

**Paragraph 1.** The conversion mentioned in the *caput* of this Article shall observe the following conditions:

(i) For each group of five (5) preferred shares issued by the Company, the shareholder, titleholder of these shares shall be entitled to convert one (1) preferred share into one (1) common share.

(ii) For each preferred share converted into common share, under the terms set forth in item (i) above, the shareholders, titleholders of the common shares issued by the Company shall be entitled to convert one (1) common share into one (1) preferred share.

**Paragraph 2.** It shall be incumbent upon the Company’s Board of Directors to set forth the terms, stated period and conditions for the exercise of conversion right provided for in this Article, and may practice all the acts necessary to its implementation.