



## BYLAWS

### ISA CAPITAL DO BRASIL S.A.

CNPJ/MF [Corporate Taxpayers' Registry] No. 08.075.006/0001-30

NIRE [Company Roll Registration Number] No. 35.3.0033520-1

Open Company

#### Chapter I

#### Corporate Name, Head Offices, Purpose and Term

Article 1. ISA Capital do Brasil S.A. ("Company") is a corporation governed by these Bylaws, by Law No. 6.404, as of 12/15/1976, as amended ("Corporate Law") and by the other applicable laws and regulations in force.

Article 2. The head offices and venue of the Company are located in the city of São Paulo, State of São Paulo, at Rua Casa do Ator n° 1155, 8° andar, CEP 04546-004, where the activities of the Company shall be developed.

Sole Paragraph. Company may open, close and change the address of branches, agencies, warehouses, officers and any other establishments in the Country or abroad by resolution of the Board of Directors.

Article 3. The purpose of the Company is to engage in the management of equity interests and in the development of joint ventures and any other business association.

Article 4. The Company shall exist for an undetermined term.

#### Chapter II

#### Capital stock

Article 5. The capital stock, subscribed and fully paid in, is of eight hundred forty million one hundred ninety-eight thousand reais and one cent (R\$840,198,000.01), divided in one billion two hundred fifty-six million three hundred sixteen thousand one hundred and sixty-two (1.256.316.162) stocks, out of which (i) eight hundred forty million six hundred and twenty-five thousand (840.625.000) stocks are common stocks and (ii) four hundred fifteen million six hundred ninety-one thousand one hundred and sixty-two (415.691.162) stocks are redeemable preferred stocks, out of which twenty-four million nine hundred forty-one thousand four hundred and seventy (24.941.470) stocks are class A redeemable preferred stocks; twenty-four million nine hundred forty-one thousand four hundred and seventy (24.941.470) stocks are class B redeemable preferred stocks; twenty-four million nine hundred forty-one thousand four hundred and seventy (24.941.470) stocks are class C redeemable preferred stocks; thirty-one million nine hundred seventy-six thousand two hundred and forty-three (31.976.243) stocks are class D redeemable preferred stocks; thirty-one million nine hundred seventy-six thousand two hundred and forty-three (31.976.243) stocks are class E redeemable preferred stocks; thirty-one million nine hundred seventy-six thousand two hundred and

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forty-three (31.976.243) stocks are class F redeemable preferred stocks; thirty-one million nine hundred seventy-six thousand two hundred and forty-three (31.976.243) stocks are class G redeemable preferred stocks; forty-eight million one hundred twenty-four thousand two hundred and forty-six (48.124.246) stocks are class H redeemable preferred stocks; forty-eight million one hundred twenty-four thousand two hundred and forty-six (48.124.246) stocks are class I redeemable preferred stocks; forty-eight million one hundred twenty-four thousand two hundred and forty-six (48.124.246) stocks are class J redeemable preferred stocks; twenty-two million eight hundred sixty-three thousand and fourteen (22.863.014) stocks are class K redeemable preferred stocks; twenty-two million eight hundred sixty-three thousand and fourteen (22.863.014) stocks are class L redeemable preferred stocks; and twenty-two million eight hundred sixty-three thousand and fourteen (22.863.014) stocks are class M redeemable preferred stocks, all registered stocks without pair value (jointly referred to as "Redeemable Preferred Stocks").

Paragraph One. The Company is authorized to increase the capital stock, regardless of any statutory reform, by resolution of the Board of Directors, in up to three hundred fifty-nine million nine hundred ninety-nine thousand nine hundred eighty-two reais and fifty-seven cents (R\$359,999,982.57), upon the issuance of common stocks and/or Redeemable Preferred Stocks, observing the proportion with the existing classes.

Paragraph Two. Each common stock shall give the right to one vote in the resolutions of the General Meeting.

Paragraph Three. The preferred stocks, regardless of the class, shall not give right to vote in the resolutions to be adopted at General Meetings held by the Company, except if otherwise set forth by law, these Bylaws and the shareholders' agreement registered at the head offices of the Company, as the case may be.

Article 6. The Redeemable Preferred Stocks, regardless of the class, shall give the following rights and additional advantages:

(a) each one of them shall give the right to cumulative fixed dividends (the "Cumulative Fixed Dividends") to be paid quarterly, on the following dates: January 3, April 4, July 5 and October 6, 2011; January 7, April 8, July 9 and October 10, 2012; January 11, April 12, July 13 and October 14, 2013; January 15, April 16, July 17 and October 18, 2014; January 19, April 20, July 6 and October 7, 2015; and January 8 and April 9, 2016 (each date, one "Fixed Dividend Payment Date").

(b) according to the other provisions of these Bylaws, the Cumulative Fixed Dividend, to be paid on each Fixed Dividend Payment Date, shall be the value in reais equivalent to the result of: (i) one hundred per cent (100%) of the CDI Variation + one per cent (1%) per year, *multiplied* by (ii) two reais and zero two zero seven three one cents (R\$2.020731).

