

Gafisa S.A.
Form 6-K
January 09, 2017

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

For the month of January, 2017

(Commission File No. 001-33356),

Gafisa S.A.

(Translation of Registrant's name into English)

Av. Nações Unidas No. 8501, 19th floor
São Paulo, SP, 05425-070
Federative Republic of Brazil
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file
annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting
the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)

Yes No

Indicate by check mark if the registrant is submitting
the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether by furnishing the information contained in this Form,
the Registrant is also thereby furnishing the information to the Commission pursuant

Edgar Filing: Gafisa S.A. - Form 6-K

to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes _____ No ___X___

If "Yes" is marked, indicate below the file number assigned
to the registrant in connection with Rule 12g3-2(b): N/A

GAFISA S.A.

Corporate Taxpayer's ID ("CNPJ/MF") No. 01.545.826/0001-07

Corporate Registry ID ("NIRE") 35.300.147.952

MANAGEMENT PROPOSAL

EXTRAORDINARY SHAREHOLDERS' MEETING

FEBRUARY 9, 2017

at 10 a.m.

INDEX

<u>I.</u>	<u>Amendment to Article 5 of the Bylaws.</u>	<u>3</u>
<u>II.</u>	<u>Reverse split and Proportional Adjustment of the Limit of the Authorized Capital</u>	<u>4</u>
<u>III.</u>	<u>Restatement of the Bylaws.</u>	<u>5</u>
	<u>Exhibit A – Information related to the amendment to the Company’s Bylaws.</u>	<u>6</u>

GAFISA S.A.
CNPJ/MF No. 01.545.826/0001-07

NIRE 35.300.147.952

Publicly-held Company

**MANAGEMENT PROPOSAL FOR THE EXTRAORDINARY SHAREHOLDERS' MEETING TO BE HELD
ON FEBRUARY 9, 2017**

Dear Shareholders,

The management of Gafisa S.A. ("Company" or "Gafisa"), pursuant to CVM Instruction No. 481 of December 17, 2009 ("CVM Instruction No. 481/09"), hereby submits to the Company's shareholders a proposal on the matters to be resolved at the Company's extraordinary shareholders' meeting to be held on February 9, 2017, at 10 a.m. ("Management Proposal" and "Extraordinary Shareholders' Meeting", respectively), namely the:

- (i) amendment to Article 5 of the Company's Bylaws, in order to reflect the capital increases and cancellations of shares approved by the Board of Directors until the date of the Extraordinary Shareholders' Meeting;
- (ii) reverse split of the Company's common shares, at a ratio of 13.483023074 to 1, and proportional adjustment of the limit of the authorized capital; and
- (iii) restatement of the Company's Bylaws to improve the Company's governance structures and to reflect the changes resulting from items (i) and (ii) above.

I. Amendment to Article 5 of the Bylaws

The Company's management proposes to update Article 5 of the Bylaws, in order to reflect the changes approved by the Board of Directors in the capital stock of the Company, within the scope of its responsibilities, namely:

- capital stock increase, within the limit of the authorized capital, approved at the Board of Directors' meeting held on December 17, 2012;
- capital stock increase, within the limit of the authorized capital, approved at the Board of Directors' meeting held on April 15, 2013;
- capital stock increase, within the limit of the authorized capital, approved at the Board of Directors' meeting held on May 20, 2013;
- capital stock increase, within the limit of the authorized capital, approved at the Board of Directors' meeting held on July 15, 2013;
- capital stock increase, within the limit of the authorized capital, approved at the Board of Directors' meeting held on December 17, 2013;

- cancellation of treasury shares, approved at the Board of Directors' meeting held on November 18, 2014;
- cancellation of treasury shares, approved at the Board of Directors' meeting held on December 3, 2014;
and
- cancellation of treasury shares, approved at the Board of Directors' meeting held on February 2, 2015.

In compliance with provisions of ICVM 481/09, we attach the following document to this Management Proposal:

- **Exhibit A** – Information indicated in Article 11 of CVM Instruction No. 481/09 related to the amendment to the Company's Bylaws.

II. Reverse Split and Proportional Adjustment of the Limit of the Authorized Capital

The Company's management proposes the reverse split of all common shares issued by it, pursuant to Article 12 of the Law No. 6,404/76, at a ratio of 13.483023074 to 1.

