



EUCATEX S/A – INDÚSTRIA E COMÉRCIO

PUBLICLY-HELD COMPANY

Corporate Taxpayer ID (CNPJ/MF): 56.643.018/0001-66

Company Registry No. (NIRE): 3530028015

BYLAWS

CHAPTER I

CORPORATE NAME, REGISTERED OFFICE, PURPOSE AND DURATION

ARTICLE 1 EUCATEX S/A - INDÚSTRIA E COMÉRCIO is a corporation governed by these Bylaws and by applicable laws.

SOLE PARAGRAPH: With the admission of the company to the special listing segment called Level 1 corporate governance of the BM&FBovespa S/A – Securities, Commodities and Futures Exchange (BM&FBovespa), the company, its shareholders, management and members of the fiscal council, when instituted, will be bound by the Listing Regulations of Level 1 corporate governance of the BM&FBovespa (Level 1 Regulations 1).

ARTICLE 2 The Company has its registered office and legal domicile in the city of São Paulo, state of São Paulo, Brazil, at Av. Presidente Juscelino Kubistchek, 1830 - Torre I – 11º andar – CEP. 04543-900, and may open and close branches, agencies, offices, and warehouses anywhere in Brazil or abroad by a resolution of the board of executive officers.

ARTICLE 3 The corporate purpose of the Company is the agricultural and industrial production of plant fibers and related artifacts, machining and industrial production of metal and plastic implements used in construction and other purposes, management of properties, farming and mining, reforestation for itself or for third parties, production and sale of products of animal, vegetable and

mineral origin, imports and exports, representing itself or third parties and activities related to the above-mentioned purposes and also the sale of surplus energy.

SOLE PARAGRAPH – The Company may hold interest in other companies as a shareholder.

ARTICLE 4 The Company's duration is indefinite.

CHAPTER II

CAPITAL STOCK AND SHARES

ARTICLE 5 The capital stock is four hundred eighty-eight million, one hundred eighty-three thousand, three hundred seventy-eight reais and seventy-seven centavos (R\$ 488,183,378.77), divided into ninety-two million, six hundred nineteen thousand, two hundred fifty-six (92,619,256) registered book-entry shares with no par value, of which: a) thirty-one million, two hundred fifty-seven thousand, seven hundred (31,257,700) are common shares and b) sixty-one million, three hundred sixty-one thousand, five hundred fifty-six (61,361,556) are preferred shares.

PARAGRAPH 1 – Each type and class of shares will have its own numbering.

PARAGRAPH 2 – The shares will be book-entry, without the issue of certificates, and will be held in trust accounts on behalf of their holders, at an authorized financial institution chosen by the Company.

ARTICLE 6 The Company is authorized to increase its capital stock, by a resolution of the board of directors and regardless of any amendment to the Bylaws, to up to one billion, two hundred million (1,200,000,000) shares through the issue of four hundred million (400,000,000) common shares and eight hundred million (800,000,000) preferred shares.

PARAGRAPH 1 – The authorized capital of the Company can be altered only by

a resolution of the shareholders meeting.

PARAGRAPH 2 – Within the authorized capital and according to the plan approved by the shareholders meeting, the Company may grant stock options to its managers or employees, or to individual service providers, using shares held in treasury or through the issue of new shares, without any preemptive rights for shareholders.

ARTICLE 7 Each common share entitles its holder to one vote at shareholders meetings.

ARTICLE 8 The preferred shares will not have voting rights and will have the following advantages and preferences:

- a) right to receive dividends of at least ten percent (10%) higher than those attributed to common shares;
- b) priority in the event of any declaration of dividends in excess of the mandatory dividend envisaged in article 9 of these Bylaws;
- c) priority in the reimbursement of capital in the event of liquidation of the Company;
- d) share, on equal terms, in the distribution of bonus shares arising from the capitalization of reserves or profits in suspense;

ARTICLE 9 All the shares are assured of mandatory dividend of not lower than twenty-five (25%) percent of the net income adjusted in accordance with article 202 of Federal Law 6,404/76, subject to the advantages and preferences established in these Bylaws.

ARTICLE 10 Non-payment of dividends in three consecutive fiscal years will give preferred shares the right to vote, which shall continue until the shareholders meeting that approves the payment of dividends to such shares.