- (b.1) for the purpose of item (b) above, the "CDI Variation" means the cumulative factor resulting from the reference average rates of inter-financial deposits ("CDI Extra Group"), calculated and disclosed by CETIP S.A. – OTC Clearing House, based on one year of two hundred and fifty-two (252) business days, expressed in percentage per year, since the respective issuance date or since the immediately prior Fixed Dividend Payment Date, as the case may be, and including such date, up to the Fixed Dividend Payment Date in question, excluding such date;
- (b.2) if the CDI Extra Group is not timely disclosed on any Fixed Dividend Payment Date, the SELIC rate shall be applied, as calculated and disclosed by the Central Bank of Brazil, *pro rata temporis*, and no financial compensation between the Company and the holders of the Redeemable Preferred Stocks in question shall be due and payable, upon a future disclosure of the CDI Extra Group that would otherwise be applicable. If the CDI Extra Group is not disclosed for more than ten (10) consecutive days, the provisions contained in item (b.3) below shall apply;
- (b.3) in case of extinction, lack of calculation and/or disclosure for more than ten (10) consecutive days after the date expected for the calculation and/or disclosure thereof, or legal impossibility to apply the CDI Extra Group to the Cumulative Fixed Dividend value, the holders of Redeemable Preferred Stocks and the Company shall decide, by mutual agreement, within the maximum term of thirty (30) days as of the event, the new applicable standards, provided that, if no agreement is reached, the legal index substituting the CDI Extra Group shall prevail, or, in the absence thereof, the SELIC rate;
- (c) shall have priority in the receipt of the Cumulative Fixed Dividend, in relation to the payment of dividends, interest on net equity and any other distributions, bonuses, payments or amounts that the other stocks issued by the Company may give right to;
- (d) shall be redeemable, under the terms of these Bylaws;
- (e) shall have priority in redemption payments, according to the schedule set forth in Paragraph Two below, in relation to any other classes of preferred stocks that may be issued by the Company;
- (f) shall not be convertible in any other type or class of stock issued by the Company; and
- (g) shall give right to separate vote under the terms of Paragraph Three and Four below.



Paragraph One. If the Company fails to pay the Cumulative Fixed Dividends and/or redeem any class of the Redeemable Preferred Stocks (if redeemable under the terms of this Bylaws, or according to the shareholders' agreement registered at the head offices of the Company) on the due dates set forth in these Bylaws, the following procedure shall be adopted:

(a) if the Company fails to pay the Cumulative Fixed Dividends and/or to redeem any class of Redeemable Preferred Stocks on the due dates set forth in these Bylaws (the "First Default") and (A) such situation is not cured within three (03) business days, the due and unpaid value, calculated on the day of such default, shall be corrected by one hundred per cent (100%) of the CDI Variation added with three per cent (3%) per year, calculated *pro rata temporis* until the date such delayed payment is actually made; or (B) such non-compliance is cured within up to three (3) business days, the due and unpaid value, calculated on the day of such default, shall be corrected by one hundred per cent (100%) of the CDI Variation added with one per cent (1%) per year, calculated *pro rata temporis* up to the date such delayed payment is actually made;

(b) if (i) the values related to the First Default are not paid up to the following Fixed Dividend Payment Date, including such date; or (ii) in case of any other default in relation to the payment of the Cumulative Fixed Dividends and/or redemption during the period mentioned under item (i) of this letter (b), a second default shall be created, to which the rules contained under letter (c) below shall apply;

(c) as of the second default, consecutive or not (only in case of outstanding payments of Cumulative Fixed Dividends), the payable Cumulative Fixed Dividends shall be calculated and comprise the result of: (i) one hundred per cent (100%) of the CDI Variation + three per cent (3%) per year, *multiplied* by (ii) two reais zero two zero seven three one cents (R\$2.020731); and also all due and unpaid values as Cumulative Fixed Dividends and/or redemption, shall be corrected by one hundred per cent (100%) of the CDI Variation added with three per cent (3%) per year; in both cases applied to the period comprised between the date on which the second non-compliance was created and the full payment of the values in delay;

(d) the values paid to the holders of Redeemable preferred stocks under this Paragraph One shall comprise an increase in the Cumulative Fixed Dividend, which the Redeemable preferred stocks give right to; and

(e) in case of winding up of the Company, the Cumulative Fixed Dividends shall be accounted as capital stock, as set forth by article 17, § 3 of the Corporate Law.



Paragraph Two: the redemption of preferred stocks (if such redemption is due and payable under these Bylaws or shareholders' agreement registered at the Company's head offices) shall be carried out as follows:

(a) shall be redeemed at the value of two reais zero two zero seven three one cents (R\$2.020731), added with any Cumulative Fixed Dividends occasionally due and not paid by the Company, which such Preferred Stocks give right to, up to their redemption date, including such date, to be paid in the national currency, on the following dates:

<u>Class of Preferred Stock</u>	<u>Redemption Date</u>
Class A	April 12, 2013
Class B	July 13, 2013
Class C	October 14, 2013
Class D	January 15, 2014
Class E	April 16, 2014
Class F	July 17, 2014
Class G	October 18, 2014
Class H	January 19, 2015
Class I	April 20, 2015
Class J	July 6, 2015
Class K	October 7, 2015
Class L	January 8, 2016
Class M	April 9, 2016

(b) without prejudice to the provisions contained in item (a) above, they shall be immediately and fully redeemed if:

(A) the share held by the Company on January 14, 2010 in the voting capital of the Companhia de Transmissão de Energia Elétrica Paulista – CTEEP ("CTEEP") is reduced in more than four point eight per cent (4.8%);  
or