The purpose of the reverse split is to enable the Company to deliver, on the Company's capital stock reduction, to be resolved at the Company's extraordinary shareholders' meeting summoned for 11 a.m. of February 9, 2017, immediately after the Extraordinary Shareholders' Meeting to which this Management Proposal refers, one share issued by Construtora Tenda S.A., a publicly-held company enrolled with the CNPJ/MF under No. 71.476.527/0001-35, NIRE 35.300.348.206 ("Tenda"), for each share issued by the Company and held by the Company's shareholders (i.e., excluding the treasury shares), thus, avoiding any fractional shares.

As a result of the reverse split:

- (i) 378,066,162 common shares issued by the Company will represent 28,040,162 common shares, all registered and without par value;
- (ii) the number of shares that the Company's Board of Directors is authorized to issue, regardless of a restatement of the Bylaws, shall be adjusted, at the same ratio, rounded down, from 600,000,000 to 44,500,405 common shares; and
- (iii) the Company's common share certificates issued within the American Depositary Shares ("ADSs") program sponsored by the Company shall be reverse split at the same ration (so that the ration between ADSs and common shares remains unchanged). The procedures related to the reverse split procedure of the ADSs will be conducted by Citibank, N.A., in its capacity of depository of the Company's ADS program.

¹ For additional information on referred Company's capital stock reduction, see the Management Proposal of the Company's extraordinary shareholders' meeting to be held on February 9, 2017, at 11 a.m., also released on this date.

Once the reverse split is approved, the shareholders that own common shares issued by the Company shall be grated with a 30-day term starting on February 10, 2017, which is the day following the date of the Extraordinary Shareholders' Meeting, and ending on March 11, 2017, to allow them to adjust their shareholding position in multiple lots of 13.483023074 shares, by means of negotiation at the BM&FBOVESPA. Upon expiration of such 30-day term, any fractional shares resulting from the reverse split will be grouped in whole numbers and sold in as many auctions as necessary at the BM&FBOVESPA, and the proceeds of such sales will be made available to the respective shareholders upon financial settlement of such sales. Additional information will be made available in a notice to shareholders in the due course.

If the proposal is approved at the Extraordinary Shareholders' Meeting, the *caput* of Articles 5 and 6 of the Bylaws shall be amended in order to reflect the new number of common shares in which the Company's capital stock will be divided and the new authorized capital.

Pursuant to provisions of CVM Instruction No. 481/09, we attach the following document to this Management Proposal:

- **Exhibit A** – Information indicated in Article 11 of CVM Instruction No. 481/09 related to the amendment to the Company's Bylaws.

III. Restatement of the Bylaws

The Company's management proposes to amend the Bylaws in order to reflect the capital increases and cancellations of shares approved by the Board of Directors, within the scope of its responsibilities, as well as to improve the governance structure of the Company, in addition to minor wording adjustments, renumbering and fixing cross references, as detailed in **Exhibit A** – Information indicated in Article 11 of CVM Instruction No. 481/09 related to the amendment to the Company's Bylaws.

São Paulo, January 9, 2017.

The Management

Gafisa S.A.

Exhibit A – Information related to the amendment to the company’s bylaws

Copy of the Company’s Bylaws with Amendments Proposed
(Article 11, I of CVM Instruction No. 481/09)

Report including the Origin,
Justification and Effects

of Amendments Proposed
(Article 11, II of CVM
Instruction No. 481/09)

Unaltered.

CHAPTER I

NAME, HEADQUARTERS, PURPOSE AND DURATION

Article 1. Gafisa S.A. (the “Company”) is a publicly held corporation, governed by these Bylaws, its Code of Ethics and Conduct and applicable law and regulations.

Sole Paragraph. With the Company admission to the special securities trading segment of the São Paulo Stock Exchange Commission (*BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros*) (hereinafter respectively referred to as “Novo Mercado” and “BM&FBovespa”), the Company, its shareholders, Managers, and members of the fiscal council, when installed, shall be subject to the provisions of the BM&FBovespa New Market Listing Regulation (hereinafter referred to as “Novo Mercado Rules”).