ARTICLE 11 Within the authorized capital, the board of directors may approve the issue of

shares and/or subscription warrants or propose to the shareholders meeting, the issuance of convertible debentures, without any preemptive rights, as envisaged in article 172 of Federal Law 6404/76;

SOLE PARAGRAPH - Except as envisaged in the head paragraph of this article, shareholders will have preference, in proportion to the respective shareholdings, to subscribe to any capital increase in the Company, which will be exercised by them in accordance with applicable law.

CHAPTER III

SHAREHOLDERS MEETINGS

ARTICLE 12 The shareholders meeting is the meeting of shareholders, who may attend it personally or through proxies duly constituted according to law, to decide and vote on matters of interest to the Company.

ARTICLE 13 The annual shareholders meeting will have the duties laid down in law and will be held in the first four months after the end of the fiscal year.

PARAGRAPH 1 – Whenever required, an extraordinary shareholders meeting may be held together with the annual shareholders meeting.

PARAGRAPH 2 – The call for the meeting will be made by the chairman of the board of directors through publication of call notices in accordance with law.

ARTICLE 14 The shareholders meeting will be held and presided over by the chairman of the board of directors or, in his absence, by the vice chairman or any of the members of the board of directors or, in the absence of all members, by a person indicated by the majority of shareholders present at the shareholders meeting. The chairman of the shareholders meeting will invite one from those present to act as his secretary.

ARTICLE 15 Holders of registered shares who submit proof of their inclusion in the

shareholders register held by the stock transfer agent of the Company will be entitled to vote.

CHAPTER IV

MANAGEMENT

ARTICLE 16 The Company will be managed by a board of directors and a board of executive officers, elected in accordance with law and these Bylaws.

PARAGRAPH 1 – The shareholders meeting will fix the overall annual compensation of the members of the board of directors, the board of executive officers and the fiscal council, if instituted.

PARAGRAPH 2 - The directors and executive officers will take office after signing the instrument of investiture in the Book of Minutes of the Board of Directors or Board of Executive Officers, as applicable, subject to prior signature of the Instrument of Consent of Managers envisaged in Regulations of Level 1 corporate governance of the BM&FBovespa, as well as compliance with applicable legal requirements.

PARAGRAPH 3 - The term of office of directors and executive officers will last until their respective successors take office.

PARAGRAPH 4 – Minutes of meetings of the board of directors and the board of executive officers will be drawn up in the appropriate records, and will be signed by the directors and executive officers present, as applicable.

ARTICLE 17 The board of directors will consist of at least three and not more than nine members, whether or not resident in Brazil, elected by the shareholders meeting, which will also designate its chairman and vice chairman, for a unified term of two (2) years, with the possibility of reelection.

PARAGRAPH 1 – The chairman will be replaced in his absence or impediment by the vice chairman and, in the absence or impediment of both, by a director

designated by the board of directors from among its members.

PARAGRAPH 2 – If any seat on the board of directors becomes vacant due to absence or impediment, the vacancy may, at the discretion of the board of directors, be left as is if the number of remaining directors meets the minimum required by the Bylaws. However, if the majority of the seats become vacant, the shareholders meeting must be held to elect all the directors.

PARAGRAPH 3 – The board of directors will be convened by its chairman through a letter with acknowledgement due, fax or email, at least two (2) business days in advance. It will ordinarily meet once a quarter and extraordinarily, the number of times as may be required.

PARAGRAPH 4 – Decisions will be taken by the absolute majority votes of those present, provided more than half of the serving directors are present, and the minutes will be drawn up in the Book of Minutes of Board of Directors Meetings. The directors can vote by letter, fax, email or proxy granted to another director. The chairman will have the casting vote.

PARAGRAPH 5 - The meetings will be held, regardless of call notice, when all the directors are present.

PARAGRAPH 6 – Board meetings will be presided over by the chairman and, in his absence, by the vice chairman.

PARAGRAPH 7 – The positions of chairman of the board of directors and chief executive officer of the Company cannot be held by the same person except in case of vacancy, which should be specifically announced to the market and for which measures must be taken to fill the respective vacancies within one hundred eighty (180) days.

ARTICLE 18 Apart from those envisaged in these Bylaws or applicable law, the board of directors is vested with the following powers:

I – Set the general business guidelines of the Company and its subsidiaries,

establish the strategic objectives and direction, as well as examine and approve the annual and multiyear budgets of the Company;

II – Elect and remove the executive officers of the Company and establish their duties, subject to these Bylaws;

III – Supervise the management carried out by executive officers, the books and documents of the Company, request information about agreements signed or about to be signed, as well as any other acts;

IV – Call the annual shareholders meeting at the appropriate moment or the extraordinary shareholders meeting when deemed necessary;

V – Provide opinion on the management report and accounts;

VI – Select and dismiss independent auditors;

VII – Authorize the Company to trade on its own shares, subject to the restrictions and limits established in applicable law and regulations.

