



Statute #11,101 of February 9, 2005

This statute governs both judicial and extrajudicial recoveries, and the bankruptcies of both entrepreneur and business corporations.

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The president of the republic
The National Congress enacts and I sanction the following Statute:

CHAPTER I. PRELIMINARY PROVISIONS

Article 1. This statute governs both judicial and extrajudicial recoveries, and the bankruptcies of both entrepreneur and business corporations, hereinafter “debtor”.

Article 2. This statute does not apply to:

- I. public company and joint stock company;
- II. public or private financial institution, credit union, trust, complementary pension entity, operator company of the health insurance company, insurance company, capitalization society and other legally equivalent to the above entities.

Article 3. The court having jurisdiction over the location of the debtor’s main facilities or over the subsidiary of a company headquartered outside Brazil has competence to approve the judicial reorganization plan, accept the judicial reorganization or adjudicate bankruptcy.

Article 4. (Vetoed)

CHAPTER II. PROVISIONS APPLICABLE TO JUDICIAL RECOVERY AND BANKRUPTCY

Section I. General Provisions

Article 5. The following is not payable to debtor undergoing judicial reorganization or bankruptcy:

- I. bonds without charge;
- II. expenses that lenders make to take part in the judicial reorganization or bankruptcy, except court expenses arising from dispute against the debtor.

Article 6. When a debtor is adjudged bankruptcy or the judicial reorganization process is approved, the progress of all actions and executions against the debtor, including all actions and executions by private creditors’ general partner, are stayed.

Paragraph 1. The action requiring gross amount shall carry on in the court where it is being processed.

Paragraph 2. The acceptance, exclusion or modification of all credits arising from employment relationships may be claimed, but labor actions, including the appeals referred to in Article 8 herein, shall be processed before the special courts until the relevant credit is ascertained, and such credit shall be recorded in the general list of creditors by the value determined in the court order.

Paragraph 3. The court competent for the actions referred to in Paragraphs 1 and 2 of this Article can

determine that the amount it deems due in the judicial reorganization or bankruptcy be reserved, and upon acknowledgment of legal right, the credit shall be ranked accordingly.

Paragraph 4. For judicial recoveries, the stay in the main section of this Article shall in no event whatsoever exceed the maximum 180-day term from approval of reorganization process, and after such term creditors are entitled to start or carry on their actions and executions, regardless of the court’s opinion.

Paragraph 5. The provisions in Paragraph 2 of this Article apply to judicial reorganization throughout the stay provisioned in Paragraph 4 of this Article; however, after such stay, labor executions can be normally completed, even if the credit has been recorded in the general list of creditors.

Paragraph 6. Regardless of periodic verification before delivery notary offices, any actions filed against the debtor shall be communicated to the bankruptcy or judicial reorganization court:

- I. By the competent court, when a complaint is filed;
- II. By the debtor, immediately after the summons.

Paragraph 7. Accepting the judicial reorganization shall not stay tax-related executions, except for granting installments under the Brazilian Tax Code and specific ordinary laws.

Paragraph 8. Delivering the bankruptcy or judicial reorganization request prevents the jurisdiction from receiving any additional judicial reorganization or bankruptcy requests related to the same debtor.

Section II. Verifying and Qualifying Credits

Article 7. The trustee shall verify the credits, based on the books and both debtor’s tax and business documents, and the documents submitted by the creditors while being assisted by specialized professionals or companies.

Paragraph 1. Upon publication of the public notice provisioned in Article 52, Paragraph 1, or in the Sole Paragraph of Article 99 hereof, creditors shall have a 15-day term to submit their qualifications or disagreements in respect of the related credits to the trustee.

Paragraph 2. The trustee, based on the information and documents collected under the main section and Paragraph 1 of this Article, shall have the public notice containing the list of creditors published within 45 days from the end of the term in Paragraph 1 of this Article while disclosing the location, time and term in which the persons listed in Article 8 hereof shall be able to access the documents that supported the drafting of such list.

Article 8. Within 10 days from the publication of the list

referred to in Article 2, Paragraph 2 hereof, the Committee, any creditor, the debtor or its partners, or the Public Prosecutor's Office can challenge in court the list of creditors while providing the lack of any credit or disagreeing with the legitimacy, amount or rank of related credit.

Sole paragraph. The challenge shall be attached individually and processed under Articles 13 and 15 hereof.

Article 9. The creditor shall qualify the credit under Article 7, Paragraph 1 hereof, and it should contain:
I. Creditor's name and address, and the address where any communication on acts of the process shall be received;

II. Credit value as updated until bankruptcy adjudgement or judicial reorganization request date, including its origin and rank;

III. Credit-proofing documents and a list of additional proof to be provided;

IV. Reference to the bond provided by the debtor, if any, and the respective instrument;

V. Identification of the object of the bond held by creditor.

Sole paragraph. The notes and documents that legitimate the credits shall be disclosed in their original forms or through certified copies if attached to a different suit.

Article 10. If the term set out in Article 7, Paragraph 1 hereof is not met all credit qualifications shall be deemed late.

Paragraph 1. In the judicial reorganization, the late credit holders, except holder of credits arising from employment relation, are not entitled to vote during creditors' general meeting sessions.

Paragraph 2. The provisions of Paragraph 1 of this Article apply to the bankruptcy process, except when the general list of creditors containing the late credit has been approved by the time the general meeting takes place.

Paragraph 3. In the bankruptcy, the late credits shall no longer be entitled to potential apportionments and shall be subject to costs clearance, while disregarding incidental costs entailed between the term completion and the request date of the qualification.

Paragraph 4. In the case provisioned in Paragraph 3 of this Article, the creditor may request that an amount be reserved to fulfill this creditor's credit.

Paragraph 5. All late credit submitted before the approval of the general list of creditors shall be deemed as a challenge and processed under 13 and 15 hereof.

Paragraph 6. After approving the general list of creditors, all creditors whose credit has not been approved may request that the bankruptcy or judicial

reorganization court updates the general list of creditors accordingly while complying with the ordinary proceeding as provisioned in the Civil Proceedings Code, where applicable.

Article 11. A summons to appeal shall be served to creditors whose credit is challenged within five days, and they shall attach the documents they have and provide additional proof they deem necessary.

Article 12. When the term set out in Article 11 hereof is completed, the debtor and the Committee, if any, shall be served a summons by the court to reply the appeal within a common 5-day term.

Sole paragraph. Upon completion of the term referred to in the main section of this Article, the trustee shall be served a summons by the court to provide an opinion within 5 days, and the report drafted by an expert or specialized company, if applicable, shall be attached, as well as any information existing in the tax books and additional debtor's credit documents, regardless of inclusion in the list of creditors subject to challenge thereof.

Article 13. A challenge shall be addressed to court via a petition, whereby the documents held by movant including all proof deemed required shall be attached.

Sole paragraph. Each challenge shall be attached individually including all relevant documents, but differing challenges for the same credit shall be attached together.

Article 14. In case no challenges whatsoever are made, the court shall approve the list of creditors in the public notice referred to in Article 7, Paragraph 2 hereof as the general list of creditors, and the publication provisioned in Article 18 hereof is dismissed.

Article 15. After completion of the terms provisioned in Articles 11 and 12 hereof, the notices of challenge shall be delivered to court, and the court shall:

I. determine that all non-challenged credit

qualifications be included in the general list of creditors as per amount in the list referred to in Paragraph 2 of Article 7 hereof;

II. try all challenges deemed satisfactorily clarified by the allegations and proof provided by the parties while listing the value and ranking of each credit;

III. establish all controversial aspects of each remaining challenge and determine which proceeding matters are pending;

IV. determine which evidence should be produced for use at a designated hearing and trial, if required.

Article 16. For apportionment purpose, the court shall determine the value to be reserved for challenged credit fulfillment.

Sole paragraph. However partial, the challenge shall not prevent payment to the unchallenged party.

Article 17. The court decision on the challenge can be appealed.

Sole paragraph. Upon receipt of the appeal, the reporting judge may grant a stay of proceedings against the decision acknowledging the credit or determine that the relevant amount be included or amended in the general list of creditors so it can be submitted to adoption in a general meeting.

Article 18. The trustee shall be liable to draft the final general list of creditors, to be approved by the court, as based on the list of creditors referred to in Article 7, ¶2 hereof and on the decisions rendered and challenges filed.

Sole paragraph. The general list, as signed by the court and the trustee, shall state the amount and the ranking of each credit as of the date the judicial reorganization was requested or the bankruptcy was adjudged, shall be attached to the case file and published on the official department within 5 days after the decision on the challenges was rendered.

Article 19. The trustee, the Committee, any creditor or the Public Prosecutor's Office representative may request the exclusion, a ranking review or the amendment of any credit in the event of falsehood, willful misconduct, simulation, fraud, substantial error, or also documents disregarded at the time of credit trial or inclusion in the general list of creditors, and such request can be done before judicial reorganization or bankruptcy completion while complying, where applicable, with the ordinary proceeding provisioned in the Civil Proceedings Code. Paragraph 1. The action provisioned in this Article shall be filed exclusively before the judicial reorganization or bankruptcy court or, in the cases provisioned in Articles 6, Paragraphs 1 and 2 hereof, before the court that originally acknowledged the credit.

Paragraph 2. Upon filing of the action referred to in this Article, payment to credit holder covered in it shall not be made unless a collateral of the same amount as the credit challenged is provided.

Article 20. All qualifications of full liable partner's private creditors shall be processed under the provisions of this Section.

Section III. The Trustee and the Committee of Creditors

Article 21. The trustee shall be a reputable professional, ideally an attorney at law, economist, business administrator or accountant, or a specialized legal person.

Sole paragraph. When the trustee is a legal person, the name of the manager responsible for leading the

bankruptcy or judicial reorganization process shall be stated, under the provisions of Article 33 hereof, and such trustee shall not be replaced unless the court approves of it.

Article 22. Notwithstanding additional duties set out herein and under the inspection of the court and the Committee the trustee is liable to:

- I. in the judicial reorganization and the bankruptcy:
 - a) send a letter to all creditors listed under subsection III of the main section of Article 51, subsection III of the main section of Article 99, or subsection II of the main section of Article 105 hereof, informing the judicial reorganization or bankruptcy adjudication date, its nature, amount, and ranking assigned to the credit;
 - b) promptly provide all information requested by interested creditors;
 - c) provide statements of debtor's books, which shall be officially enforced, to support credit qualifications and challenges;
 - d) request any information from creditors, debtor or their administrators;
 - e) draft the list of creditors under Paragraph 2 of Article 7 hereof;
 - f) provide a final list of creditors under Article 18 hereof;
 - g) request the court to call a general meeting of creditors, in the cases provisioned in this Statute, or when trustee deems required for decision-making;
 - h) hire, upon judicial authorization, specializes companies or individuals to help perform trustee's duties, where applicable;
 - i) provide opinions in the cases provisioned in this Statute;
- II. in the judicial reorganization:
 - a) inspect the debtor's activities and judicial reorganization plan fulfillment;
 - b) file for bankruptcy in case of breach of liability undertaken in the reorganization plan;
 - c) provide a monthly report of the debtor's activities to court, which shall be attached to the case file;
 - d) provide a report on reorganization plan execution, under subsection III of the main section of Article 63 hereof;
- III. In the bankruptcy:
 - a) inform, through an official department, when and where creditors shall have daily access to the bankrupt's books and documents;
 - b) review the debtor's bookkeeping;
 - c) list processes taken and take over the judicial representation of the bankrupt estate;
 - d) receive and open all mail addressed to debtor and deliver to debtor whatever is not of the estate's regard;

e) provide a report on the causes and circumstances that led to bankruptcy within 40 days after execution of the term of agreement, renewable for the same period, and such report shall provide all parties' criminal and civil liabilities, under article 186 of this Statute;

f) collect the debtor's books and documents and draft the collection record, under articles 108 and 110 hereof;

g) evaluate all estate collected;

h) hire idelly public evaluators upon judicial authorization to evaluate the assets if trustee believes it lacks technical skills;

i) carry out any acts required for asset settlement and payment to creditors;

j) request that the court grants the advanced sale of perishable goods or goods subject to large depreciation or hazardous/costly conservation, under Article 113 hereof;

l) carry out all acts to conserve rights and actions, collect debts and record the respective settlement;

m) redeem, for the benefit of the estate and upon court authorization, all pledged, seized or legally collected goods;

n) represent the bankrupt estate in court, and hire an attorney at law, if applicable, whose fees shall be previously agreed and approved by the Managing Committee;

o) file for all measures and diligences required for fulfillment hereof, protection of the bankrupt estate or efficiency of administration;

p) provide a financial statement of the administration clearly listing revenue and expenses to the court no later than the 10th day following the month which has ended;

q) deliver all assets and documents of the estate held by trustee to its successor, under liability risk;

r) render account at the end of the process when replaced, dismissed or resign the position.