(B) the controlling shareholders of the Company under such condition on January 14, 2010 fail to hold, direct or indirectly, 50% plus one voting stock issued by the Company or if the control of the Company is transferred in any way, direct or indirectly, including by means of vote agreements or similar ones, or derivatives contracted by such controlling shareholders or respective related parts, without previously fully redeeming of such preferred stocks; or

(C) for more than three (3) consecutive Fixed Dividend Payment Dates or five (5) non-consecutive Fixed Dividend Payment Dates, regardless of

such non-compliances being remedied or not, the Company fails to pay the Cumulative Fixed Dividends and/or redemptions on the due date; or

(D) the Company fails to submit to the prior approval of the holders of Redeemable Preferred Stocks any of the matters set forth in Paragraph Three and Four below;

(c) in case of early redemption of Redeemable Preferred Stocks under letter (b) above, before March 09, 2014, the redemption value set forth in letter (a) above shall be increased in four per cent (4%);

(d) without prejudice to the provisions contained in letter (a) and (b) above, the Company may, at its exclusive criteria, redeem all Redeemable preferred stocks on any Fixed Dividend Payment Date after March 09, 2014, upon a thirty-day prior notice;

(e) in case of early redemption of Redeemable Preferred Stocks under letter (d) above, the redemption value set forth in letter (a) shall be added with the premium indicated below:

Early Maturity	Premium
between 03/09/2014 and 09/08/2014	2.0%
between 09/09/2014 and 03/08/2015	1.5%
between 03/09/2015 and 09/08/2015	1.0%
between 09/09/2015 and 04/09/2016	0.5%

(f) the redemption of Redeemable Preferred Stocks hereunder shall be performed as set forth herein, regardless of approval by the General Meeting, provided that the Executive Committee shall be authorized to practice all acts necessary for the implementation thereof.

Paragraph Three. Except if otherwise agreed in the shareholders' agreement registered at the head offices of the Company, the following matters shall depend on approval by Special General Meeting, upon the favorable vote of the shareholders holding Redeemable Preferred Stocks representing, at least: (y) seventy per cent (70%) of the Redeemable Preferred Stocks issued by the Company, at first notice; and (z) seventy per cent (70%) of the Redeemable Preferred Stocks present at such meeting, at second notice:

(a) Amendment or restatement of the provisions contained in the Bylaws of the Company, related to: (i) social purpose and/or duration of the Company, except for modifications to the corporate purpose resulting from new investments made by the Company, by means of the acquisition or subscriptions of stock and/or quotas, consolidation, split-off, merger or any other type of corporate reorganization; (ii) rights attributed to the Redeemable preferred stocks, common stocks and other classes of preferred stocks occasionally issued by the Company,

including, as applicable, Cumulative Fixed Dividends and redemption terms; (iii) issuance of new classes of redeemable preferred stocks or stocks giving right to minimum or fixed dividends; (iv) fiscal year; (v) methodology to distribute the net profit obtained in the fiscal year; and (vi) transformation of the Company into another corporate form;

(b) capitalization of the Company's capital reserve, or any other way to reduce or use the Company's capital reserve account other than the redemption of preferred stocks, resulting in a total capital reserve inferior to ninety-nine per cent (99%) of the payable balance related to the Redeemable Preferred Stocks;

(c) capitalization of the Company's profits reserve, or any other way to reduce or use the Company's profit reserve account other than the payment of Cumulative Fixed Dividends related to the Redeemable Preferred Stocks, resulting in a profit reserve balance inferior to fifty per cent (50%) of the payable balance related to the Redeemable Preferred Stocks, *added* with a value equivalent to one hundred and twenty per cent (120%) of the due and unpaid amounts related to the redemption of preferred stocks and to the payment of the Cumulative Fixed Dividends, except if the reduction in the profits reserve is required by applicable law;

(d) Resolutions related to the winding up or dissolution of the Company;

(e) distribution of dividends, payment of interest on net equity, redemption and other compensations or distributions (x) up to July 13, 2013; and (y) as of July 13, 2013, provided that, in case of (y), only if the Company has failed to comply with its payment obligations related to Cumulative Fixed Dividends and redemptions payable to the holders of Redeemable Preferred Stocks; and

(f) re-purchase of common stocks issued by it.

Paragraph Four. Except as otherwise set forth in the shareholders agreement registered at the head offices of the Company, the following matters shall depend on the approval obtained at Special General Meeting, upon the favorable vote of the shareholders holding Redeemable Preferred Stocks representing, at least: (y) fifty per cent (50%) of the Redeemable Preferred Stocks issued by the Company, at first notice; and (z) fifty per cent (50%) of the Redeemable Preferred Stocks present at the respective meeting, at second notice:

- (a) the execution, by the Company, of any debit instrument or any agreement or contract by means of which the Company assumes new financial obligations;
- (b) the concession, by the Company, of any guarantees in transactions with third parties, be them collateral securities or personal guarantees, including the execution of any pledge agreement, mortgage, chattel

- mortgage, lien or encumbrances applied to any rights, businesses, assets or goods of the Company, including stocks of its subsidiaries;
- (c) execution, by the Company, of any derivative instruments, except for *hedge* purposes;
  - (d) new investments to be made by the Company, upon the acquisition or subscription of stocks and/or quotas, consolidation, split-off, merger or any other type of corporate reorganization;
  - (e) the sale of any assets, including stocks issued by CTEEP, by means of lease-back transactions, consolidations, split-offs, mergers or any other type of corporate reorganization;
  - (f) transactions carried out by the Company and related parts exceeding two million and five hundred thousand reais (R\$2,500,000.00), individually or jointly calculated; and
  - (g) distribution of dividends, payment of interest on net equity, redemption and other payments or distributions as of July 13, 2013, provided that the Company has complied with its payment obligations related to Cumulative Fixed Dividends and redemptions payable to the holders of Redeemable Preferred Stocks.