Article 2. The Company’s headquarters and forum are located in the City of São Paulo, State of São Paulo. The Company may, by resolution adopted either by the board of directors or the executive board, change the address of its headquarters, and open, transfer and extinguish branches, agencies, offices, warehouses, representation offices and any other establishments anywhere within Brazilian territory or abroad.

Unaltered.

Article 3. The Company’s purposes are: (i) to promote and develop real estate projects of any kind, whether its own or those of third parties, in the latter case as contractor and agent; (ii) to purchase and sell real estate of any kind; (iii) to perform economic effects expected. civil construction and provide civil engineering services; and (iv) to develop and implement marketing strategies for its own or third parties’ real estate projects.

Reference and/or numbering adjustments. There are no legal or

Sole Paragraph. The Company may hold interests in any other companies, in Brazil or abroad, upon approval granted by means of a resolution adopted by the board of directors, except in the situation provided in Art. 32, 33§1, in which case prior approval of the board of directors will not be required.

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

Unaltered.

CHAPTER II CAPITAL AND SHARES

Amendment to the capital stock in order to reflect (a) the amendments promoted by the

Article 5. The capital of the Company is ~~R\$2.740.661.187,74~~ ~~R\$2.734.156.672,12~~, Board of Directors in the capital which is fully subscribed and paid-in, divided into ~~28.040.162~~ ~~432.699.559~~ common shares, all registered, book-entry and without par value. stock, within the scope of its responsibilities, whether within the limit of authorized capital or within the scope of the Share Buyback Programs until the date of the General Shareholders' Meeting and (b) the Reverse Split. There are no other legal or economic effects expected.

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

§2. Each common share carries the right to one vote on resolutions at general meetings of shareholders.

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

§4. For purposes of reimbursement, the value of the Company's shares shall be based on the Company's economic value, as determined by an appraisal carried out by a specialized firm appointed in the manner provided for in Article 45 of Corporation Law.

Article 6. The capital of the Company may be increased by resolution adopted by the board of directors, without need for an amendment to these Bylaws. The resolution approving the increase shall fix the terms and conditions for the issuance of shares, subject to a limit of ~~44.500.405~~ ~~six hundred million (600,000,000)~~ common shares. Amendment to the capital stock in order to reflect the Reverse Split. There are no legal or economic effects expected.

Sole Paragraph. The Company may, within the limit of its authorized capital and by resolution of the shareholders in a general meeting, grant share purchase options to (i) its officers, directors and employees, or (ii) individuals who provide services to it or to any company under its control.

Article 7. The Company may reduce or exclude the time period for the exercise of preemptive rights on the issuance of shares, debentures convertible into shares or subscription bonuses which are placed by means of sale on a stock exchange, public subscription or share swap in a public tender offer pursuant to articles 257 to 263 of Corporation Law. Pursuant to article 171, §3 of Corporation Law, there shall be no preemptive rights on the grant and exercise of the share purchase options. Unaltered.

CHAPTER III

Unaltered.

GENERAL MEETING OF SHAREHOLDERS

Article 8. A general meeting of shareholders shall be held, on an ordinary basis, in the first four (4) months following the end of the fiscal year and on an extraordinary basis whenever required by law or the Company's interests.

§1. General meetings of shareholders shall be called in the manner provided for by law. Regardless of the formalities for calling general shareholders' meetings, any general meeting attended by all shareholders shall be considered to have been regularly called.

§2. General meetings of shareholders shall be called to order and chaired by the chairman of the board of directors or, in his absence, by a shareholder appointed by the shareholders at the general meeting. The chairman of the general meeting shall choose one of those present at the meeting to act as secretary.

§3. Prior to the call to order, the shareholders shall sign the “Book of Attendance” (*Livro de Presença de Acionistas*), giving their name and residence and the number of shares they hold.

§4. The list of shareholders present at the meeting shall be closed by the chairman immediately after the general meeting is called to order.

§5. Shareholders which appear at a general meeting after the list of shareholders present at the meeting has been closed may participate in the meeting but shall not have the right to vote on any resolution.

§6. The resolutions of the general meeting shall be taken by the majority of affirmative votes of those present, provided that the blank votes shall not be counted, and with the exception of the cases set forth by law and subject to the provisions set forth in the main clause of Article 10.