Paragraph 1. The trustee's assistants' remuneration shall be set out by the court, while considering how complex the activities to be performed are and the market values for performance of similar activities.

Paragraph 2. In the case provisioned in line d of subsection I of this Article, if the creditors, debtor or their administrators refuse to provide such information, the trust may request the court to serve a summons to creditors, debtor or their administrators to appear before court, under penalty of disobedience, and the court shall examine them in the presence of the trustee as taken by written procedure.

Paragraph 3. In the bankruptcy, the trustee is not entitled to agree to liabilities and rights of the bankrupt estate and grant an allowance on debts, however difficult their settlement is, unless a court authorization is rendered and after both Committee

and debtor are heard within a common 2-day term. Paragraph 4. If the report referred to in line e of subsection III of the main section of this Article says that any party is criminally liable, the Public Prosecutor's Office shall be subpoenaed for acknowledgement of its contents.

Article 23. The trustee that is unable to render accounts or any of the reports provisioned in this Statute within the term established shall be subpoenaed to personally do so within 5 days, under penalty of disobedience.

Sole paragraph. Upon completion of the term established in the main section of this Article, the court shall dismiss the trustee and appoint a successor to draft reports and look after the books while performing the predecessor's liabilities.

Article 24. The court shall determine the amount and method of payment of the trustee's remuneration, subject to the debtor's capacity to pay, how complex the activities are and the market values for performance of similar activities.

Paragraph 1. In any event shall the total amount paid to the trustee exceed 5% of the amount due to creditors undergoing judicial reorganization or of the sales value of goods in the bankruptcy.

Paragraph 2. As many as 40% of the amount due to trustee shall be reserved for payment after fulfillment of the provisions of Articles 154 and 155 hereof.

Paragraph 3. The substituted trustee shall be remunerated according to the activities performed, unless such trustee resigns without cause or is dismissed due to negligence, fault, willful misconduct or breach or the liabilities set out in this Statute, and in such cases such trustee shall not be entitled to remuneration.

Paragraph 4. The trustee whose accounts are disapproved shall not be entitled to remuneration either.

Paragraph 5. The trustee's remuneration decreases to a 2% limit in case of SMEs. (as included by the Complementary Statute #147, of 2014).

Article 25. The debtor or the bankrupt estate may cover the expenses related to the remuneration of both trustee and individuals potentially hired to assist the trustee.

Article 26. The Committee of Creditors shall be formed after consideration of any class of creditors in the general meeting, as follows:

- I. one (1) representative appointed by the class of labor-related creditors, including 2 deputy representatives;
- II. one (1) representative appointed by the class of security interest or special claim creditors, including 2 deputy representatives;
- III. one (1) representative appointed by the class of

unsecured or general privilege creditors, including 2 deputy representatives;

IV. one (1) representative appointed by the class of SME representatives creditors, including 2 deputy representatives; (as included by the Complementary Statute #147, of 2014).

Paragraph 1. Failing to appoint a representative by any class shall not affect the formation of the Committee, which may carry out its activities with less individuals than provisioned in the main section of this Article.

Paragraph 2. The court shall determine, upon request signed by the creditors representing the majority of a class, regardless of a meeting being held or not:

I. that both representative and deputy representatives of the respective class yet to be represented in the Committee be appointed; or

II. that either the representative or the deputy representative of the respective class be substituted.

Paragraph 3. The members of the Committee may appoint their chairman.

Article 27. The Committee of Creditors shall have the following powers, including others as set out in this Statute:

I. in the judicial reorganization and the bankruptcy:

a) inspect the activities and review the trustee's accounts;

b) ensure the good conduct of the process and compliance with current legislation;

c) notify the court should it become aware of a violation of rights or damage to the creditors' best interests;

d) investigate and issue opinions on any complaints from stakeholders;

e) request that the court calls a general meeting of creditors;

i) provide opinions in the cases provisioned in this Statute;

II. in the judicial reorganization:

a) inspect the administration of the debtor's activities and provide a status report every 30 days;

b) inspect the implementation of the judicial reorganization plan;

c) submit to the court's authorization, in case the debtor is dismissed under this Statute, for disposal of permanent assets, constitution of real leases and other guarantees, as well as acts of indebtedness required for continuance of the business activity in the period prior to judicial reorganization approval.

Paragraph 1. All decisions taken by the majority of Committee members shall be recorded in a book of minutes, signed by the court, and shall be available to the trustee, creditors and debtor;

Paragraph 2. When a majority of Committee members fails to be obtained, a decision shall be taken by the

trustee or, should trustee not be able to do so, by the court.

Article 28. When a Committee of Creditors does not exist, the trustee or, should the trustee not be able to do so, the court may perform their activities.

Article 29. The remuneration of the Committee members shall not be covered by the debtor or the bankrupt estate, but the expenses accrued for performance of an act provisioned in this Statute, once duly proven and authorized by the court, shall be refunded according to the cash flow.

Article 30. An individual who, in the exercise of the duties of a trustee or Committee member for a prior bankruptcy or judicial reorganization, was dismissed or did not render account within legal terms or whose accounts were disapproved over the last 5 years is unable to join the Committee or act as a trustee.

Paragraph 1. An individual who has any family relationship with the debtor, its administrators, controllers or legal representatives by way of marriage, kindred or affinity in a direct line and up to the third degree, or is otherwise a friend, enemy or dependent person is also precluded from joining the Committee or acting as a trustee.

Paragraph 2. The debtor, any creditor or the Public Prosecutor's Office may request the court that the trustee or appointed Committee members who breach the provisions hereof be substituted.

Paragraph 3. The court shall hear the case provided in Paragraph 2 of this Article within 24 hours.

Article 31. While acting ex officio or upon a substantiated request by any stakeholder, the court may order the dismissal of the trustee or of any member of the Committee of Creditors should the court acknowledge a breach to the provisions hereof or of any duties, omission, negligence or performance of any act that may jeopardize the business of the debtor or of third parties.

Paragraph 1. The court shall dismiss the trustee and appoint a successor or call the deputy trustees to form the Committee.

Paragraph 2. In the bankruptcy, the superseded trustee shall render account within 10 days, under Paragraphs 1-6 of Article 154 hereof.

Article 32. The trustee and the Committee members are liable for all damages caused to the bankrupt estate, debtor or creditors due to willful misconduct or fault, and the party found to be conflicting after the Committee's decision shall record its dissent in the minutes to disclaim liabilities.

Article 33. The trustee and the Committee members, upon appointment, shall be subpoenaed to sign, in person, the term of agreement stating that they shall

faithfully serve and take on all associated liabilities within 48 hours.

Article 34. If the term of agreement is not signed within the term provisioned in Article 33 hereof, the court shall appoint a trustee.

Section IV. The General Meeting of Creditors

Article 35. The general meeting of creditors shall make decisions on:

I. in the judicial reorganization:

- a) approval, rejection or amendment to the judicial plan as submitted by debtor;
- b) the formation of a new Committee of Creditors, selection of its members and their substitution;
- c) (vetoed)
- d) the debtor's resignation letter, under Paragraph 4 of Article 52 hereof;
- e) the judicial manager's name, when the debtor is dismissed;
- f) any additional matter that may impact the creditors' best interests;

II. In the bankruptcy:

- a) (vetoed)
- b) the formation of a new Committee of Creditors, selection of its members and their substitution;
- c) adhesion to other asset settlement methods, under Article 145 hereof;
- d) any additional matter that may impact the creditors' best interests.

Article 36. The general meeting of creditors shall be called by the court via a public notice published both in the official department and mass circulation newspapers where the company's headquarters and subsidiaries are located, at least 15 days in advance, and such public notice shall state:

I. location, time and date of the 1st and 2nd calls of the meeting, and the 2nd call should be held at least 5 days after the 1st;

II. the agenda;

III. location where creditors may get a copy of the judicial reorganization plan to be submitted to adoption, if applicable.

Paragraph 1. A copy of the call notice shall be posted in a prominent position in the debtor's headquarters and subsidiaries.

Paragraph 2. In addition to the cases specifically provisioned in this Statute, creditors representing at least 25% of the total amount of the credits of a given class may request the court to call a general meeting.

Paragraph 3. All expenses accrued from the call and general meeting shall be covered by the debtor or the bankrupt estate, unless it was called upon the

Committee of Creditor's request or in the case provisioned in Paragraph 2 of this Article.

Article 37. The meeting shall be chaired by the trustee, who shall appoint one secretary from the creditors present.

Paragraph 1. All meetings where a decision on the trustee's dismissal or where the trustee is unable to attend shall be chaired by the creditor present holding the highest credit.

Paragraph 2. The first call of the meeting shall be held with the presence of creditors holders of more than half of each class' credits as based on their amount, and the second call shall be held with any number of creditors.

Paragraph 3. In order to attend the meeting, each creditor shall sign the attendance list, which shall be closed when the meeting begins.

Paragraph 4. The creditor can be represented in the general assembly by proxy or legal representative, if an official document proving such powers or a statement of the case file pages containing such official document is provided to the trustee at least 24 hours prior to the date provisioned in the call notice.

Paragraph 5. Trade unions may represent their members holding credit as provisioned in labor laws or due to work-related injuries unable to attend the meeting in person or by proxy.

Paragraph 6. To exercise the right provisioned in Paragraph 5 of this Article, the trade union shall:

- I. provide the list of members it plans to represent up to 10 days prior to the meeting, and any employee found in the list of more than one trade union shall clarify which trade union such employee represents up to 24 hours prior to the meeting, under penalty of not being represented by any of them in the meeting; and
- II - (vetoed)

Paragraph 7. The minutes of the meeting shall be taken and shall state the name of the attendants and the signatures of the presidente, the debtor and two members of each voting class; such minutes shall be provided to the court, along with the attendance list, within 48 hours.

Article 38. A creditor's vote is related to such creditor's amount of credit, except the provisions of Paragraph 2 of Article 45 hereof for decisions on the judicial reorganization plan.

Sole paragraph. In the judicial reorganization, for the exclusive purpose of voting in the general meeting, credits in foreign currency shall be converted into national currency for the exchange rate of the day before the meeting is held.

Article 39. All individuals listed in the general list of creditors are entitled to vote; when such list is not available, the list of creditors provided by the trustee

is valid, under Article 7, Paragraph 2 hereof or otherwise the list provided by the debtor, under Article 51, items III and IV of the main section, Article 99, subsection III of the main section, or Article 105, subsection II of the main section hereof, notwithstanding, in any case, all creditors qualified as of the date the meeting was held or whose credits were accepted or amended due to court order, including creditors that were granted reserve of amounts, under the provisions of Paragraphs 1 and 2 of Article 10 hereof.

Paragraph 1. Credit holders excluded under Paragraphs 3 and 4 of Article 49 hereof are not entitled to vote and shall not be counted for required quorum purposes.

Paragraph 2. The decisions of the general meeting shall not be subject to annulment due to later court decision on credit existence, quantity or ranking.