VIII – Deliberate on the issue of shares of any type and class, and of subscription warrants, including without preemptive rights, up to the authorized capital, fixing the respective price and terms of issue and payment;

IX – Propose to the shareholders meeting, the issue of debentures, including without the preemptive rights, in accordance with article 172 of Federal Law 6,404/76;

X – Deliberate on the issue of commercial papers for public distribution in Brazil, in accordance with the regulations of the Brazilian Securities and Exchange Commission; and,

XI – Fix the overall annual compensation of the members of the board of directors, the board of executive officers and the fiscal council, if functioning, within the overall annual compensation approved by the shareholders meeting.

ARTICLE 19 - The board of executive officers will consist of at least three (3) and not more than nine (9) members, as follows: one (1) Chief Executive Officer, one (1) General Executive Vice-President, one (1) Executive Vice-President and Investor Relations Officer, and other executive officers with no specific designation, whether or not shareholders, residents of Brazil, elected for a term of office of three (3) years, who may be reelected or removed from their positions at any time by the board of directors.

SOLE PARAGRAPH: Each executive officer will receive a fixed monthly compensation, fringe benefits, representation fee and profit sharing as established by the shareholders' meeting, subject to law.

ARTICLE 20 The board of executive officers will meet when called by the Chief Executive Officer or General Executive Vice-President, or when called by half of the executive officers in office.

PARAGRAPH 1: The meetings will be held and presided over by the Chief Executive Officer or, in his absence, by the General Executive Vice-President.

PARAGRAPH 2: The quorum for holding meetings of the board of executive officers is the majority of its members in office, and all decisions will be taken by majority vote of those present, with the Chief Executive Officer holding the casting vote.

ARTICLE 21 The board of executive officers will have broad powers to administer and manage the corporate affairs, to carry out the acts and engage in all transactions related to the corporate purpose of the Company, and can open, transact and close bank accounts, take out loans, waive rights and arrive at settlements, furnish guarantees and sureties, acquire, pledge and, in any manner, encumber the assets of the Company, subject to the provisions in these Bylaws.

SOLE PARAGRAPH: The acts or contracts that may lead to the sale of any permanent assets and the provision of guarantees to third-party obligations must first be submitted by the board of executive officers to the board of directors for approval, which shall decide upon their approval and record said decision in the minutes of the respective meeting. This provision shall not apply when in benefit

of the Company itself, its subsidiaries or group companies.

ARTICLE 22 The Chief Executive Officer or the General Executive Vice-President, or the Executive Vice-President and Investor Relations Officer will oversee, plan, coordinate, manage and steer the activities of the Company and other executive officers, as well as decide, as the last resort and within the scope of powers of the board of executive officers, on all matters of interest to the Company.

ARTICLE 23 The Chief Executive Officer or the General Executive Vice-President alone, or the Executive Vice-President and Investor Relations Officer together with any one of these two executive officers, have the following powers: a) to represent the Company, as plaintiff or defendant, in or out of court, including with companies in which it holds interest, as well as before government authorities and government-controlled companies at all spheres; b) to constitute, on behalf of the Company, powers of attorney to carry out any act that involves corporate interests, including the delegation of powers envisaged in these Bylaws. The powers of attorney must specify the validity except when ordered by a court; c) to acquire and dispose of properties, securities or shares and carry out any operations on the stock exchange, including forward transactions or provide movable property as collateral, and to sell the same assets, securities and shares; d) to open and close bank accounts, enter into any type of banking contracts, as well as constitute mortgage or rural, industrial or commercial pledge; e) to furnish guarantees and sureties; f) to receive or grant lease or rental of properties or of commercial and industrial facilities of the Company; g) to waive or arrive at a settlement on any rights; h) to draw, accept and endorse bills of exchange, issue, endorse and accept trade notes, except as envisaged in the sole paragraph of article 24 of these Bylaws; i) to hire and dismiss employees.