Paragraph Five. The Special General Meetings mentioned in Paragraphs Three and Four above shall be called by shareholders representing ten per cent (10%) of the Redeemable Preferred Stocks or by the Board of Directors, and the first call shall be at least fifteen (15) days before the first publication of the notice. If the meeting is not held, a second notice shall be published at least eight (08) days in advance, provided that such Special General Meeting shall be held before the General Meeting or Board of Directors' Meeting resolving on the matters contained in the agenda of such Especial General Meeting.

Paragraph Six. The Special General Meetings mentioned in Paragraphs Three and Four above shall be installed upon the presence of: (i) the holders of at least seventy per cent (70%) or fifty per cent (50%) of the respective outstanding Redeemable Preferred Stocks, at first notice; and (ii) any number of Redeemable Preferred Stocks issued by the Company, at second notice, except if otherwise set forth by applicable law.

Paragraph Seven. Under the terms of Paragraph Three above, the shareholders holding dissenting Redeemable Preferred Stocks shall have the right to remove themselves from the Company, upon reimbursement of the value of their stocks equivalent to two reais zero two zero seven three one cents (R\$2.020731), added with all Cumulative Fixed Dividends due and not paid until such reimbursement payment date.

Paragraph Eight. Under the terms of article 111, §1 of the Corporate Law, the redeemable preferred stocks shall give full voting rights if the respective Cumulative Fixed Dividends are not paid for (i) two (2) consecutive Fixed Dividend Payment Dates; or (ii) five (5) non-consecutive Fixed Dividend Payment Dates, whether such defaults have already been remedied or not.

Paragraph Nine. If the last day for (i) the payment of any Cumulative Fixed Dividend related to any Redeemable Preferred Stock, or (ii) the payment of any Redeemable Preferred Stock, falls on a day that is a holiday in the City of São Paulo, State of São Paulo, the final date for the payment of the respective Cumulative Fixed Dividend or redemption shall be transferred to the next business day in the City of São Paulo, State of São Paulo.

Article 7. By resolution of the Board of Directors, the stocks of the Company may be book-entry stocks, maintained in an escrow account in the name of their holders, without issuance of certificates, at a financial institution authorized by the Brazilian Securities and Exchange Commission – CVM.

Sole Paragraph. The transference and registration cost, as well as the service cost related to the book-entry stocks, may be directly collected from the shareholder by the depositary institution, as defined in the stock registration agreement.

### Chapter III General Meeting

Article 8. The General Meeting shall be held, ordinarily, once a year, under the terms of article 132 of the Corporate Law, and, extraordinarily, whenever called to resolve on any other matter under the terms of these Bylaws or the Corporate Law.

Article 9. In addition to the attributions set forth by law, the General Meeting shall:

- (a) elect and remove the members of the Board of Directors and Fiscal Council, whenever installed;
- (b) establish the annual global compensation of the members of the Board of Directors and Executive Committee, as well as the members of the Fiscal Council;
- (c) restate the Bylaws;
- (d) resolve on the dissolution, winding up, consolidation, split-off, merger of the Company, or of any other company into the Company;
- (e) authorize the Company to sell, wind up or dissolve any subsidiary representing more than ten per cent (10%) of the assets or earnings of the Company;

- (f) attribute stock dividends and decide on occasional stock splits and associations;
- (g) approve stock option plans destined to administrators, employees or natural persons providing services to the Company or to companies controlled by the Company;
- (h) resolve, according to the proposal presented by the administration, on the destination of the profit obtained in the fiscal year and distribution of dividends, payment of interest on net equity, redemption and other payments or distributions to the shareholders of the Company;
- (i) elect and destitute liquidators, as well as the Fiscal Council that shall operate during the Company's winding up;
- (j) resolve on the matters submitted to the Special Meetings held by shareholders holding Redeemable Preferred Stocks, under the terms of Article 6, Paragraphs Three and Four, except if the Board of Directors is competent for such, under the terms of Article 20 hereof; and
- (k) resolve on any matter submitted to it by the Board of Directors.

Article 10. The General Meeting shall be called by the Board of Directors or, in the cases set forth by law, by the shareholders or by the Fiscal Council, and the first call shall be at least fifteen (15) days before the first publication of the notice. If the meeting is not held, the second notice shall be published at least eight (08) days in advance.

Article 11. In the General Meetings, the shareholders must present their ID and/or corporate documents proving their legal representation at the General Meeting.

Paragraph One. The Company shall not require the presentation of stock certificates by the holders of book-entry stocks contained in the list of shareholders provided by the depository financial institution, if any.

Paragraph Two. The shareholders participating of the fungible custody of registered stocks, if any, shall present at the head offices of the Company, at least seventy-two (72) hours in advance, in addition to the other documents set forth in this Article 11, a certificate of the respective equity interest, issued, at the most five (05) days before the date scheduled for the General Meeting, by the Brazilian Chamber of Settlement and Custody or other competent authority.