Paragraph 3. In the event of a later annulment of meeting decision, the rights of bona fide third parties are safeguarded, and the creditors that approve such decision are liable for the damages proven to have been caused due to willful misconduct or fault.

Article 40. Interlocutory or advance relief injunctions seeking the stay or delay of general meeting of creditors due to pending discussions on credit existence, quantity or ranking shall be rejected.

Article 41. The general meeting shall comprise the following classes of creditors:

I. credit holders provisioned in labor laws or due to work-related injuries;

II. credit holders having collateral;

III. unsecured, special/general privilege or subordinate credit holders;

IV. credit holders classified as SMEs. (as included by the Complementary Statute #147, of 2014).

Paragraph 1. The vote of credit holders due to labor laws matches the class provisioned in subsection I of the main section of this Article as per the total of their credit, regardless of amount.

Paragraph 2. The vote of unsecured credit holders matches the class provisioned in subsection II of the main section of this Article up to the limit of the asset registered and class provisioned in subsection III of the main section of this Article for the remaining value of their credit.

Article 42. All proposals receiving affirmative votes from creditors representing more than half of the total amount of credits attending the general meeting shall be deemed approved, except decisions on judicial reorganization plan under line a of subsection I of the main section of Article 35 hereof, or the formation of the Committee of Creditors or alternative asset settlement

method under article 145 hereof.

Article 43. The debtor's partners, as well as associated, parent or controlled companies or companies where partner or shareholder holds over 10% of the debtor's share capital, or where debtor or any partner hold over 10% of the share capital may attend the general meeting of creditors but are not entitled to vote and shall not be counted for required quorum purposes.

Sole paragraph. The provision of this Article also applies to spouse, relative or kin up to second degree ascending or descending from debtor, administrator or controlling partner, consulting/fiscal or similar board members of the indebted company, or to the company where any of those exercise their roles.

Article 44. Only the respective members of each class of Committee of Creditors are entitled to vote for their representatives.

Article 45. All classes of creditors referred to in Article 41 hereof shall approve the proposal submitted for decisions on the judicial reorganization plan.

Paragraph 1. For each class referred to in items II and III of Article 41 hereof, the proposal shall be approved by creditors representing over half of the total amount of credits attending the meeting and jointly by simple majority of attending creditors.

Paragraph 2. For the class provisioned in item I of Article 41 hereof, the proposal shall be approved by simple majority of attending creditors, regardless of their credit amount.

Paragraph 2. For the classes provisioned in items I and IV of Article 41 hereof, the proposal shall be approved by simple majority of attending creditors, regardless of their credit amount. (wording included by the Complementary Statute #147, of 2014).

Paragraph 3. A creditor is not entitled to vote and shall not be counted for required quorum purposes when the judicial reorganization plan does not change its amount or the original payment conditions of such creditor's credit.

Article 46. The approval of an alternate settlement method of the bankruptcy asset, as provisioned in Article 145 hereof, pends affirmative vote of creditors representing 2/3 of the credits attending the meeting.

CHAPTER III. THE JUDICIAL RECOVERY

Section I. General Provisions

Article 47. The aim of the judicial reorganization is to overcome the debtor's economic and financial crisis situation as to allow the maintenance of the productive source, of workers' jobs and of creditors'

best interests while ensuring the company's survival, its social purpose and encouraging economic activities.

Article 48. The debtor who is regularly carrying out its business for over 2 years and fulfills all of the following requirements at the time of filing may file for judicial reorganization:

- I. The debtor should not be bankrupt and, if so, all liabilities arising from such bankruptcy must have been declared dismissed by a judgement made final and unappealable;
- II. The debtor should not have been granted judicial reorganization at least over the past 5 years;
- III. The debtor should not have been granted judicial reorganization as based on the special plan provisioned in Section V of this Chapter at least over the past 8 years;
- III. The debtor should not have been granted judicial reorganization as based on the special plan provisioned in Section V of this Chapter at least over the past 5 years; (wording provisioned by the Complementary Statute #147, of 2014)
- IV. The debtor should not have been convicted or does not have, as an officer or controlling partner, a person convicted of any crimes provisioned in this Statute.

Paragraph 1. The judicial reorganization can also be filed by the surviving spouse, debtor's heirs, administrator of estate or remaining partner. (as included by the Statute #12,873, of 2013).

Paragraph 2. When the debtor is a legal person performing a rural business, the term provisioned in the main section of this Article is accepted via a timely delivered Statement of Legal Person's Economic and Fiscal Information (DIPJ, in the Portuguese abbreviation). (as included by the Statute #12,873, of 2013).

Article 49. All credits existing on the date of filing are subject to judicial reorganization, even if such credits have not become due.

Paragraph 1. The creditors of a debtor in judicial reorganization uphold their rights and privileges against joint obligors, guarantors and reorganization obligors.

Paragraph 2. All liabilities prior to the judicial reorganization shall follow the originally agreed conditions or the conditions established in the law, including in respect of burdens, except if it is otherwise established in the judicial reorganization plan.

Paragraph 3. When the creditor is a holder of assets and real properties in a fiduciary condition, a lessor, owner or committed seller of real properties under an agreement containing an irrevocability or irreversibility clause, including in real estate developments, or an owner in a sales agreement with reserve of ownership, such creditor's credit is not subject to the effects of the

judicial reorganization and property rights shall prevail over assets or contract terms while complying with applicable laws; however, throughout the stay referred to in Paragraph 4 of Article 6 hereof, it is now allowed to sell or remove the debtor's establishment from the capital assets critical to carry out business activities.

Paragraph 4. The amount provisioned in item II of Article 86 hereof is not subject to judicial reorganization effects.

Paragraph 5. When the credit is collateralised over debenture bonds, credit rights, financial applications or securities, settled or overdue bonds may be substituted or renewed during the judicial reorganization and, if not substituted or renewed, any amounts received as bond payment shall remain in a linked account throughout the stay provisioned in Paragraph 4 of Article 6 hereof.

Article 50. Notwithstanding the laws applicable as per case, judicial reorganization methods include:

- I. allowing special terms and conditions for settlement of monetary debts due or falling due;
 - II. company spin-off, incorporation, merger, or transformation, organization of fully owned subsidiary, or assignment of shares or stakes, under applicable laws;
 - III. change in corporate control;
 - IV. full or partial substitution of debtor's administrators or change in debtor's administrative bodies;
 - V. granting creditors the right to separately vote for administrators and veto power in respect of the matters stated in the plan;
 - VI. corporate capital increase;
 - VII. succession or lease of an establishment, including to a company formed by the employees themselves;
 - VIII. wage reduction, overtime offset, and reduction of working hours upon collective labor agreement;
 - IX. transfer in lieu of payment or novation of asset debts, regardless of providing securities of their own or of third parties;
 - X. organizing a company of creditors;
 - XI. partially selling assets;
 - XII. equalization of charges for debts of any nature, whereby initial term is the delivery date of the judicial reorganization filing, which also applies to rural credit agreements, subject to the provisions of applicable laws;
 - XIII. enjoyment of company;
 - XIV. shared management;
 - XV. issuing securities;
 - XVI. organizing companies with the specific purpose of awarding the debtor's assets for payment of credits.
- Paragraph 1. Suppressing or substituting bonds for the transfer of asset object of collateral shall only be allowed upon specific proof from creditor holder of the respective bond.
- Paragraph 2. For credits in foreign currency, the exchange variation shall be taken as the indexation

parameter for the corresponding liability and shall not be disregarded unless the creditor holder of the respective credit specifically approves otherwise in the judicial reorganization plan.

Section II. Filing and Processing the Judicial Reorganization

Article 51. The judicial reorganization brief shall include the following information:

- I. a presentation of the actual causes of the debtor's patrimonial situation and the reasons of the economic and financial crisis;
 - II. all financial statements covering the last three accounting years and all statements obtained to substantiate the filing, as prepared while strictly complying with applicable company laws and compulsorily including:
 - a) balance sheet;
 - b) accrued profitability analysis;
 - c) accrued profitability analysis since the last accounting year;
 - d) management report on cash flow and projection thereof;
 - III. a complete list of creditors' names, including creditors for affirmative covenant and obligatio dandi, and providing each creditor's address, nature, ranking and updated amount of credit, in addition to their origin, their respective salary regime, and the accounting record of every outstanding transaction;
 - IV. a complete list of employees including their positions, salaries, compensations and additional payments they are entitled to, including the corresponding reference month and the amounts pending payment;
 - V. a certificate of good standing of the debtor in the Board of Trade, updated articles of incorporation and minutes of the meeting where current administrators were appointed;
 - VI. a list of private assets of debtor's both controlling partners and administrators;
 - VII. updated bank statements of debtor's accounts and any financial applications of any kind, including investment funds or stock market, as issued by the respective financial institutions;
 - VIII. certificates from Negotiable Instrument Protest Office located in the same district as debtor's domicile, headquarters and subsidiaries;
 - IX. a list signed by the debtor of all judicial actions where debtor is a party, including labor-related actions, with estimated amounts sought.
- Paragraph 1. All bookkeeping documents and additional auxiliary reports under applicable laws shall

be made available to the court, the trustee and, upon judicial authorization, any stakeholder.

Paragraph 2. In respect of the requirement provisioned in item II of the main section of this Article, SEMs may provide simplified bookkeeping documents under applicable laws.

Paragraph 3. The court may determine that the documents referred to in Paragraphs 1 and 2 of this Article, or a copy thereof, be stored in a notary's office.

Article 52. The court shall accept the judicial reorganization once all documents set out in Article 51 are provided and, in the same judicial act, the court shall:

- I. appoint the trustee, under the provisions of Article 21 hereof;
 - II. determine the dismissal of submittal of debt clearance certificates so debtor carries on its business activities, except for the purpose of procurement with the government or to receive fiscal or credit incentives, under Article 69 hereof;
 - III. rule the stay of all actions or executions against the debtor under Article 6 hereof and the respective case file shall remain in the same court where it is being processed, except for the provisions of Paragraphs 1, 2 and 7 of Article 6 hereof and the provisions related to excluded credits under Paragraphs 3 and 4 of Article 49 hereof;
 - IV. determine that debtor provide monthly financial statements throughout the judicial reorganization time, under penalty of dismissal of its administrators;
 - V. serve the Public Prosecutor's Office a summons and a written notice to the Federal Public Treasuries and all States and Municipalities where debtor is established.
- Paragraph 1. The court shall determine the publication of the public notice in the official department including:
- I. a summary of debtor's request and the decision accepting the processing of the judicial reorganization;
 - II. a list of creditors' names including the updated amount and ranking for each credit;
 - III. the term for credit qualification, under article 7, Paragraph 1 hereof and for creditors to submit their objection to the judicial reorganization plan provided by debtor under article 55 hereof.
- Paragraph 2. Upon acceptance of the judicial reorganization processing, creditors, at any time, may request the call of a general meeting to form the Committee of Creditors or to substitute their members under Paragraph 2 of Article 36 hereof.
- Paragraph 3. In the case provisioned in item III of the main section of this Article, the debtor may communicate the stay to competent courts.
- Paragraph 4. The debtor is not entitled to withdraw a

judicial reorganization filing after its processing has been accepted, unless decided otherwise in the general meeting of creditors.

Section III. The Judicial Reorganization Plan

Article 53. The reorganization plan shall be submitted by the debtor in court within the maximum period of 60 days after publication of the decision to grant the processing of bankruptcy, under penalty of changing the judicial reorganization into bankruptcy, and such reorganization plan should include:

I. detailed breakdown of the reorganization means to be employed under Article 50 hereof, and its summary;

II. demonstration of its economic viability; and

III. financial and economic appraisal and debtor's property and asset evaluation appraisal, signed by a legally qualified professional or specialized company.

Sole paragraph. The court shall order the publication of a public notice for creditors on the receipt of the reorganization plan and setting a deadline for submittal of any objections, under Article 55 hereof.