ARTICLE 24 The Company may be represented pursuant to article 23 or through an attorney-in-fact in carrying out the usual management procedures before financial institutions and the Caixa Econômica Federal, as well as any federal, state and municipal government authorities, the respective government-controlled companies, departments and the respective directorates and inspectorates, branches and tax offices, mixed-capital companies, the Central Bank of Brazil, Banco do Brasil and its portfolios and departments, boards of trade, police

departments, the Federal Revenue Service of Brazil, the Brazilian social security institute (Instituto Nacional do Seguro Social-INSS), prosecutors and the public prosecutor's office at all levels, ombudsman offices, the Brazilian postal service company, the Brazilian airports authority (Infraero) and airline companies, telephone and communications companies, professional representation councils and bodies, trade unions, labor courts, Regional Labor and Employment Office (GRTE), customs offices, who may sign statements of undertaking, foreign exchange cover certificates, import and export licenses, opening of letters of credit for imports, issue of trade notes and endorsement of trade notes for banks.

SOLE PARAGRAPH - The issue and endorsement of checks, receiving and giving discharge, carrying out lending or financing operations, whether or not involving banks, transacting any accounts, including bank accounts, with the exception of the executive officers who sign individually, can also be signed by two attorneys-in-fact jointly, constituted through a public power of attorney.

ARTICLE 25 In case of vacancy, temporary impediment or absence of the Chief Executive Officer, the General Executive Vice-President will perform his functions. In case of vacancy, temporary impediment or absence of the first two officers, the Executive Vice-President and Investor Relations Officer will perform the functions of the former during such absence or impediment, or until the next meeting of the board of directors, which can deliberate on the latter continuing to perform said additional functions or on the election of replacements.

SOLE PARAGRAPH – In case of simultaneous vacancy, temporary impediment or absence of the Chief Executive Officer, General Executive Vice-President, and the Executive Vice-President and Investor Relations Officer, the respective functions will be performed by other executive officers, who will resolve by majority vote, with such resolution recorded in the Book of Minutes of the Board of Executive Officers, for the duration of the absence or impediment of those three (3) executive officers, or until the next meeting of the board of directors that will deliberate on electing the replacements for the term of office until the end of the term of the officers being replaced.

ARTICLE 26 The constitution of powers of attorney will always depend on the signature of the

Chief Executive Officer or the General Executive Vice-President, solely, or the Executive Vice-President and Investor Relations Officer jointly with either of these two executive officers, through which they may designate one or more attorneys-in-fact with powers to represent the Company in court, especially to provide personal testimony and carry out all acts of representation before courts at any sphere, for which the validity of said powers of attorney is waived.

ARTICLE 27 The board of directors or board of executive officers can define additional functions and powers for any executive officer and all officers are bound to perform the functions defined by said bodies, as well as to assist the Chief Executive Officer in all the tasks assigned to them by him.

CHAPTER V

FISCAL COUNCIL

ARTICLE 28 The Company will have a non-permanent fiscal council consisting of at least three (3) and not more than five (5) members and an equal number of alternate members, who may or may not be shareholders, residents of Brazil, with the requirements and duties envisaged in law.

SOLE PARAGRAPH – The fiscal council will be instituted by the shareholders meeting at the request of shareholders in accordance with paragraph 2, article 161 of Federal Law 6,404/76, and will function until the date of the first annual shareholders meeting to be held after it is established.

CHAPTER VI

FISCAL YEAR

ARTICLE 29 The fiscal year shall end on December 31 of each year.

ARTICLE 30 At the end of each fiscal year, the financial statements shall be prepared

according to legal requirements.

CHAPTER VII

INCOME ALLOCATION

ARTICLE 31 The allocation of net income from each fiscal year shall observe the following rules:

- a) Accumulated losses and provision for income tax will be deducted from income from the year.
- b) The resulting net income will be allocated as follows:
 - b.1) five percent (5%) for the constitution of legal reserve until it reaches twenty percent (20%) of the capital stock;
 - b.2) constitution of other reserves envisaged in law;
 - b.3) payment of annual or semiannual dividends, observing the provisions in Article 8, item “a”, and Article 9 of these Bylaws, and also adjusted by the accrual, realization and reversal, within the respective fiscal year, of the Biological Asset Reserve, in accordance with Article 31-A; and
 - b.4) Accrual of a Reserve for Investments and Working Capital, composed of a portion that varies from 5% to 75% of the net income adjusted pursuant to law, observing the limits set in article 199 of Federal Law 6,404/76, in order to ensure funds for investment in permanent assets and additional working capital.