Article 9. In addition to the matters provided for by the law, the shareholders in general meeting shall: Unaltered.

(a) decide on the Company’s exit from the Novo Mercado of BM&FBovespa, which shall be communicated to BM&FBovespa in writing, 30 (thirty) days in advance;

(b) always subject to the provisions of Article 11, choose, from among the three qualified institutions indicated on a list prepared by the board of directors, the institution which shall be responsible for the preparation of an appraisal report for shares issued by the Company, for the purposes of exiting the Novo Mercado, cancellation of the Company’s registration as a publicly-held company or mandatory public tender offer; and

(c) resolve cases on which these Bylaws are silent, subject to the provisions of Corporation Law.

Article 10. The choice of the specialized institution or firm responsible for the determination of the Company’s Economic Value (as defined hereafter), referred to in Article 9 (b) of these Bylaws, shall be solely made by the shareholders’ general meeting, from the submission, by the board of directors, of triple list, and the respective resolution shall be made by the majority of votes cast by holders of Outstanding Shares present at the general meeting in question, blank votes not being computed. The quorum for the general meeting shall be shareholders representing at least 20% of the total number of Outstanding Shares, at first call, and on second call, shareholders representing any number of Outstanding Shares. Unaltered.

§1. The appraisal reports mentioned in this Article 10 shall be elaborated by a specialized firm or institution, with proven experience and independent as to the power of decision of the Company, its Managers and/or Controlling Shareholder, in addition to fulfilling the requirements set forth in §1 of Article 8 of Corporation Law, and shall bear the responsibility set forth in §6 of the same article.

§2. For purposes of these Bylaws:

“Controlling Shareholder” means the shareholder(s) or Shareholder Group that exercises Control of the Company;

“Disposing Controlling Shareholder” means the Controlling Shareholder, when it causes a Disposal of Control of the Company;

“Control Shares” means the block of shares that gives, either directly or indirectly, the holder(s) sole or shared Control of the Company;

“Outstanding Shares” means all the shares issued by the Company, with the exception of shares held by the Controlling Shareholder, by persons related to the Controlling Shareholder or by the Company’s Managers and treasury shares;

“Managers”, when appearing in the singular form, the Company’s officers and members of the board of directors individually referred, or, when in the plural form, the Company’s officers and members of the board of directors collectively referred;

“Purchaser” means the person to whom the Disposing Controlling Shareholder transfers Control in a Disposal of Company Control;

“Disposal of Control” means the transfer to a third party, for value, of Control Shares;

“Shareholder Group” means a group that (a) are bound by contracts or vote agreements of any nature, whether directly or through controlled companies, controlling companies or companies under common control; or (b) among whom there is a direct or indirect control relationship; or (c) under common control;

“Corporation Law” the Law no. 6.404, of December 15, 1976, and all of the subsequent amendments thereto;

“Control” means the power effectively used to direct corporate activities and orient the functioning of the Company’s corporate bodies, whether directly or indirectly and whether de facto or de jure, regardless of the equity interest held. There is a relative presumption that the person or Shareholder Group holding shares that gave it an absolute majority of votes of the shareholders present at the last 3 (three) general shareholders’ meetings holds Control, even if such person or Shareholder Group does not hold an absolute majority of the Company’s voting capital;

“Statement of Consent from Managers” means the document by which the Company Managers personally undertake to be subject to and act in accordance with the Novo Mercado Agreement (*Contrato de Participação no Novo Mercado*), the Novo Mercado Listing Rules, the Regulation of Sanctions and the Arbitration Clause and the Arbitration Rules, which document shall also be valid as Arbitration Clause, in the form set out in Exhibit A to the Novo Mercado Rules;

“Statement of Consent from Controlling Shareholders” means the instrument by which the new Controlling Shareholders, or shareholders which join the control group of the Company, assume personal liability for complying with the Novo Mercado Agreement (*Contrato de Participação no Novo Mercado*), the Novo Mercado Rules, the Regulation of Sanctions, the Arbitration Clause and the Arbitration Rules, in the form set out in Exhibit B to the Novo Mercado Rules;

“Economic Value” the value of the Company and its shares to be determined by specialized firm, availing of acknowledged methodology, or based on another

criterion to be established by the Brazilian Securities and Exchange Commission (hereinafter referred to as “CVM”).