Article 54. The judicial reorganization plan may not provision a period exceeding one year for payment of credits derived from labor legislation or resulting from work-related injuries due until the date of judicial reorganization filing.

Sole paragraph. In addition, the plan may not provision a period exceeding 30 days, limited to five minimum wages per employee, for payment of strictly salary-related credits accrued in the three months prior to judicial reorganization filing.

Section IV The Judicial Reorganization Procedure

Article 55. Any creditor may submit to court their objections to the judicial reorganization plan within 30 days from the publication of the list of creditors in Paragraph 2 of Article 7 hereof.

Sole paragraph. When the notice provisioned in Article 53, sole paragraph, hereof had not been published before the date of publication of the list referred to in the main section of this Article, the term for publication of such objections commences after publication of such notice.

Article 56. In the event that any creditor objects to the judicial reorganization plan, the court shall call a general meeting of creditors to decide on the the reorganization plan.

Paragraph 1. The date set for the holding of the general meeting shall not exceed 150 days from the approval of judicial reorganization processing.

Paragraph 2. The general meeting that approves the judicial reorganization plan may state the members of

the Committee of Creditors in Article 26 hereof, unless otherwise formed

Paragraph 3. The judicial reorganization plan may be amended in the general meeting, if debtor specifically agrees, and if it does not entail a reduction exclusively of the absent debtors' rights.

Paragraph 4. If the general meeting of creditors rejects the reorganization plan, the debtor shall be adjudicated bankruptcy.

Article 57. After attaching the plan approved by the general meeting of creditors or after expiration of the period provisioned in Article 55 hereof without objection from creditors, the debtor shall submit clearance certificates of tax debts under Articles 205, 206 of Statute #5,172, of October 25, 1966 - Brazilian Tax Code. Articles 151

Article 58. Upon fulfillment of the requirements hereof, the court shall grant the judicial reorganization of the debtor whose plan was not subject to objection from creditor under Article 55 hereof or was approved by the general meeting of creditors under Article 45 hereof.

Paragraph 1. The court may grant the judicial reorganization as based on a plan that was not approved under Article 45 hereof if such plan jointly obtained in one single meeting:

I. an affirmative vote from creditors representing over half of the amount of all credits attending the meeting, regardless of classes;

II. the approval of two classes of creditors under Article 45 hereof or, when there are only two classes with voting creditors, approval of at least one of them;

III. in the class that rejected the plan, an affirmative vote of over 1/3 of creditors as counted under Paragraphs 1 and 2 of Article 45 hereof.

Paragraph 2. The judicial reorganization may only be granted under Paragraph 1 of this Article when such plan does not entail differential treatment between creditors of the class that rejected it.

Article 59. The judicial reorganization plan entails novation of credits prior to filing and both debtor and all creditors subject to it are bound to such plan, notwithstanding the securities under Paragraph 1 of Article 50 hereof.

Paragraph 1. The court decision granting the judicial reorganization is an exclusive judicial bond under article 584, item III of the main section of Statute #5,869 of January 11, 1973 of the Civil Proceedings Code.

Paragraph 2. Any creditor or the Public Prosecutor's Office can appeal a decision granting the judicial reorganization.

Article 60. The court shall determine the execution of an approved reorganization plan requiring judicial transfer

of subsidiaries or independent production units of debtor under the provisions of Article 142 hereof.

Sole paragraph. The object of the disposal shall be free of any encumbrance and the winning bidder shall not succeed in the debtor's obligations, including tax-related obligations under Paragraph 1 of Article 41 hereof.

Article 61. After rendering of the decision provisioned in Article 58 hereof, the debtor shall remain under judicial reorganization status until all liabilities provisioned in the plan that fall due until two years after granting of judicial reorganization.

Paragraph 1. Throughout the period established in the main section of this Article, non-compliance with any liability provisioned in the plan shall have the reorganization changed into bankruptcy, under Article 73 hereof.

Paragraph 2. When the company is adjudicated bankruptcy, creditors' rights and guarantees shall be replenished as per originally agreed conditions after deduction of any amounts paid and subject to any validly acts performed within the judicial reorganization framework.

Article 62. After the period provisioned in Article 61 hereof, any creditor may request the specific execution or bankruptcy in the event of non-compliance of any liability provisioned in the reorganization plan under Article 94 hereof.

Article 63. Upon compliance with all liabilities due in the term provisioned in the main section of Article 61 hereof, the court shall render a court order determining the termination of the judicial reorganization and:

- I. payment of fee balance to trustee, and such settlement shall be done upon rendering of accounts within 30 days and approval of the reports provisioned in item III of this main section of this Article;
- II. ascertaining of judicial costs balance to be collected;
- III. submittal of trustee's detailed report within no later than 15 days on the reorganization plan execution by debtor;
- IV. dissolution of the Committee of Creditors and dismissal of the trustee;
- V. communication to the Board of Trade for appropriate measures.

Article 64. Throughout the judicial reorganization procedure, the debtor or its administrators shall carry on their businesses under the inspection of the Committee, if any, and of the trustee, unless any of them:

- I. had been sentenced in a final judgement in criminal proceedings for a crime against property committed in prior judicial recoveries or bankruptcies, public economy or economic order as provisioned in

applicable laws;

II. are found to have strong evidence of committing a crime provisioned in this Statute;

III. engage into willful misconduct, simulation or fraud against the interests of their creditors;

IV. practice any of the following behaviours:

a) incurring personal expenditures that are manifestly excessive in relation to his equity condition.

b) incurring into unjustifiable expenditures due to their nature or amount, in relation to the capital or type of business, to the corporate actions and other similar circumstances;

c) unjustifiably decapitalizing the company or carrying out transactions that impair its regular functioning;

d) simulating or hiding credits while submitting the list provisioned in item III of the main section of Article 51 hereof without a relevant legal rationale or court order support;

V. deny to provide the information required by the trustee or additional Committee members;

VI. Have their dismissal provided for in the judicial reorganization plan.

Sole paragraph. If any of the cases provisioned in the main section of this Article does occur, the court shall dismiss the trustee, who shall be replaced under the debtor's articles of incorporation or judicial reorganization plan.

Article 65. When debtor is dismissed under the cases provisioned in Article 64 hereof, the court shall call a general meeting of creditors which shall decide on the judicial manager's name that shall take over the debtor's business administration while applying all laws on trustee's duties, preclusions and remuneration where applicable.

Paragraph 1. The trustee shall act as a manager when the general meeting of creditors is unable to make a decision on such choice.

Paragraph 2. If the manager appointed by the general meeting of creditors refuses or is precluded to take on the debtor's business administration, the court shall call a new general meeting for no later than 72 hours after such refusal or preclusion statement in the case file under Paragraph 1 of this Article.

Article 66. After delivering the judicial reorganization filing, the debtor is not entitled to dispose or encumber his permanent assets' assets or rights, unless the court acknowledges an obvious usefulness after hearing the Committee, except the assets previously listed in the judicial reorganization plan.

Article 67. Credits accrued from obligations contracted during the judicial reorganization, including credits related to expenses with goods/services suppliers and loan agreements, shall

be deemed extra-bankruptcy should the company be adjudged bankruptcy while following the order set out in Article 83 hereof.

Sole paragraph. All unsecured credits subject to the judicial reorganization belonging to goods/services suppliers that do not halt such supply after the judicial reorganization filing shall be given a general priority to claim in the event of bankruptcy abridgment, limited to the amount of goods/services supplied during the reorganization period.

Article 68. Public Treasuries and the Brazilian Social Security Institute (INSS) may approve payment in installments of their claims in the event of judicial reorganization under the provisions of Statute #5,172, of October 25, 1966 - Brazilian Tax Code.

Sole paragraph. SMEs are entitled to terms 20% longer than the terms regularly granted to bigger companies. (as included by the Complementary Statute #147, of 2014).

Article 69. The “under Judicial Reorganization” phrase shall be written after the company name after every act, agreement and document entered by the debtor subject to judicial reorganization.

Sole paragraph. The court shall determine that the Board of Trade records the judicial reorganization accordingly.

Section V. The Judicial Reorganization Plan for SMEs

Article 70. The persons referred to in Article 1 hereof found to be a small or medium-sized enterprises under applicable laws are subject to the provisions in this Chapter.

Paragraph 1. As per their legal definition, SMEs may submit a special judicial reorganization plan if they state so in the brief provisioned in Article 51 hereof.

Paragraph 2. The credits belonging to creditors not covered in the special plan shall not be qualified in the judicial reorganization.

Article 71. The special judicial reorganization plan shall be submitted within the term provisioned in Article 53 hereof and shall be limited to the following conditions:

I. It shall cover exclusively unsecured credits, except those arising from transfer of official funds and the ones provisioned in Paragraphs 3 and 4 of Article 49 hereof;

I. It shall cover all credits existing on the filing date, however due, except credits arising from transfer of official/fiscal funds and the funds provisioned in Paragraphs 3 and 4 of Article 49; (as worded by Complementary Statute #147 of 2014)

II. It shall provision payment in up to 36 equal and subsequent monthly installments after monetary

correction plus 12% per annum interest (twelve percent a year);

II. It shall provision payment in up to 36 successive equal monthly installments, plus interest at the Special Clearance and Escrow System rate, which may also include a debt rebate proposal; (as worded by Complementary Statute #147 of 2014)

III. It shall provision the payment of the 1st installment within no later than 180 days from the judicial reorganization filing delivery;

IV. It shall establish that the debtor obtain a court authorization to increase expenses or hire employees after both trustee and Creditors’ Committee are heard;

Sole paragraph. The special plan-based judicial reorganization filing does not entail the stay of limitations nor actions and executions for credits not covered by the plan.

Article 72. If the debtor provisioned in Article 70 hereof opts for the special plan-based judicial reorganization filing under this Section, a general meeting of creditors to decide on the plan shall not be called and the court shall grant the judicial reorganization if additional law requirements are met.

Sole paragraph. The court shall reject the judicial reorganization filing and the debtor shall be adjudicated bankruptcy if, under Article 55, any objections from creditors holding over half of any of the credit classes provisioned in Article 83 as counted under Article 45 hereof. (wording included by the Complementary Statute #147, of 2014).

CHAPTER IV. REORGANIZATION OF JUDICIAL RECOVERY INTO BANKRUPTCY

Article 73. The court shall decree bankruptcy during the judicial reorganization process:

I. due to a general meeting of creditors’ decision, under Article 42 hereof;

II. when the debtor fails to provide a judicial reorganization plan within the term in Article 53 hereof;

III. when the judicial reorganization plan was rejected under Paragraph 4 of Article 56 hereof;

IV. when any obligation undertaken in the the judicial reorganization plan was not met under Paragraph 1 of Article 61 hereof;

Sole paragraph. The provisions in this Article do not preclude bankruptcy abridgment due to default of an obligation not subject to judicial reorganization under items I and II of the main section of Article 94 hereof, or due to the performance of an act provisioned in item III of the main section of Article 94 os this Statute.

Article 74. When a reorganization is reorganized as bankruptcy, the acts of administration,

indebtedness, encumbrance or disposal performed during the judicial reorganization are deemed valid under this Statute.

CHAPTER V. THE BANKRUPTCY

Section I. General Provisions

Article 75. During the bankruptcy, the debtor is dismissed from carrying out his business in order to preserve and optimize a productive use of the company's goods, assets and production resources, including intangible ones.

Sole paragraph. The bankruptcy process shall meet the principles of procedural promptness and economy.

Article 76. The bankruptcy court is indivisible and has jurisdiction to hear the bankrupt's goods, interest and business actions, except labor/fiscal actions and actions not provisioned in this Statute where the bankrupt is a plaintiff or co-plaintiff.

Sole paragraph. Every action, including the exceptions provisioned in the main section of this Article, shall be prosecuted with the trustee, who shall be served a summons to represent the bankrupt estate, under penalty of process nullity.