Paragraph Three. The shareholders may be represented at the General Meeting by a proxy duly appointed under the terms of § 1 of article 126 of the Corporate Law, by a public or private instrument, authenticated or notarized, provided that the respective power-of-attorney is registered at the head offices of the Company, together with the

other documents set forth in this Article 11, at least twenty-four (24) hours in advance, waiving the consulate authentication.

Article 12. The General Meeting shall be installed and presided by the President of the Board or, in his absence or impediment, by another director, officer or shareholder appointed by the President of the Board of Directors. The Chairman of the General Meeting shall appoint up to two (2) Secretaries.

Article 13. The resolutions of the General Meeting shall be adopted by a majority of votes, except if otherwise established by Corporate Law or these Bylaws, and the blank votes or abstentions shall not be counted.

Paragraph One. The General Meeting may only resolve on the matters included in the agenda, contained in the respective notice of the meeting, except if otherwise set forth by Corporate Law.

Paragraph Two. The minutes of the Meetings shall be drawn up in the Minutes Book of General Meetings, as a summary of the occurred facts, and published without the signatures.

#### Chapter IV Administrative Bodies

##### Section I – Common Provisions to the Administrative Bodies

Article 14. The Company shall be administered by the Board of Directors and by the Executive Committee, provided that the composition and operation thereof shall be regulated by the rules contained in this section.

Paragraph One. The administrative positions in the Company shall be assumed by means of an instrument drawn up in the proper book, signed by the administrator assuming such administrative position, waiving any management guarantee.

Paragraph Two. The administrators shall remain in office until their substitutes take office, except if otherwise resolved by the General Meeting or by the Board of Directors, as the case may be.

Article 15. The General Meeting shall establish the administrators' global compensation, and the Board of Directors shall resolve on the individual compensation of Directors and Officers.

Article 16. Except if otherwise set forth in these Bylaws, any administrative body may hold valid meetings if the majority of its members are present and may adopt resolutions by a majority of votes of everybody present.

Paragraph One. The meetings by the administrative bodies may be held by

teleconference, videoconference or by any other means of communications allowing to identify the member and simultaneous communication with the other people present at the meeting. The absent administrators may also delegate their vote, in writing, to other administrators of the same body.

Paragraph Two. The administrators participating of the meeting as set forth above shall be considered present at the meeting for all purposes, and the respective minutes may be signed by facsimile or other electronic means, provided that one copy has to be registered at the head offices of the Company together with the original signed minutes.

Paragraph Three. Prior notice of the meeting may be waived only if all of its members are present.

## Section II - Board of Directors

Article 17. The Board of Directors of the Company shall be comprised of five (05) members, all of them shareholders, elected by General Meeting, with term of office of one (01) year, and may be reelected.

Paragraph One. At the end of their term of office, the Directors shall remain in the exercise of their office until the new elected members take office.

Paragraph Two. The Board of Directors, to better perform its function, may create committees or work groups with defined purposes, always in order to assist the Board of Directors, comprised of people appointed by them among the members of the administration and/or other people associated, direct or indirectly, with the Company.

Article 18. The Board of Directors shall have one (1) President and one (01) Vice-President, who shall be elected by the absolute majority of votes at the first Board of Directors' Meeting held immediately after such members take office, or in case of waivers or whenever such office becomes vacant.

Paragraph One. The President of the Board of Directors shall call and preside the Board of Directors' meetings and General Meetings, except, in case of General Meetings, if another director, officer or shareholder is appointed to preside the meeting.

Paragraph Two. In the resolutions adopted by the Board of Directors, the President shall be entitled, in addition to his own vote, to cast the tie-breaking vote, in case of ties.

Paragraph Three. The Vice-President shall exercise the functions of the President, in his absences and temporary impediments, regardless of any formality. In the event the President and the Vice-President are absent or temporarily prevented from exercising their offices, the functions of the President shall be exercised by another member of the Board of Directors appointed by the President.

Article 19. The Board of Directors shall meet whenever called by the President of the



Board of Directors, by the majority of its members or by the CEO of the Company.

Paragraph One. The meetings shall be called by means of a written notice delivered to each member of the Board of Directors, containing the place, date and hour of the meeting, as well as a summary of the agenda. Such notices shall be delivered at least five (05) business days in advance, in case of ordinary meetings, and at least two (02) business days in advance, in case of extraordinary meetings. The resolutions adopted in meetings held by the Board of Directors shall be limited to the matters stated in the notice.

Paragraph Two. All resolutions adopted by the Board of Directors shall be registered in the respective Minutes Book of the Board of Directors' Meetings.