Article 11. In the event the Company exits the Novo Mercado or its registration as a publicly-held company is cancelled, the costs incurred for the preparation of the appraisal report referred to in Article 9 (b) shall be borne entirely by the Controlling Shareholder or by the Company, if the Company is offeror, as applicable. Unaltered.

Article 12. The general meeting may suspend the exercise of rights, including the voting right, of the shareholder or Shareholder Group that fails to comply with legal or regulatory obligations, as well as those provided under these Bylaws. Unaltered.

§1. The shareholders representing a minimum of 5% of the Company’s capital may call the general meeting referred to in the main clause of this Article 12, when the board of directors does not respond, within 8 days, to a request for calling it, indicating the violated obligation and the identification of the shareholder or Shareholder Group in default.

§2. The general meeting which approves the suspension of the shareholder’s rights shall be incumbent of establishing, among other aspects, the scope and the term of the suspension, provided that the suspension of the right of supervision and the right to demand information, as provided in law, may not be suspended.

§3. The suspension of rights shall cease when the violated obligation is performed.

CHAPTER IV

Unaltered.

MANAGEMENT

SECTION IV.I. - GENERAL RULES

Article 13. The Company is managed by the board of directors (*Conselho de Administração*) and the executive board (*Diretoria*).

Article 14. The members of the board of directors and the executive board shall be invested in their respective offices within thirty days from the date they were appointed, unless a justification is accepted by the corporate body for which they have been appointed, by signing an instrument of investiture in the appropriate book, and shall remain in office until the investiture of the newly-elected members of the Company’s management. Unaltered.

Sole Paragraph. The investiture of the members of the board of directors and the board of executive officers in their respective offices is conditional upon, without prejudice to the compliance of legal requirements applicable, (i) the prior execution of the Statement of Consent from Managers (*Termo de Anuência dos Administradores*) provided for under the Novo Mercado Rules; and (ii) adherence to the Manual for Disclosure and Use of Information and Policy for Trading in Securities Issued by the Company (*Manual de Divulgação e Uso de Informações e Política de Negociação de Valores Mobiliários de Emissão da Companhia*), by executing an instrument to that effect.

Article 15. The shareholders in general meeting shall determine, on an individual or global basis, the remuneration of the Company’s Managers and members of its advisory committees. Where the remuneration is fixed on a global basis, the board of directors shall determine the amounts to be paid to each individual. Where applicable, the board of directors shall also distribute the share in profits fixed by Unaltered.

the shareholders in general meeting.

Art. 16. In performing its attributions and as a parameter of the performance of their duties and legal responsibilities, the Company's management bodies must rest strictly on the observation of the following principles and guidelines, without prejudice of others that may be suggested by the [Corporate Governance and Compensation Committee](#) ~~Nominating and Corporate Governance Committee~~ and approved by the board of directors:

Reference and/or numbering adjustments, as well as wording adjustments since the Compensation Committee and the Nominating and Corporate Governance Committee have been merged. There are no legal or economic effects expected.

- (a) the Company's management shall be performed in a professional way, aligned with the shareholder's interests, but without association to any particular interests of any shareholder or Shareholder Group individually considered;
- (b) the powers conferred, through these Bylaws, to the management bodies, especially those related to the rules for appointing the candidates for the board of directors and to the appraisal of the terms of a public tender offer, will be exercised strictly according with the Company's and its shareholders' best interests, and with the principles set forth herein;
- (c) the existence of the powers mentioned in the item (b) above is based on the shareholders' interests as a whole, and its only function is to attend and maximize such interests, in case such becomes necessary in view of the Company's continuity and generation of long-term value;
- (d) the powers set forth in item (b) above cannot be used, under any circumstances, for the private benefit of any shareholder, Shareholder Group, director, officer or group of directors and/or officers;
- (e) the powers mentioned above, as well as its objectives, cannot be understood and have no function whatsoever of serving as an obstacle to the development of Control by any shareholder or Shareholder Group, and as such, the board of directors shall exercise its competence set forth in Article 58 ~~61~~ in such a way as to allow that the eventual development of Control enables the creation of higher value to the Company's shareholders, within the time horizon it believes to better serve the shareholders' interests considered as a whole;
- (f) the Company's management shall be performed transparently, with extensive internal and external provision of the information required by law, regulations or by these Bylaws;
- (g) the strict enforcement of the law and the accounting standards, and the most rigid ethics standards shall be observed by all members of the Company's management in performing their functions, and they shall responsible for ensuring that the other employees and collaborators of the Company and its controlled companies also observe the same standards;
- (h) the compensation of the members of the Company's management and its senior employees must support, above all, delivery of results and long-term value creation, as well as the retention of talents, and it must be structured in a way as to prevent any kind of privilege, distortion with respect to market standards or mechanism that may hamper or impair the achievement of the corporate interest;