Article 77. Bankruptcy abridgment establishes early maturity of debtor's and both unlimited liability and joint liable partners' debts including pro rata interest rebate while converting all credits in foreign currency into Brazil's currency through the exchange rate of the court decision day for the purpose hereof.

Article 78. Petitions for bankruptcy are subject to a mandatory assignment while complying with the order of submittal.

Sole paragraph. The actions to be filed in the bankruptcy court are subject to subordinated assignment of the case.

Article 79. Both bankruptcy and incidental proceedings have priority over others, at any instance.

Article 80. The judicial reorganization's remaining credits shall be deemed qualified after final inclusion in the general list of creditors and the ongoing qualifications shall be prosecuted.

Article 81. The decision to decree the bankruptcy of a company whose partners have unlimited liability also entails the bankruptcy of the latter, who become subject to the same legal effects produced in relation to the bankrupt company, and they shall consequently be served with process to file their answer if they so wish.

Paragraph 1. The provisions of the main section of this Article apply to partners that voluntarily resigned or were dismissed from the company at least two years prior to such bankruptcy abridgment in respect of any debts existing on the agreement amendment shelving date if such debts were not settled until the

bankruptcy abridgment date.

Paragraph 2. Bankrupt companies shall be represented in the bankruptcy by their administrators or liquidators, who shall have the same rights and shall be subject, under the same penalties, to the obligations undertaken by the bankrupt.

Article 82. The personal liability of the bankrupt company's limited liability partners, controllers and administrators as established in applicable laws shall be ascertained by the bankruptcy court, regardless of asset settlement and proof of insufficiency to cover any liabilities, under the ordinary proceeding established in the Civil Proceedings Code.

Paragraph 1. The liability action provisioned in the main section of this Article shall become time-barred two years after bankruptcy completion sentence in a final judgment.

Paragraph 2. The court may order the freezing of the defendants' private assets ex officio or upon stakeholders' request, whereby amount should be consistent with the damage caused, before liability action hearing.

Section II. The Qualification of Credits

Article 83. The bankruptcy credit classification order is as follows:

- I. Credits arising from labor legislation, limited to 150 minimum wages by creditor, and credits arising from work-related injuries;
- II. Unsecured credits up to the limit of the asset registered;
- III. Tax credits, regardless of their nature and conclusion time, except tax fines;
- IV. Credits with special privilege, namely:
 - a) Credits provisioned in Article 964 of Statute #10,406 of January 10, 2002.
 - b) Credits defined as special privilege in additional civil and business laws, unless otherwise provisioned in this Statute;
 - c) Credits where holders are entitled to retention over collateralized assets;
 - d) Credits favoring sole traders and SMEs under Complementary Statute #123, of December 14, 2006 (as included by Complementary Statute #147, of 2014).
- V. Credits with special privilege, namely:
 - a) Credits provisioned in Article 965 of Statute #10,406 of January 10, 2002.
 - b) credits provisioned in the sole paragraph of Article 67 hereof;
 - c) Credits defined as special privilege in additional civil and business laws, unless otherwise provisioned in this Statute;

VI. Unsecured credits, namely:

- a) credits not provisioned in the additional items in this Article;
- b) credit balances not covered by asset disposal proceeds as binded to respective settlement;
- c) credit balances arising from labor legislation that exceed the limit established in item I of this main section of this Article;

VII. Contractual and monetary fines due to violation of criminal or administrative laws, including tax fines;

VII. Subordinated credits, namely:

- a) when a statute or agreement so provides;
 - b) unsecured partners' and administrators' credits;
- Paragraph 1. For the purpose of item II of the main section of this Article, a collateral asset value is the amount effectively collected after it is sold or, when globally disposed, the assessed value of the asset as individually considered.

Paragraph 2. The amounts arising from the partner's right to receive his share capital part in the company liquidation may be relied on the estate.

Paragraph 3. The criminal clauses of unilateral agreements shall not be fulfilled if the obligations they provision mature due to bankruptcy.

Paragraph 4. Work-related credits granted to third parties shall be deemed unsecured.

Article 84. All credits related to the following items, and in the following order, shall be deemed extra-bankruptcy and shall be paid before the credits referred to in Article 83 hereof:

- I. Remunerations due to trustee and his assistants, and credits arising from labor legislation or from work-related injuries as related to services provided after abridgment of bankruptcy;
- II. Amounts provided to the estate by creditors;
- III. Product delivery and asset settlement, administration, and revenue expenses, as well as bankruptcy process costs;
- IV. Judicial costs related to actions and executions where the bankrupt estate was defeated;
- V. Obligations arising from valid legal acts performed during the judicial reorganization, under Article 67 hereof, or after bankruptcy abridgment, as well as taxes related to triggering events occurred after bankruptcy abridgment under the order set out in Article 83 hereof.

Section III. The Restitution Request

Article 85. The owner of an asset collected in the bankruptcy process or found to be held by the debtor on the date of bankruptcy abridgment may request the restitution of such asset.

Sole paragraph. Restitution can also be requested for credit-based sale of asset delivered to debtor in the 15

days prior to bankruptcy request, if not yet disposed.

Article 86. The restitution shall be made in cash:

- I. If the asset no longer exists when restitution is requested, in which case petitioner shall receive the asset's assessed value or the respective price if the asset was sold, as per updated amount in both cases;
- II. When debtor receives any advance amounts in Brazilian currency arising from export exchange agreements under Article 75, Paragraphs 3 and 4 of the Statute #4,728, of July 14, 1965, if the total term of the operation, including any extensions, does not exceed the term provisioned in specific competent authority rules;
- III. When debtor receives any amounts from bona fide contractors in the event of agreement revocation or ineffectiveness under Article 136 hereof.

Sole paragraph. All restitutions under this Article shall not be completed before the payment provisioned in Article 151 hereof is made.

Article 87. The restitution request shall be substantiated and shall list the property claimed.

Paragraph 1. The court shall determine that such request be separately attached to its supporting documents and shall serve the bankrupt, the Committee, the creditors and the trustee to file their answers no later than 5 days, which is a counterargument to any restitution challenge.

Paragraph 2. After request is challenged and any proof request if approved, the court shall assign a hearing and trial, if applicable.

Paragraph 3. When there is no proof to be offered, the case file shall be filed with the court for sentencing.

Article 88. The sentence acknowledging the petitioner's right shall determine the delivery of the property within 48 hours.

Sole paragraph. If not challenge is filed, the estate shall not be sentenced to pay legal fees.

Article 89. The sentence rejecting the restitution, where applicable, shall include the petitioner in the general list of creditors, as per the classification which they are entitled, under this Statute.

Article 90. The sentence to dismiss the claim for restitution may be appealed without stay of effect.

Sole paragraph. The refund petitioner seeking to receive the asset or the amount claimed before the final and unappealable judgment shall provide security.

Article 91. The restitution request shall stay the availability of the property up to the final and unappealable judgment.

Sole paragraph. When there are many petitioners to be paid in cash and there is not enough balance for full payment, an apportionment between such petitioners shall be made.

Article 92. A petitioner who has been successful in his

request shall reimburse the estate or whoever bore conservation expenses of the claimed property.

Article 93. Where a restitution request is not applicable, creditors are entitled to file third-party motions, subject to civil procedural laws.

Section IV. The Procedure for Abridgment of Bankruptcy

Article 94. The bankruptcy of debtors who engage into the following actions shall be adjudged:

- I. without a relevant reason under the law does not pay on the due date a liquidated obligation materialized under a protested execution instrument or instruments, the sum of which exceeds the equivalent to 40 minimum wages on the bankruptcy filing date;
- II. executed for any liquidated amount, does not pay, does not deposit and does not appoint sufficient assets for attachment within the legal term;
- III. engages into any of the following actions unless debtor is an integral part of the judicial reorganization:
 - a) proceeds to early settlement of their assets or uses ruinous or fraudulent means to make payments;
 - b) performs or by unequivocal acts, attempts to perform, in order to protract payments or defraud creditors, a simulated business deal or disposal of part or all of their assets to a third party, whether creditor or not;
 - c) transfers place of business to a third party, whether creditor or not, without the consent of all creditors and without keeping sufficient assets to discharge their liabilities;
 - d) simulates the transfer of their principal place of business in order to circumvent the law or surveillance or to harm creditor;
 - e) gives or strengthens guarantee to creditor for prior debt without getting enough free and clear assets to discharge their liabilities;
 - f) is absent without leaving a qualified representative and sufficient resources to pay creditors, abandons property or tries to hide from their home, place of head office or principal place of business;
 - g) fails to comply within the prescribed period with an obligation undertaken in the judicial reorganization plan.

Paragraph 1. Creditors may form a joinder in order to make up the minimum threshold to file a bankruptcy based on subsection I of the main section of this Article.
Paragraph 2. However liquidated, unclaimable credits do not legitimize a bankruptcy filing.

Paragraph 3. In the event of subsection I of this Article, the bankruptcy filing shall be accompanied by execution instruments under the sole paragraph of Article 9 hereof along, in any case, with their protest

tools for bankruptcy purpose under specific legislation.
Paragraph 4. In the event of subsection II of this Article, the bankruptcy filing shall be accompanied by a certificate issued by the court where such execution is processed.

Paragraph 5. In event of subsection III of this Article, the bankruptcy filing shall list the facts that characterize it, while attaching all existing evidence and specifying those to be produced.

Article 95. Within the challenge term, the debtor may request its judicial reorganization.

Article 96. Bankruptcy requested as based on Article 94, subsection I of the main section hereof shall not be ordered if the defendant proves:

- I. falsehood of instrument;
- II. limitation;
- III. nullity of obligation or title;
- IV. payment of debt;
- V. any other factor that extinguishes or stays the obligation or does not legitimate execution collection;
- V. defect in protest or in its instrument;
- VII. submittal of judicial reorganization filing within the appeal term, subject to the provisions of Article 51 hereof;
- VIII. cessation of business activities more than two (2) years prior to the bankruptcy filing, evidenced by a proper document of the Board of Trade, which shall not prevail against evidence of performance after the recorded act.

Paragraph 1. Business corporations whose assets or probate estate were settled and shared shall not be abridged bankruptcy after one (1) year of debtor's death.

Paragraph 2. Defenses provisioned in items I-VI of this Article shall not prevent the declaration of bankruptcy if, at the end, there are obligations not affected by the defenses in amounts exceeding the limit prescribed in that instrument.

Article 97. Debtor's bankruptcy can be requested by:

- I. The debtor himself, under Articles 105-107 hereof.
- II. the surviving spouse, any heir of the debtor or the executor;
- III. the stockholder or shareholder of the debtor under the law or the articles of incorporation of the company
- IV. any creditor.

Paragraph 1. The entrepreneur-creditor shall submit a certificate from the Board of Trade to prove the regularity of his business.

Paragraph 2. The creditor who is not domiciled in Brazil must provide security for the costs and the payment of compensation under Article 101 hereof.

Article 98. After being served, the debtor may file a

defense within 10 days.

Sole paragraph. For filings based on items I and II of the main section of Article 94 hereof, the debtor may, within the defense term, deposit the amount corresponding to the total credit plus indexation, interest and legal fees, in which case the bankruptcy shall not be abridged and, if the bankruptcy filing is upheld, the court shall order the raise of the amount by the plaintiff.

Article 99. The court decision ruling the debtor's bankruptcy shall, including additional determinations:

I. include a summary of the application, the identification of the bankrupt and the names of respective managers;

II. fix the legal term of bankruptcy, which cannot be dated back for more than ninety (90) days from bankruptcy filing, the bankruptcy request or 1st (first) protest for default, excluding for this purpose the protests that have been canceled;

III. order the bankrupt to submit, no later than five (5) days, a nominal list of creditors, including address, amount, nature and rating of their credits if such list is no longer in the case file, under penalty of disobedience;

IV. clarify the term for the credit qualifications, subject to the provisions of Paragraph 1 of Article 7 hereof;

V. order the stay of all actions or actions against the bankrupt, except in the cases provisioned in Paragraphs 1 and 2 of Article 6 hereof;

VI. prohibit the practice of any act of disposal or encumbrance of the bankrupt's assets while preliminary submitting to the judicial authorization and to the Committee, if any, except for the goods whose sale is part of regular debtor's business if authorized for temporary continuation under subsection XI of the main section of this Article.