Article 20. In addition to the other functions attributed to it by law or by these Bylaws, the Board of Directors shall:

- (a) generally orient the businesses engaged by the Company;
- (b) elect and destitute Officers, as well as discriminate their attributions;
- (c) establish the compensation, indirect benefits and other incentives to Officers, within the administration's global compensation limit approved by the General Meeting;
- (d) inspect the administrative measures taken by Officers; analyze at any time the corporate books and documents; require information on the contracts executed or to be executed and any other acts;
- (e) call General Meetings whenever it deems convenient or under the terms of article 132 of the Corporate Law;
- (f) manifest itself in regards to the Administration's Report, Financial Statements and accounts of the Executive Committee;
- (g) resolve on capital increases within the limit of the authorized capital, including the terms and conditions thereof, as well as on the issuance, placement, price and conditions to fully pay the stocks and subscription bonuses issued by the Company;
- (h) resolve on the issuance of simple debentures, not convertible into stocks and without collateral security, observing the applicable legal provisions;
- (i) resolve on the execution by the Company of any (i) debt instrument or another agreement or contract by means of which the Company assumes new financial obligations or renegotiate obligations already assumed, causing the Company's debt to exceed one hundred and fifty million reais

(R\$150,000,000.00), (ii) derivative instrument, or (iii) transaction with related parties exceeding two million and five hundred thousand reais (R\$2,500,000.00), individually or jointly calculated;

(j) resolve on the (i) acquisition, alienation or pledge of real estates or personal properties of the Company, (ii) concession, by the Company, of any guarantees in transactions carried out with third parties, be them collateral securities or personal guarantees, including any pledge, mortgage, chattel mortgage, lien or encumbrance of any rights, businesses or assets of the Company, including stocks or quotas, and (iii) perform any and all act or contract whose value is equivalent or superior to two per cent (2%) of the fully paid capital stock, except for the provisions contained in item (i) above;

(k) resolve on the performance of contracts considered to be projects of an expansion plan associated to the purpose of the Company;

(l) resolve on the performance of contracts whose purpose is the alienation or lien, with security interest, of the operational assets of the Company, or related to non-operational real properties of the Company;

(m) resolve on the appointment of attorneys-in-fact to practice any act listed under (i) to (l) of this Article 20;

(n) choose and destitute independent auditors;

(o) submit to the General Meeting a proposal to restate these Bylaws; and

(p) exercise the other functions attributed to it by the General Meeting according to the regulations in force.

### Section III - Executive Committee

Article 21. The Executive Committee, whose members can be elected and destituted at any time by the Board of Directors, shall be comprised of at least two (2) and at the most five (5) Officers, including one CEO, one CFO and Investors Relations Officer and other Officers with no specific designation, whose attributions shall be defined by the Board of Directors, being permitted the accumulation of attributions. The Officers shall have a unified term of office of three (3) years, being permitted reelection.

Sole Paragraph. Except in case of vacancies, the Officers shall be elected, if necessary, within five (05) business days after the date the Ordinary General Meeting is held, and the elected officers may assume their positions on the same day that their predecessor's term of office ends.

Article 22. The officers shall: (i) comply and cause the compliance with the resolutions adopted at the General Meetings and Board of Directors' Meetings; (ii) coordinate,

administer, direct and supervise the transactions carried out by the Company, including the accounting, financial, administrative and human resources areas of the Company, following them up; (iii) direct and distribute the services and tasks of the internal administration of the Company; (iv) direct, at the highest level, the public relations of the Company and orient the institutional publicity; (v) hire and fire employees vested with administrative functions; (vi) open and transact bank current accounts, savings accounts, time deposit accounts, in national or foreign currency, both in national and foreign banks; (vii) carry out financial transactions; sign contracts and dissolution agreements, including transactions with derivatives; constitute real property liens and give guarantees; (viii) issue, endorse, accept, discount and execute trade notes, invoices, bill of exchange, checks, promissory notes, *warrants* or any other credit instrument; (ix) represent in person, or by means of any appointed proxy, the Company in the meetings and other corporate acts of the companies in which they hold an interest; and (x) other attributions from time to time determined by the Board of Directors.

Paragraph One. The CEO shall, in addition to executing and causing the execution of the resolutions adopted at the General Meetings and Board of Directors' meeting, direct the activities of the Company and instruct and coordinate the actions to be taken by the other Officers, as well as: (i) call and preside the meetings held by the Executive Committee; (ii) maintain the members of the Board of Directors informed on the activities and situation of the corporate operations; and (iii) exercise other functions attributed to him by the Board of Directors.

Paragraph Two. The CFO and Investors Relations Officer shall, in addition to executing and causing the execution of the resolutions adopted at the General Meetings and Board of Directors' meeting related to his area, coordinate, administrate, direct and supervise the financial work and investors relations, as well as represent the Company before shareholders, investors, market analysts, the Brazilian Securities and Exchange Commission - CVM, Stock Exchanges, the Central Bank of Brazil and other controlling bodies and institutions related to the activities developed in the capital market, in Brazil and abroad.

Paragraph Three. In the event of impediments or absences, the Officers shall be substituted by another Officer, as appointed by the CEO. In case of any vacancy in the Executive Committee, the President of the Board of Directors shall indicate one of the other Officers to temporarily hold the vacant office, until the first following Board of Directors' meeting.

Article 23. The Executive Committee shall have all powers to practice all acts necessary for the regular operation of the Company and achievement of its corporate purpose, as special as it can be, including powers to waive rights, give up and sign agreements, observing the relevant legal or statutory provisions. Observing the competence value established by the Board of Directors under Article 22 hereof, the Executive Committee shall administrate and manage the businesses of the Company, specially:

- (a) comply with and demand compliance with these Bylaws and resolutions of the e Board of Directors and General Meeting;
- (b) prepare, annually, the Administration Report, accounts of the Executive Committee and financial statements of the Company, which shall be followed by the independent auditors' opinion, as well as proposal to distribute the profits obtained in the prior fiscal year, for appreciation of the Board of Directors and General Meeting;
- (c) propose, to the Board of Directors, the annual budget, business plan and capital budget of the Company;
- (d) define the corporate quality policy, establish goals and objectives for the organization; and
- (e) decide on any matter not specifically attributed to the General Meeting or Board of Directors.