(i) the management shall be responsible for the development of internal politics and practices to attract and retain the best talents and to cause the Company to count with highly qualified human resources, also encouraging the achievements of goals and promoting meritocracy; and

(j) no member of the management may have access to information, participate in meetings of any other management body, exercise voting rights or in any way intervene in matters that are, directly or indirectly, in situations of conflicting interests with the interests of the Company or when it may be particularly benefited in any way.

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

Unaltered.

Composition

Article 17. The board of directors is composed of at least five (5) and no more than nine (9) effective members (being permitted the election of alternates), all of whom shall be elected and removable by the shareholders in general meeting, with a unified term of office of two (2) years, re-election being permitted.

Article 18. From the members of the board of directors, no less than twenty percent (20%) shall be Independent Members, expressly declared as such in the minutes of the shareholders' general meeting electing them, and the director(s) elected according to the faculty provided for by Article 141, §§ 4 and 5, and Article 239, of the Corporation Law, shall be likewise deemed independent director(s). Unaltered.

§1. When, due to the observance of the percentage referred to in the main clause of this Article 18, the election results in fractional number of directors, the shareholders in general meeting shall round it to whole number: (i) immediately above, when the fraction is equal to or greater than 0.5 (five decimals), or (ii) immediately below when the fraction is less than 0.5 (five decimals).

§2. For purposes of these Bylaws, "Independent Member" is one who: (i) has no relationship with the Company except for an interest in its capital; (ii) is not a Controlling Shareholder, nor a spouse or relative up to the second degree of the Controlling Shareholder, and is not now and has not been, in the past three years, related to the company or entity related to the Controlling Shareholder (persons related to public institutions of education and/or research are excluded from this restriction); (iii) has not been, in the past three years, an employee or officer of the Company, the Controlling Shareholder or a company controlled by the Company; (iv) is not a direct or indirect supplier or purchaser of the Company's services and/or products of the Company, in a degree that implies loss of independence; (v) is not an employee or member of the management of the Company or entity offering services and/products to, or requesting services and/or products from, the Company, as material that will implicate in loss of independence; (vi) is not a spouse, or relative up to the second degree of any of the Company's officers or directors; and (vii) does not receive any other kind of remuneration from the Company other than that arising from its term of office as board member (cash earnings generated by holdings in the Company's capital are excluded from this restriction).

§3. The position of chairman of the board of directors and chief executive officer or main officer of the Company may not be accumulated by the same person.

Functioning

Wording adjustments since the Compensation Committee and the Nominating and Corporate Governance Committee have been merged. There are no legal or economic effects expected.

Article 19. The board of directors shall have a chairman, who shall be elected by the favorable vote of a majority of the effective members. In the event of incapacity or temporary absence of the chairman, the chairmanship shall be assumed by the member previously designated by the chairman, or, in the absence of a previous designation, by such member as the remaining members shall appoint.

§1. As set forth in Article 150 of Corporation Law, in case of vacancy of a sitting member of the board of directors, not resulting in composition lower than the majority of the offices of the body, in accordance with the number of incumbent directors resolved by shareholders' general meeting, the remaining members of the board of directors, assisted by the [Corporate Governance and Compensation Committee](#) ~~Nominating and Corporate Governance Committee~~ shall (i) indicate one substitute, who shall remain in the office until the next general meeting to be held after that date, when a new board member shall be elected to finish the mandate; (ii) opt for leaving vacant the office of the vacating member, provided that the number of members set forth in the *caput* of this Article is complied with. An Independent Member, shall only be substituted by another Independent Member.

