

Process to appoint the Board of Directors

Pursuant to the Company's By-laws and Good Governance Code, the Board of Directors is comprised of seven (7) members appointed by the General Shareholders Meeting.

The Company's process to appoint the Board of Directors is described below:

1

Convene the General Shareholders Meeting, including in the agenda the election of Board members. The invitation should be sent 30 ordinary days before an Annual Meeting, and 15 common days before a Special Meeting.

2

Every shareholder is entitled to nominate the candidates that meet the requirements demanded by the law, By-laws, Good Governance Code as well as the Selection, Performance and Succession Policy of the Company's Board of Directors.

3

The Organizational Development, Human Talent and Remuneration Committee will assess the suitability and compliance with the selection criteria of each candidate nominated for the Board. The same Committee will assess the lack of inabilities or incompatibilities, and will provide the shareholders the names of eligible candidates.

4

Only one list of candidates for the Board of Directors may be presented, or several lists of one or several candidates; all are submitted to the shareholders' vote.

5

The election of the Board of Directors is conducted through the electoral quotient system, that is, dividing the total number of votes of the shareholders that attend the Meeting by the positions to be elected, as shown in the example proposed ahead:

In a Corporation with 100 shares that needs to elect 5 Board members, two lists of candidates are presented:

*List 1: Candidate 1A – Candidate 1B – Candidate 1C – Candidate 1D

*List 2: Candidate 2A – Candidate 2B

During the vote, List 1 received the vote of 80 shares, and List 2 received the vote of 20 shares.

CALCULATING THE QUOTIENT: 100 shares/5 members of the Board = 20 shares per member.

RESULTS OF THE VOTE:

*List 1: $80/20 = 4$

*List 2: $20/20 = 1$

MEMBERS APPOINTED: Per vote obtained, four (4) candidates were elected from List 1 and Candidate 2A.

6

Once elected, each member of the Board signs a letter of acceptance of the position. Independent members should also sign the statement of independence.