VII. determine the steps necessary to safeguard the interests of the parties involved, and may order the detention of the bankrupt or his administrators when required on the grounds of evidence of crime practice under this Statute;

VIII. order the Board of Trade to proceed with the record of debtor's bankruptcy, so the "Bankrupt" phrase, the date of the bankruptcy adjudication and disqualification referred to in Article 102 hereof appear thereafter;

IX. appoint the trustee, who shall perform his duties under subsection III of the main section of Article 22 hereof, subject to the provisions of subsection a of subsection II of the main section of Article 35 hereof;

X. determine the dispatch of letters to public bodies and agencies and other entities to report the existence of assets and rights of the bankrupt;

XI. take a decision regarding the provisional continuation of the bankrupt's business with the trustee or sealing of the premises, subject to the provisions of Article 109 hereof;

XII. determine, where deemed appropriate, the call of the general meeting of creditors for the establishment of the Creditors' Committee, and may authorize the maintenance of possibly operating Committee in the judicial reorganization when the bankruptcy is abridged;

V. serve the Public Prosecutor's Office a summons and a written notice to the Federal Public Treasuries and all States and Municipalities where debtor is established so debtor is aware of bankruptcy.

Sole paragraph. The judge shall order the publication of a public notice including the full text of the decision that decrees bankruptcy and the list of creditors.

Article 100. The decision that decrees bankruptcy and the decision that rules the rejection of the filing can be appealed.

Article 101. Anyone petitioning maliciously for another's bankruptcy shall be sentenced, under the decision that dismisses the petition, to indemnify the debtor, loss and damages in the decision settlement.

Paragraph 1. In the event of more than one bankruptcy filing, those who engage into the conducts established in the main section of this Article are jointly liable.

Paragraph 2. Any damaged third party may claim compensation from obligors via an independent lawsuit.

Section V. The Business Disqualification and Bankrupt's Rights and Obligations

Article 102. The bankrupt is disqualified to engage in any business activities from the declaration of bankruptcy and until the decision extinguishing his obligations, subject to the provisions of Paragraph 1 of Article 181 hereof.

Sole paragraph. After the disqualification period, the bankrupt may request the bankruptcy court to proceed to due entry in relevant record.

Article 103. Since the declaration of bankruptcy or sequestration, the debtor loses the right to manage his property or dispose of them.

Sole paragraph. The bankrupt may, however, monitor the administration of bankruptcy, request the necessary steps for the preservation of his rights or collected goods and intervene in cases where the bankrupt is a party or stakeholder, requiring what is right and filing applicable appeals.

Article 104. The bankruptcy abridgment requires the bankrupt to comply with the following duties:

I. execute the attendance term in the case file, if cited

in the decision, including the name, nationality, marital status, full address of the domicile, while stating in said term:

- a) the determinants of his bankruptcy, when required by creditors;
- b) in the case of a company, the names and addresses of all shareholders, controlling shareholders, directors or officers, with the articles of association or bylaws and proof of their registration as well as their amendments;
- c) the name of the accountant in charge of the bookkeeping of the required books;
- d) any powers of attorney he has granted, stating the object and the name and address of the attorney in fact;
- e) his property and assets that are not in the premises;
- f) if he is a partner of additional companies, providing the respective agreement;
- g) his bank accounts, investments, financial instruments under collection and ongoing proceedings in which he is a plaintiff or defendant;
- II. upon execution of the attendance term, make a public registry of required books which shall be delivered to the trustee, after being closed as per the terms signed by the court;
- III. not to leave the place where bankruptcy is proceeded without due reason and specific communication to the court, and without appointing a solicitor, under the penalties established in the law
- IV. attend all the bankruptcy acts and may be represented by an attorney, if his presence is essential;
- V. deliver without delay all goods, books, papers and documents to the trustee, listing third parties' goods that he may have held, for collection purpose;
- VI. provide the information required by the court, trustee, creditor or Public Prosecutor's Office on circumstances and facts of interest to bankruptcy;
- VII. assist the trustee with care and promptness;
- VIII. examine the submitted credit qualifications;
- IX. assist the preparation, verification of the balance sheet and the examination of the books;
- X. answer whenever determined by the court;
- XI. provide, within the period prescribed by the court, his creditors list;
- XII. review and give an opinion on the judicial trustee's accounts.

Sole paragraph. If the bankrupt fails to comply with any of the duties enforced in this Statute after being served by the court, he shall be prosecuted for disobedience.

Section VI. The Bankruptcy Filed by the Debtor Himself

Article 105. Debtors found to be in financial and

economic crisis who deems he shall not meet the requirements to plead his bankruptcy should file his bankruptcy to court, stating the reasons for failure to carry out further business activities, accompanied by the following documents:

- I. all financial statements covering the last three accounting years and all statements obtained to substantiate the filing, as prepared while strictly complying with applicable company laws and compulsorily including:
 - a) balance sheet;
 - b) accrued profitability analysis;
 - c) accrued profitability analysis since the last accounting year;
 - d) cash flow report;
- II. nominal list of creditors, including address, amount, nature and relevant credit rating;
- III. list of the assets and rights that make up the assets, including their estimated value and documents proving ownership;
- IV. proof of entrepreneur status, articles of association or bylaws in force or otherwise a list of partners, their addresses and private assets;
- V. the required accounting books and documents under the law;
- VI. list of officers in the last five (5) years, including their addresses, their positions and corporate interest.

Article 106. If the filing is not duly supported by documents, the court shall determine its amendment.

Article 107. The decision abridging debtor's bankruptcy shall be made under Article 99 hereof. Sole paragraph. Upon bankrupt abridgment, all the provisions relating to bankruptcy filed by the persons referred to in sections II- IV of the main section of Article 97 hereof shall apply.

Section VII. Storage and Custody of the Goods

Article 108. Subsequently to executing the term of agreement, the trustee shall collect the goods and documents and evaluate the assets, separately or collectively, in the place where they are, and shall request that the court take the necessary measures for these purposes;

Paragraph 1. The collected goods shall be under the custody of the trustee or person of his choice under the trustee's responsibility, and the bankrupt or any of its representatives may be appointed custodian of the assets.

Paragraph 2. The bankrupt may accompany both collection and evaluation.

Paragraph 3. The product of the property pledged or otherwise seized shall join the estate and the court may request by letter rogatory, upon the trustee's request,

that the competent authorities deliver such product.
Paragraph 4. Any non-attachable and non-executable goods shall not be collected.

Paragraph 5. Even if the property subject to the unsecured credit is evaluated collectively, it shall be evaluated separately for the purpose of Paragraph 1 of Article 83 hereof.

Article 109. The premises shall be sealed whenever there is a risk for the execution of the collection stage or for the preservation of the assets of the bankrupt estate or the interests of creditors.

Article 110. The notice of collection, consisting of the inventory and the respective property assessment report, shall be signed by the trustee, the bankrupt or their representatives and others who assist or witness the act. When it is impossible to assess the assets at the time of collection, the trustee shall request the court to grant a term for submittal of the evaluation report, which may not exceed thirty (30) days from the submittal of the notice of collection.

Paragraph 2. The following items shall be included in the inventory:

I. all required, auxiliary and optional debtor's books while stating their status, number and name, carried pages, date of bookkeeping start and the latest record, and if the required books meet legal requirements;

II. money, papers, debenture bonds, documents and additional property of the bankrupt estate;

III. bankrupt estate's property being held by third parties for safekeeping, storage, pledge or withholding purposes;

IV. any property listed as third party's property or claimed by such third party, in which case the information must be recorded.

Paragraph 3. Whenever possible, the property referred to in Paragraph 2 of this Article shall be identified on a case-by-case basis.

Paragraph 4. Regarding real estate, the trustee, within fifteen (15) days after its collection, shall submit registration certificates extracted after the bankruptcy abridgment, and include all relevant information.

Article 111. The court may authorize the creditors, individually or collectively, because of the costs and to the best interest of the bankrupt estate, to purchase or award immediately the goods collected, for the assessed value, once the ranking and preference rule between them is met, after the Committee is consulted.

Article 112. The collected property shall be removed if it requires better storage and safekeeping, in which case it shall remain stored under the responsibility of the trustee upon commitment.

Article 113. Any property found to be perishable, damageable, subject to considerable devaluation or whose conservation is risky or costly may be sold in advance, after collection and evaluation, upon judicial authorization, after the Committee and the bankrupt are consulted within 48 (forty-eight) hours.

Article 114. The trustee may rent or enter into another agreement concerning the assets of the bankrupt estate, with the purpose of producing income for the bankrupt estate, with the Committee's permission.

Paragraph 1. The agreement provisioned in the main section of this Article does not create any preemptive rights to purchase and can not cause full or partial disposition of property

Paragraph 2. The property object of the agreement can be sold at any time, regardless of the contracted term, and the agreement entered into shall be terminated without entitlement to fine unless there is consent of the buyer.

Section VIII. The Effects of Bankruptcy Abridgment on Debtor's Obligations

Article 115. All creditors are subject to the bankruptcy abridgment and they cannot exercise their rights over the assets of the bankrupt and the fully liable partner unless as provided in this Statute.

Article 116. The bankruptcy abridgment stays:

I. the exercise of the right to withhold the goods subject to the collection, which shall be delivered to the trustee

II. The exercise of the right to withdraw or receive the value of their stocks or shares by the partners of the bankrupt company.

Article 117. Bilateral contracts are not terminated by the bankruptcy and may be fulfilled by the trustee if such fulfillment reduces or prevents bankruptcy liability increase, or if it is necessary for the maintenance and preservation of his assets, with the Committee's permission.

Paragraph 1. The client may question the trustee, within a period of ninety (90) days after execution of the term of his appointment, so that, within ten (10) days, the client states whether or not it shall fulfill the agreement.

Paragraph 2. Upon trustee's rejection or silence, the client is entitled to compensation, the amount of which, as calculated in an ordinary proceedings, is an unsecured credit.

Article 118. The trustee, by Committee authorization, may provide for performance of a unilateral contract if such fact reduces or prevents an increase in the liabilities of the

bankrupt estate or is necessary to maintain and preserve its assets, making payment of the consideration to which it is bound.

Article 119. In the contractual relations mentioned below, the following rules shall prevail:

I. The seller cannot block delivery of the items shipped to the debtor and still in transit if prior to the petition in bankruptcy the purchaser had resold them, without fraud, as shown on the invoices and bills of lading delivered or remitted by the seller;

II. If the debtor sold compound property and the trustee decides to no longer perform the contract, the buyer may make any received property available to the bankrupt estate and claim for damages;

III. If the debtor did not deliver any assets or provide services he sold or hired upon payment in installments, and if the trustee decides to no longer perform the contract, the credit relating to any amount paid shall be qualified as per respective ranking;

IV. The trustee, by Committee authorization, shall return any assets purchased by the debtor with seller's reserve of ownership if the trustee decides to no longer perform the contract, while demanding the return of any amounts paid under the contract.

V. In the case of properties listed on the stock exchange or market that are sold under repurchase agreements, and when the contract is not performed by the actual delivery of such properties or price payment, the difference between the contract day rate and the settlement time on the stock exchange or market shall be paid;

VI. In the promise of sale of real estate, the specific laws shall apply;

VII. The bankruptcy of the lessor does not terminate the lease agreement and, in the bankruptcy of the lessee, the trustee may at any time terminate the agreement;

VIII. In the event of a deal for clearing and settlement of obligations under the national financial system, under current legislation, the non bankrupt party may consider that the contract is due in advance, in which case it shall be settled as per established by regulation, assuming the compensation of any credit that may be determined in favor of the bankrupt with credits held by the client.