Article 24. The Executive Committee shall validly meet if at least two (02) Officers are present, and decides by mutual agreement. If an agreement cannot be reached, the matter shall be submitted to the Board of Directors.

Article 25. The Executive Committee shall meet whenever called by any of its members. The Executive Committee's meetings may be held by teleconference, videoconference or any other means of communication allowing the identification and simultaneous communication between the Officers and the other people present at the meeting.

Article 26. The meetings shall be called by means of a written notice delivered to the Officer, at least two (02) business days in advance, and such notice must contain the agenda, date, hour and place of the meeting.

Article 27. All resolutions adopted by the Executive Committee shall be written down in the respective Minutes Book of the Meetings held by the Executive Committee and signed by all Officers present at the meeting.

Article 28. The Company shall always be represented, for every act, (i) by the signature of the CEO; (ii) by the joint signature of two Officers, when one of them is not the CEO, (iii) by the joint signature of one Officer, other than the CEO, and one attorney-in-fact; (iv) by the individual signature of one Officer, other than the CEO, provided that expressly and specifically authorized by the Board of Directors, under the terms of the minutes of the Board of Directors' meeting drawn up in the proper book; or (v) by the individual signature of any Officer, other than the CEO, exclusively limited to the following conditions, provided that they do not involve financial liabilities or exempt third parties from liabilities: (a) practice of routine acts before federal, state and municipal

public departments and agencies; Internal Revenue Service and its departments and inspectors; Regulatory Agencies and State Services; public companies and mixed-capital corporations; Central Bank of Brazil; Banco do Brasil S/A and its branches; Federal Savings Bank and its branches; and (b) practice of any act before the Labor Court.

Paragraph One. All power-of-attorneys shall be signed by the CEO or by two Officers, jointly, when one of them is not the CEO, granting specific powers for a determined term, except for power-of-attorneys with *ad judicium* powers, which may be granted for an undetermined term, by means of a public or private instrument. Any of the Officers or appointed attorneys may, individually, represent the Company in court, as a plaintiff or defendant.

Paragraph Two. The Officers must not (i) bind the Company to businesses strange to the corporate purpose and interests of the Company; (ii) bind the Company to financings or guarantees related or not to the corporate businesses; and, (iii) receive from third parties any direct or indirect personal advantage, due to the office they hold.

## Chapter V Fiscal Council

Article 29. The Fiscal Council shall not be permanent and shall have the powers and attributions granted to it by law, and shall only be installed by resolution of the General Meeting, or upon request of the shareholders, as set forth by law.

Article 30. The Fiscal Council shall be comprised of, at least, three (3) and, at the most five (05) active and substitute members in equal number, shareholders or not, which can be elected and dismissed at any time by the General Meeting.

Article 31. The Fiscal Council shall meet, under the law, whenever necessary and shall analyze the financial statements at least quarterly.

Paragraph One. Regardless of any formalities, the Fiscal Council's meeting at which all of its members appear shall be considered regularly called.

Paragraph Two. The Fiscal Council shall decide by the absolute majority of votes, when the majority of its members are present.

Paragraph Three. All resolutions adopted by the Fiscal Council shall be written down in the respective Minutes Book of the Fiscal Council and signed by all Directors present.

Article 32. The compensation of the Fiscal Council shall be established by the General Meeting that has elected it, according to § 3 of article 162 of the Corporate Law.

Chapter VI  
Financial Statements and Profit Distribution

Article 33. The fiscal year shall begin on January 1 and end on December 31, of each year.

Article 34. At the end of each fiscal year, the Executive Committee shall prepare the financial statements of the Company, according to the applicable legal provisions.

Article 35. Together with the financial statements, the Board of Directors shall present to the Ordinary General Meeting the proposal for the destination of the net profit obtained during the fiscal year, calculated after deducing the interests referred to in article 190 of the Corporate Law, as set forth in § 1 of this Article 35, adjusted for the purposes of calculating the compulsory dividends under article 202 of the same law, observing the following order:

- (a) five per cent (5%) shall be applied, before any other destination, to the constitution of the legal reserve, which shall not exceed twenty per cent (20%) of the capital stock;
- (b) portion destined to the payment of compulsory dividends, at each fiscal year, equivalent to one per cent (1%) of the annual net profit adjusted according to article 202 of the Corporate Law, which shall be distributed as follows:
  - (i) portion corresponding to the Cumulative Fixed Dividends owed in relation to the Redeemable preferred stocks, as well as the balance of the Cumulative Fixed Dividends programmed and not yet paid under the Redeemable Preferred Stocks; and
  - (ii) the remaining portion shall be distributed to the holders of common stocks and other preferred stocks issued by the Company;
- (c) portion corresponding to up to one hundred per cent (100%) of the remaining net profit shall be destined to the profit reserve of the Company, as it may be necessary to that the profit reserve registered in the balance sheet of the Company sum up to (i) fifty per cent (50%) of the balance to be paid of the Redeemable Preferred Stocks added with (ii) one hundred and twenty per cent (120%) of the Cumulative Fixed Dividends and/or values related to amounts payable under the Redeemable Preferred Stocks and not paid, observing the limits set forth by applicable law;
- (d) After the distributions set forth in letter (a), (b) and (c) above, the General Meeting may, by means of a proposal presented by the administrative bodies, destine the surplus to constitute the profit reserve, according to article 197 of the Corporate Law; and

(e) After the distributions set forth in letter (a), (b) and (c) above, the General Meeting may, by means of a proposal presented by the administrative bodies, destine the surplus to constitute the investments reserve, which shall not exceed seventy-five per cent (75%) of the capital stock, with the purpose to guarantee funds for investment in the permanent fixed assets, as well as reinforce the working capital to be used by the Company, directly or by means of its subsidiaries, as the case may be, and may also be used to redeem, reimburse or acquire shares of the Company's capital stock.