Article 31 A In each fiscal year, the Biological Asset Reserve will be composed by allocating the net income from the respective period, net of taxes, revenue from fair value valuation of own biological assets and revenue from fair value valuation of the biological assets of subsidiaries (recorded as equity income (loss) by the parent company). The amount to be used for constituting the Biological Asset Reserve will be limited to the balance of the “Retained Earnings or Accumulated Losses” account after the accrual, if any, of the Legal Reserve, Reserve for Contingencies, Reserve for Tax Incentives, and Reserve for Unrealized Profits;

- I. In the case of expenses stemming from the reduction in the fair value of biological assets (own or of subsidiaries recorded through equity income (loss)), included in the profit or loss for the year, the respective amount, net of taxes, shall be reversed from the Biological Asset Reserve to the “Retained Earnings or Accumulated Losses” account.
- II. The realization of the Biological Asset Reserve will correspond to the value of depletion of the fair value of biological assets (own or of subsidiaries recorded through equity income (loss)), included in the profit or loss of each year, net of tax effects. The realization of balances of results existing in the Biological Asset Reserve will cause the reversal of the respective amounts recorded to “Retained Earnings or Accumulated Losses” for the purpose of allocation.
- III. the Biological Asset Reserve shall not exceed the value of the capital stock; in the case of net loss in the year, and after all realizations and reversals mentioned in items I and II the balance of the “Retained Earnings or Accumulated Losses” account is still negative, the balances in the profits reserve shall be used to offset said negative balance, in accordance with law, and the Biological Asset Reserve will be the penultimate reserve used for this purpose, while the Legal Reserve will be the last. If the balance is still negative, Capital Reserves may be used for this purpose.

PARAGRAPH 1 – The Company may prepare balance sheets on a semiannual or quarterly basis or at any time of the year, subject to technical and legal guidelines.

PARAGRAPH 2 – The Board of Executive Officers may at any time advance the payment of dividends pursuant to article 204 of Federal Law 6,404/76.

PARAGRAPH 3 – Payment of dividends and distribution of shares resulting from capital increase will be done within sixty (60) days from the date of their announcement, except in case of a resolution to the contrary by the shareholders meeting and, in all cases, within the fiscal year.

ARTICLE 32 By a resolution of the board of directors, profits may be distributed to shareholders by way of interest on equity, as envisaged in article 9 of Federal Law 9,249/95 and other relevant laws and regulations which, once distributed, can be calculated towards mandatory dividends after deducting the withholding

income tax.

CHAPTER VIII

LIQUIDATION

ARTICLE 33 The Company will be liquidated in the events envisaged in law and the shareholders meeting will determine the method of liquidation and elect the liquidator, while the fiscal council shall function during the liquidation period and fix its compensation.

CHAPTER IX

FINAL AND TRANSITORY PROVISIONS

ARTICLE 34 The Company should prepare, disclose and submit to the BM&FBOVESPA, the Policy on Trading of Securities issued by the Company, which will apply to at least the Company, the controlling shareholder, members of the board of directors and the fiscal council, when instituted, executive officers and members of any bodies with technical or advisory functions created pursuant to the Bylaws.

ARTICLE 35 The Company should prepare, disclose and submit to the BM&FBOVESPA, the Code of Conduct that sets forth the values and principles guiding the Company and which should be preserved in its relations with managers, employees, service providers and other persons and entities with whom the Company maintains relations.

ARTICLE 36 In case of delisting of the company, the Company or the controlling shareholder, as applicable, must carry out the public tender offer for shares.

PARAGRAPH 1: The controlling shareholder should carry out the public tender offer for the shares held by other shareholders of the Company: (i) in case of delisting from the Level 1 corporate governance segment of the BM&FBovepsa

so that the shares of the Company may be registered for trading outside Level 1 of the BM&FBovespa; and, (ii) in the event of corporate reorganization whereby the resulting Company does not have its securities admitted for trading in Level 1 corporate governance of the BM&FBovespa.

PARAGRAPH 2: In any case, the price to be offered must correspond to at least the value of the Company and its shares, to be determined by a specialized company using a recognized methodology or based on any other criterion that may be defined by the Brazilian Securities and Exchange Commission (CVM).

PARAGRAPH 1: The valuation report envisaged in these Bylaws must be prepared by a specialized company with proven experience and independent of the Company, its managers and controlling shareholders, and must meet the requirements of paragraph 1 of article 8 of Federal Law 6,404/76 and the liability set out in paragraph 6 of the same article of said law.

ARTICLE 37 Cases not covered by these Bylaws will be governed by Federal Law 6,404/76 and other applicable laws.