IX. Segregated properties, constituted to meet a specific purpose, shall comply with the provisions of the respective law, the assets, rights, and obligations thereof continuing to be separate from those of the bankrupt until the advent of the respective term or until its purpose has been accomplished, when the trustee shall raise the balance in favor of the bankrupt estate or include all remaining credits in their appropriate ranking.

Article 120. The mandate given by the debtor before the bankruptcy for business conduction shall cease its effects upon bankruptcy abridgment, and the attorney in fact may provide accountability accordingly.

Paragraph 1. The mandate for legal representation of the debtor remains in effect until expressly revoked by the trustee.

Paragraph 2. All mandates or commissions that the bankrupt received before the bankruptcy, except for those that deal with foreign matter to business activity.

Article 121. All checking accounts including the debtor are considered closed at the time of declaration of bankruptcy, upon verification of respective balance.

Article 122. All of debtor's debts due up to bankruptcy abridgment day shall be settled before all other creditors', whether or not deriving from the bankruptcy adjudication, under the civil law.

Sole paragraph. The following items are not to be settled:

I. Credits transferred after bankruptcy adjudication, except in case of succession by merger, incorporation, spin-off or death; or

II. Credits, however due, transferred when the debtor's economic and financial condition is known or whose transfer was fraudulent or felonious.

Article 123. If the bankrupt is part of any society as a limited partner or shareholder, only the assets owned by such bankrupt and ascertained under agreement or bylaws shall form the bankrupt estate.

Paragraph 1. If the agreement or the bylaws do not so provision, the determination shall be made in court unless, by law, by contract or statute, the company has to be liquidated, in which case the assets of the bankrupt shall not form the bankrupt estate before the payment of all company liabilities.

Paragraph 2. In the case of indivisible condominia the bankrupt is part of, the property shall be sold and all values due to other co-owners shall be deducted from the amount collected, and the latter may purchase the bankrupt's share under the best proposal obtained.

Article 124. Interest due after bankruptcy adjudication does not apply to the bankrupt estate as provided in law or agreement if the asset ascertained is unable to cover payment of subordinate creditors.

Sole paragraph. Exceptions include interest on debentures and unsecured credits, but the product of the assets constituting the collateral are exclusively liable for such exceptions.

Article 125. In the event of bankruptcy of the probate estate the inventory process is stayed, and the trustee may carry out pending actions regarding the rights and obligations of the bankrupt estate

Article 126. In property relations not expressly regulated in this Statute, the court shall hear the case in view of the unity, universality of competition and equal treatment of creditors, subject to the provisions of Article 75 hereof.

Article 127. The creditor of severally joint obligors whose bankruptcies are adjudicated has the right to dispute all of the credit he is entitled to, for each bankruptcy adjudicated, until it is received in full, when the court shall be notified.

Paragraph 1. The provisions in this Article shall not apply to any bankrupt whose obligations have been dismissed by court decision, under Article 159 hereof.

Paragraph 2. If the creditor is paid in full by one or several joint obligor estates, all those joint obligor estates that have paid is entitled to a regressive claim against the others in proportion to the part they paid and were entitled to.

Paragraph 3. If the sum of the amounts paid to the creditor in all joint obligor estates exceed the total of credit, such amount shall be returned to the estates in the proportion established in Paragraph 2 of this Article.

Paragraph 4. If the joint obligors were each other's guarantors, the excess referred to in Paragraph 3 of this Article shall belong to the joint obligors' estates that have the right to be guaranteed, according to the order of the obligations.

Article 128. Solvent joint obligors and the guarantors of the debtor or of the fully liable partners may qualify the corresponding credit to amounts paid or payable if the creditor does not qualify within the legal term.

Section IX. The Ineffectiveness and Revocation of Acts Performed before the Bankruptcy

Article 129. The following is ineffective in respect of the bankrupt estate, regardless of the client's knowing the debtor's economic and financial crisis status and intending to fraud creditors:

- I. The payment of debts not due made by the debtor within the legal term, by any means dismissing the right to credit, albeit discounted through debtor's own instrument;
- II. The payment of due and payable debts held within the legal term, in any way other than that provided for by the agreement;
- III. The establishment of security right in rem, including the retention within the legal term in the case of previously contracted debt; if the assets provided as mortgage are subject to additional mortgages later, the bankrupt estate shall receive the part that should be under the creditor of the revoked mortgage's responsibility;

IV. The performance of free acts, from two (2) years before the bankruptcy adjudication;

IV. The waiver to heritage or legacy, from two (2) years before the bankruptcy adjudication;

VI. Sale or transfer of premises made without the express consent or payment of all then-existing creditors, when debtor is not left with sufficient assets to discharge his liabilities unless, within thirty (30) days, there is no opposition from creditors, after being duly notified by court or by the registry of deeds and documents' officer;

VII. Burdensome or free registration of rights in rem and transfer of property between living natural persons or registration in respect of real estate made after bankruptcy adjudication, unless a prior property registry exists.

Sole paragraph. The ineffectiveness can be declared ex officio by the court or otherwise claimed in defense or sought via a proper action, or incidentally throughout the process.

Article 130. Acts performed with intent to harm creditors are revocable, if the fraudulent collusion between the debtor and the contracting third party and the actual loss suffered by the bankrupt estate are proven.

Article 131. None of the acts referred to in items I-III and VI of Article 129 hereof that have been provisioned and carried out as defined in the judicial reorganization plan shall be declared ineffective or revoked.

Article 132. The Revocation Action referred to in Article 130 hereof shall be proposed by the trustee, by any creditor or the Public Prosecutor's Office within the three (3) years after the bankruptcy adjudication.

Article 133. The Revocation Action can be brought:

- I. against all those who participated in the act or were paid, guaranteed or benefited due to it;
- II. against third party purchasers who became aware of the debtor's intention to harm creditors when the right was created;
- III. against heirs or legatees or the persons established in subsections I and II of the main section of this Article.

Article 134. The Revocation Action shall be prosecuted in a bankruptcy court and shall follow the ordinary procedure under Statute #5,869 of January 11, 1973 - Civil Proceedings Code.

http://www.planalto.gov.br/ccivil_03/LEIS/L5869.htm

Article 135. The decision upholding the revocation action shall determine that the property return to the bankrupt estate in cash, including all accessories, or market value plus damages.

Sole paragraph. The decision can be appealed.

Article 136. Upon revocation action's acknowledgment of inefficacy or upholding decision, the parties shall resume their prior status and the

bona fide client is entitled to restitution of assets and amounts given to debtor.

Paragraph 1. In the event of the debtor's credit securitization, it shall not be declared ineffective or revoked the act of sale to the detriment of the rights of holders of securities issued by the securitizer.

Paragraph 2. The bona fide third party is entitled to bring an action for damages against the debtor or his guarantors at all times.

Article 137. The court may order, upon the revocation action's petitioner's request, as a preventive measure in the form of civil procedural law, the sequestration of the property taken from the debtor's assets held by third parties.

Article 138. The act can be declared ineffective or revoked, although practiced on the basis of a court decision, subject to the provisions of Article 131 hereof. Sole paragraph. Upon revocation of the act or declaration of inefficacy, the decision that substantiated it is terminated.

Section X. The Settlement of the Asset

Article 139. Soon after property collection and the respective attachment of proceedings to the bankruptcy process, the settlement of assets shall commence.

Article 140. The sale of the assets shall be held in one of two ways, according to the following order of preference:

- I. Disposal of company, including the sale of its properties collectively;
- II. Disposal of company, including the sale of its subsidiaries or productive units in isolation;
- III. Collective disposal of assets that are part of each of debtor's premises;
- IV. Individual disposal of assets.

Paragraph 1. If it suits the settlement of assets, or due to chance more than one form of disposal can be taken.

Paragraph 2. The asset settlement shall commence regardless of the formation of the general list of creditors.

Paragraph 3. The object of disposal of the company shall be the set of certain assets required for the profitable operation of the manufacturing plant, which may include the transfer of specific contracts.

Paragraph 4. The disposal of goods sold under this article that pend public record, the respective warrant is a sufficient purchase power.

Article 141. In joint or separate disposal of assets, including the company or its subsidiaries, performed under any of the forms mentioned in this Article:

- I. all creditors, subject to the preference order defined

in Article 83 hereof take on the product of the settlement of assets;

II. the object of the disposal shall be free of any encumbrance and the winning bidder shall not succeed in the debtor's obligations, including tax-related obligations, labor-related obligations and occupation injury-related obligations.

Paragraph 1. The provisions of subsection II of this Article does not apply if the bidder is:

- I. partner of the bankrupt company or of a company controlled by the bankrupt;
- II. relative or kin in direct or collateral line to the 4th (fourth) level of the bankrupt or partner of the bankrupt; or
- III. identified as bankrupt's agent aiming to defraud the succession.

Paragraph 2. Debtor's employees hired by the winning bidder shall be allowed upon new labor contracts and the winning bidder is not liable for obligations under the previous contract.

Article 142. The court, after hearing the trustee and given the Committee's guidance, if any, shall order the sale of the asset in one of the following ways:

- I. auction, by oral bids;
- II. sealed proposals;
- III. trading.

Paragraph 1. The performance of disposal in any of the methods mentioned in this Article shall be preceded by a fifteen (15) day prior notice in a newspaper of wide circulation in the case of real properties, and thirty (30) days company or real estate disposal, provided the disclosure by other means that contribute to the extensive knowledge of the sale.

Paragraph 2. The disposal shall be made by the value offered, even if it is lower than the assessed value.

Paragraph 3. In auctions by oral bids, where applicable, the provisions of Statute #5,869 of January 11, 1973 - Civil Proceedings Code - apply.

Paragraph 4. The disposal by sealed bids shall take place upon notarized and executed delivery of sealed envelopes to be opened by the court on the day, time and place designated in the notice, and the clerk shall write the respective bill signed by those present, also attaching the proposals to the case of the bankruptcy.

Paragraph 5. The sale by trading is a hybrid, 2-step method:

- I. receipt of proposals, under Paragraph 3 of this Article;
- II. auction by oral bidding, where only those who submit proposals not less than 90% (ninety percent) of the highest offered proposal shall participate, under Paragraph 2 of this Article.

Paragraph 6. The sales by trading shall follow the

below rules:

I. after the proposals are received and opened in under Paragraph 5 of this Article, the court shall order the notification of the bidders whose proposals meet the requirement of subsection II in order to attend the auction;

II. the auction opening value shall be the value of the proposal received from the highest bidder and such value shall be taken as the bid, to which the auction is bound;

III. if the bidder offering the highest value does not attend the auction and a bid at or above the value he offered is not made, he is obliged to pay the difference found, and the respective court certificate is an enforceable instrument for the reorganization of values by the trustee.

Paragraph 7. In any method of disposal, the Public Prosecutor's Office shall be served in person, under penalty of nullity.

Article 143. In any of the disposal methods referred to in Article 142 hereof, appeals may be submitted by any creditor, the debtor or the Public Prosecutor's Office, within 48 (forty eight) hours of the auction, in which case the records shall be forwarded to the court who, within five (5) days, shall hear the appeals and, if they are rule unfounded, to order the delivery of goods to the winning bidder, subject to the conditions set out in the public notice.

Article 144. Upon substantiated rationale from trustee or the Committee, the court may authorize several judicial disposal methods provisioned in Article 142 hereof.

Article 145. The court shall approve any other type of asset settlement, if approved by the general meeting of creditors, including the establishment of company creditors or employees of the debtor himself, with the participation, if necessary, of the current partners or third parties.

Paragraph 1. The provisions of Article 141 hereof apply to the company referred to in this Article.

Paragraph 2. In the case of incorporation of a company formed by employees of the debtor himself, they may use derivative credit of labor legislation for the purchase or lease of the company.