Paragraph One. When the balance of the legal reserve added with the capital reserves referred to in § 1 of article 182 of the Corporate Law exceed thirty per cent (30%) of the capital stock, the destination of part of the net profit obtained in the fiscal year to the legal reserve shall not be obligatory.

Paragraph Two. Until the profits reserve reaches the volume established in letter (c) of Article 35 above, the total profit calculated in each fiscal year, according to the applicable law, and the deduction set forth in this Article 35 and the payment of the Cumulative Fixed Dividends in view of the Redeemable Preferred Stocks, shall be necessarily directed to the profit reserve.

Paragraph Three. The balance of the profit reserve, except the ones for realizable profits and contingencies, may not exceed the capital stock. If such limit is reached, the General Meeting must resolve on whether to apply the surplus to the full payment or increase of the capital stock, or to the distribution of dividends.

Paragraph Four. The General Meeting may resolve on the capitalization of profit or capital reserves, including the ones instituted in intermediary balance sheets, observing the applicable law and these Bylaws.

Paragraph Five. If the value of the obligatory dividend exceeds the payment related to the Cumulative Fixed Dividends resulting from the Redeemable Preferred Stocks, the holders of Redeemable Preferred Stocks shall not participate in the distribution of the remaining profits, under the terms of the applicable law.

Paragraph Six. If the compulsory dividend does not exceed the payment related to the Cumulative Fixed Dividends resulting from the Redeemable Preferred Stocks, the holders of Redeemable Preferred Stocks shall receive the total compulsory dividend, and the remaining value of Cumulative Fixed Dividends resulting from the Redeemable Preferred Stocks, after deducing the compulsory dividend value, shall be applied to the remaining profit account, outstanding or accumulated, profit reserve account, or yet, capital reserve account.

Paragraph Seven. As long as there are outstanding Redeemable Preferred Stocks, the profit reserve shall be used sole and exclusively for the payment of Cumulative Fixed Dividends which the Redeemable Preferred Stocks give right to and, as the case may be, also for the redemption of the redeemable preferred stocks; the Company's capital

reserve, constituted of resources arising out of the subscription of Redeemable Preferred Stocks, shall be used sole and exclusively for the redemption of the Redeemable Preferred Stocks or, as the case may be, for the payment of the Cumulative Fixed Dividends to which the Redeemable Preferred Stocks give right.

Article 36. Except if otherwise set forth herein or in the shareholders' agreement registered at the head offices of the Company, the Executive Committee may resolve on the following:

- (a) attribute the payment of dividends or interest on the net equity, on account of the profits calculated in the intermediary balance sheet, to the compulsory dividend, if any;
- (b) distribute dividends on interest on the net equity, attributed to the compulsory dividend, if any, based on intermediary balances, provided that the total dividends paid in the respective fiscal year do not exceed the capital reserves;
- (c) attribute the intermediary dividends or interest on net equity, on account of the accumulated profits or profit reserve existing in the last annual or intermediary balance sheet, to the compulsory dividend, if any, observing the provisions contained in Article 35, Paragraph Two above;
- (d) except if otherwise established in these Bylaws, no payment shall be made under the Redeemable Preferred Stocks before the scheduled dates; and
- (e) resolve on the distribution, declaration and payment of the Cumulative Fixed Dividends, as of the business day immediately before each Payment Date of Cumulative Fixed Dividends, under the terms of Article 6 hereof.

Sole Paragraph. Interest on the net equity shall not be paid to the holders of Redeemable Preferred Stocks.

Article 37. Under the terms of Article 36(e), the dividends shall be paid within sixty (60) days after they are declared, without prejudice to the Company's obligation to pay the Cumulative Fixed Dividends on the Fixed Dividend Payment Dates. The dividends not received or claimed shall prescribe after three (03) years, as of the date on which they were made available to the shareholder, and shall revert in the Company's benefit.

## Chapter VII Winding Up of the Company

Article 38. The Company shall be wound up in the events set forth by law, and the General Meeting shall elect the liquidator or liquidators, as well as the Fiscal Council, which shall operate during this period, according to the legal formalities.



Chapter VIII  
Final and Transitory Provisions

Article 39. The cases omitted herein shall be resolved by the General Meeting and regulated according to the Corporate Law.

Article 40. The Company shall observe the shareholders' agreement registered at its head offices, if any, being prohibited to register the transference of stocks and to count the votes cast in General Meetings or Board of Directors' meetings, if contrary to its terms.

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**I certify that this is the restated Bylaws of ISA Capital do Brasil S.A., approved in the Extraordinary General Meeting held on March 09, 2010.**

São Paulo, March 09, 2010

Fernando Augusto Rojas Pinto  
President

Ligia Ourives da Cruz Ferreira  
Secretary