§2. In case of vacancy in the majority of positions of the board of directors, a general meeting to elect the replacements, which will complete the term of the replaced members, shall be called within 15 days of the event.

§3. For the purposes of these Bylaws, vacancy will occur in case of death, permanent incapacity, resignation, removal or unjustified absence of the board member for more than three consecutive meetings.

§4. Respecting the provision of the *caput* of this Article in relation to the chairman, in case of the temporary absence of any member of the board of directors, such member shall be replaced by another board member appointed by the absent member, holding a power-of-attorney with specific powers. In this case, the substitute of the absent board member, besides his own vote, shall state the vote of the absent board member. An Independent Member shall only be substituted by another Independent Member.

Article 20. The board of directors shall meet at least bimonthly. Meetings of the board of directors shall be called by the chairman, or by at least two effective members, by written notice containing the agenda for the meeting, in addition to the place, date and time of the meeting. Board of directors' meetings shall be called at least five days in advance. Regardless of the formalities for calling meetings, any meeting attended by all members of the board of directors shall be considered to have been regularly called.

Unaltered.

Article 21. The quorum for board of directors' meetings shall be four members. Resolutions shall be adopted by the favorable vote of a majority of members present at the meeting, and the chairman shall have, in addition to his own vote, a casting vote in the event of a tie.

Unaltered.

§1. The decisions of the board of directors shall be recorded in minutes, which shall be signed by the members present at the meeting.

§2. Directors may take part at meetings of the board of directors by telephone or videoconference, and, in that event, shall be considered to be present at the meeting and shall confirm their vote by written statement sent to the chairman by letter, facsimile transmission or e-mail immediately after the end of the meeting. Upon receipt of statement of confirmation, the chairman shall have full powers to sign the minutes of the meeting on behalf of the member in question.

§3. The chief executive officer shall attend all meetings of the board of directors, providing clarification as needed.

Powers

Article 22. In addition to such other powers and duties conferred on it by law and these Bylaws, the board of directors shall have powers to:

- (a) fix the general direction of the Company's business;
- (b) define the strategic directions that should guide the preparation of the annual budget and business plan of the Company, to be prepared by the executive board;
- (c) approve the Company's annual operating budget and business plan, and any changes thereto (provided, however, that until such new budget or plan has been approved, the most recently approved budget or plan shall prevail);
- (d) attribute, from the global amount of remuneration fixed by the shareholders in general meeting, the monthly remuneration of each of the members of the Company's management and advisory committees, in the manner provided for in Article 15 of these Bylaws;
- (e) nominate a slate for the election of the board of directors;
- (f) elect and remove the Company's officers and determine their powers and duties, in accordance with the provisions of these Bylaws and ensuring that such positions are always occupied by trained people, familiar with the activities of the Company and its controlled companies, and also able to implement its business plans, long-term goals, and ensure the continuity of the Company;
- (g) supervise the officers' management of the Company, examine at any time the Company's books and documents, and request information on contracts entered into or about to be entered into by the Company and any other acts;
- (h) determine the general remuneration criteria and the benefit policies (indirect benefits, shares in profits and/or sales) for the senior management and those holding management positions in the Company;
- (i) instruct the votes related to the global remuneration of management to be cast by Company's representative at the general meeting of shareholders of the companies where the Company holds an equity interest, except for the wholly-owned subsidiaries or special purpose companies;
- (j) in accordance with a plan approved by the shareholders in general meeting, grant share purchase options to the Company's officers, directors or employees, or to

individuals who rendered services to the Company or to any company under its control, with the exclusion of shareholders' pre-emptive rights over the grant of such share purchase options or the subscription of the corresponding shares;

(k) call general shareholders' meetings;

(l) submit to the shareholders in general meeting any proposed amendment to these Bylaws;

(m) issue its opinion on the executive board's management report and accounts, and authorize the distribution of interim dividends;

(n) attribute to the Company's directors and officers their share in the profits shown on the Company's balance sheets, including interim balance sheets, subject always to the limits and other provisions under the law and these Bylaws;

(o) authorize any change i