Paragraph 3. If an alternative asset settlement proposal is not approved by the general meeting, it shall be up to the court to decide how it shall be adopted, taking into account the trustee and the Committee's answers.

Article 146. In any modality of asset realization adopted, the bankrupt estate is not required to submit clearance certificates.

Article 147. The amounts received in any capacity are immediately deposited in interest bearing account

with a financial institution, upon fulfillment of legal requirements or judicial organization standards.

Article 148. In the report referred to on line p of subsection III of Article 22 hereof, the trustee shall report any amounts received in the month overdue, explaining the delivery method among creditors, subject to the provisions of Article 149 hereof.

Section XI. The Payment to Creditors

Article 149. After performing the restitutions, paying the extra-bankruptcy credits in Article 84 hereof, and consolidating the general list of creditors, the amounts received with the settlement of the assets shall be used to pay the creditors, given the provisions in the Article. 83 of this Act, subject to additional provisions hereof and the judicial decisions determining reservation of amounts.

Paragraph 1. Upon acknowledgment of reservation of amounts, the amounts relating thereto shall be deposited up to the final credit judgment and, if such credit not this finally acknowledged, in whole or in part, the deposited funds shall be subject to additional apportionment between the remaining creditors.

Paragraph 2. Creditors who fail to survey the values that they are entitled to in the apportionment within the time allowed by the court shall be ordered to do so within sixty (60) days, after which the funds shall be subject to additional apportionment between the remaining creditors.

Article 150. Expenditures whose advance payment is indispensable to the administration of bankruptcy, including the possibility of provisional continuation of the activities set forth in subsection XI of the main section of Article 99 hereof shall be paid by the trustee as per cashflow availability.

Article 151. Labor credits of strictly salary nature due in three (3) months preceding the adjudication of bankruptcy, up to five (5) minimum wages per employee, shall be paid as soon as there is availability of cash.

Article 152. The creditors shall return twice all amounts received, plus statutory interest, if willful misconduct or bad faith is evidenced in the constitution of credit or guarantee.

Article 153. The balance, if any, shall be delivered to the bankrupt after all creditors are paid.

Section XII. The Termination of Bankruptcy and Dismissal of The Bankrupt's Obligations

Article 154. After settlement of all assets and delivery of the product among the creditors, the trustee shall submit his accounts report to the court within thirty

(30) days.

Paragraph 1. The accounts, accompanied by supporting documents, shall be provided in separate case files which shall be attached to the bankruptcy records.

Paragraph 2. The court shall order the publication of a notice that the accounts have been delivered and are available to interested parties who may challenge them within 10 (ten) days.

Paragraph 3. After the period of notice passed and the necessary steps to investigate the facts was taken, the court shall serve the Public Prosecutor's Office to file an answer within 5 (five) days, after which the trustee shall be heard once there is an objection or negative opinion of the Public Prosecutor's Office.

Paragraph 4. After compliance with the measures provisioned in paragraphs 2 and 3 of this Article, the court shall hear the accounts.

Paragraph 5. The decision to reject the trustee's accounts shall determine their responsibilities, may determine the unavailability or sequestration of assets and shall serve as executive title for the mass compensation.

Paragraph 6. The decision can be appealed.

Article 155. After the trustee's accounts are heard, he shall provide the final bankruptcy report within ten (10) days, indicating the value of the asset and the result of its settlement, the value of liabilities and payments made to creditors, and specify all liabilities that the bankrupt will be bound to, including rationale.

Article 156. Upon submittal of the final report, the court will terminate the bankruptcy via decision.

Sole paragraph. The termination decision shall be published by public notice and it can be appealed.

Article 157. The statutory term on the bankrupt's obligations commence on the day the bankruptcy decision is final and unappealable.

Article 158. The items below dismiss the bankrupt's obligations:

I. payment to all creditors;

II. payment, after undertaking all assets, of more than 50% (fifty percent) of the unsecured credits, and the bankrupt may deposit of the amount required to achieve this percentage to if the full settlement of the asset was not enough;

III. the lapse of five (5) years from termination of the bankruptcy if the bankrupt has not been convicted for committing a crime under this Statute;

III. the lapse of five (10) years from termination of the bankruptcy if the bankrupt has been convicted for committing a crime under this Statute;

Article 159. If any of the cases in Article 158 hereof, the bankrupt may require the bankruptcy court to dismiss his obligations by decision.

Paragraph 1. The request shall be attached to the relevant documents and published by public notice in the official gazette and in a widely circulated newspaper.

Paragraph 2. Within thirty (30) days of publication of public notice, any creditor may object to the bankrupt's request.

Paragraph 3. After the deadline, the judge in five (5) days, shall render judgment and, if the application is prior to the end of bankruptcy, dismiss the obligations in the termination decision.

Paragraph 4. The decision dismissing the obligations shall be communicated to all persons and entities listed in the bankruptcy abridgment.

Paragraph 5. The decision can be appealed.

Paragraph 6. After the decision is made final and unappealable, the records will be attached to the bankruptcy case file.

Article 160. Upon termination or extinction of the obligations under this Statute, the unlimited liability partner may also request that his obligations towards the bankruptcy be declared dismissed by court order.

CHAPTER VI. THE EXTRAJUDICIAL RECOVERY

Article 161. A debtor who meets the requirements of Article 48 hereof may submit and negotiate an extrajudicial reorganization plan with creditors.

Paragraph 1. The provisions of this Chapter do not apply the holders of tax credits, derived from labor legislation or resulting from occupational injuries, as well as those set forth in Articles 49, Paragraph 3, and 86, subsection II of the main section hereof.

Paragraph 2. The plan may not include the advanced payment of debt or unfavorable treatment to creditors not subject to such plan.

Paragraph 3. The debtor may not claim the extrajudicial plan approval, if the judicial reorganization request is pending or if the judicial reorganization or approval of another extrajudicial reorganization plan was obtained less than 2 (two) years before.

Paragraph 4. The petition for ratification of the out-of-court reorganization plan shall not entail the suspension of rights, actions or executions, or the impossibility of the petition for decree of bankruptcy by creditors not subject to the out-of-court reorganization plan.

Paragraph 5. After delivering the petition for ratification, creditors are not entitled to waive adherence to the plan, unless specifically allowed by the other signers.

Paragraph 6. The court decision granting the judicial reorganization is an exclusive judicial bond under article 584, item III of the main section of Statute #5,869 of

January 11, 1973 of the Civil Proceedings Code.

Article 162. The debtor may file for court ratification of the out-of-court reorganization plan, attaching his reasons and a document stating his terms and conditions, signed by the creditors adhering thereto.

Article 163. The debtor may further file for ratification of an out-of-court reorganization plan that binds all creditors encompassed therein, provided it is signed by creditors representing over three-fifths (3/5) of all claims of each kind encompassed therein.

Paragraph 1. The plan may encompass all of one or more kinds of claims provided for in Article 83, main Section, II, IV, V, VI and VIII, hereof, or a group of creditors of the same kind and subject to similar conditions of payment, and once ratified binds all creditors of the kinds encompassed therein, exclusively with respect to claims constituted up to the date of the petition for ratification.

Paragraph 2. For the purpose of percentage calculation under the main Section of this Article, the credits not included in the out-of-court judicial reorganization plan will not be considered, and their value or original payment conditions cannot change.

Paragraph 3. For the exclusive purpose of percentage calculation under the main Section of this Article:

- I. credits in foreign currency will be exchanged into national currency for the rate of the day before the plan was signed; and
- II. credits held by the persons listed in Article 43 hereof will not be accounted for.

Paragraph 4. Suppressing or substituting bonds for the transfer of asset object of collateral will only be allowed upon specific proof from creditor holder of the respective bond.

Paragraph 5. For credits in foreign currency, the exchange variation will be taken as the indexation parameter for the corresponding liability and will not be disregarded unless the creditor holder of the respective credit specifically approves otherwise in the judicial reorganization plan.

Paragraph 6. When ratifying the plan provisioned in this Article, along with the documents set out in the main Section of Article 162, the debtor shall attach:

- I. debtor's estate status report;
- II. accountability of the last calendar year and all information obtained to support the case, under subsection II of the main Section of Article 51 hereof; and
- III. a complete list of creditors' names, including creditors for affirmative covenant and obligatio dandi, and providing each creditor's address, nature, ranking and updated amount of credit, in addition to their origin, their respective salary regime, and the accounting record of every outstanding transaction;

Article 164. After receiving the out-of-court reorganization plan ratification under articles 162 and 163 hereof, the court shall order the publication of a notice in the official press and in a newspaper circulated nationwide or in the localities of the debtor's headquarters and branches, calling all creditors of the debtor to file their oppositions to the out-of-court reorganization plan, with due regard for Paragraph 3 of this Article.

Paragraph 1. Within the term set out in the public notice, the debtor shall prove he sent a letter to all creditors domiciled or headquartered in Brazil and subject to the plan, stating the delivery of the petition, plan conditions and challenge term.

Paragraph 2. Creditors shall have a 30-day term from publication of public notice to challenge the plan by attaching proof of credit.

Paragraph 3. In order to object to plan ratification, creditors may only state in their reply that:

- I. the minimum percentage set out in the main Section of Article 163 hereof was not met;
- II. any act provisioned in subsection III of Article 94 or Article 130 hereof was performed, or a requirement set out hereof was not met;
- III. any other legal requirement was not met.

Paragraph 4. Upon submittal of challenge, debtor has a 5-day term of provide his answers.

Paragraph 5. After the period in Paragraph 4 of this Article, the case will immediately be forwarded to court for consideration of any objections and decision-making within five (5) days about the out-of-court reorganization plan while ratifying it by sentence should the court understand that such ratification does not entail performance of acts provided for in Article 130 herein and that no other irregularities recommending its rejection exist.

Paragraph 6. Upon proof of credit simulation test or defect of representation of creditors who signed the plan, its approval will be rejected.

Paragraph 7. The decision can be appealed without stay of effects.

Paragraph 8. If the plan is not ratified, the debtor may, after the formalities have been performed, file a new petition for ratification of an out-of-court reorganization plan.

Article 165. The out-of-court reorganization plan is not to be enforced before its judicial ratification.

Paragraph 1. However, the plan may call for purposes production prior to approval, provided exclusively in relation to the change in the value or the payment of the signatory creditors.

Paragraph 2. In the case of Paragraph 1 of this Article, if the plan is later rejected by the court, the signatory creditors are again entitled to demand their credits as

per original condition, minus the amounts actually paid.

Article 166. The court will determine the execution of an approved reorganization plan requiring judicial transfer of subsidiaries or independent production units of debtor under the provisions of Article 142 hereof.

Article 167. The provisions of this Chapter do not imply the impossibility of carrying out other forms of private agreement between the debtor and his creditors.

CHAPTER VII. GENERAL PROVISIONS

Section I. Crimes Sui Generis

Fraud Against Creditors

Article 168. To practice before or after the decision to decree bankruptcy, grant judicial reorganization or endorse the out-of-court reorganization, fraudulent act that causes or may cause damage to creditors, in order to obtain or secure undue advantage for themselves or others.

Penalty – Three (3)-Six (6) years of Confinement plus fine.

Increased Penalty

Paragraph 1. Length of penalty is increased by one-sixth (1/6)-one third (1/3) if the perpetrator:

- I. drafts bookkeeping or balance with inaccurate data;
- II. omits in bookkeeping or balance a release that should be included in those, or amends a truthful bookkeeping or balance;
- III. destroys, deletes or corrupts accounting or negotiating data stored in computer or information system;
- IV. simulates shareholding breakdown;
- V. fully or partially destroys, conceals or voids mandatory bookkeeping documents.

Parallel Accounting

Paragraph 2. The penalty is increased by one third (1/3) to half if the debtor kept or handled resources or values in parallel with the accounting required by law.

Co-plaintiffs

Paragraph 3. The same penalties are levied on accountants, accounting technicians, auditors and other professionals who, in any case, jointly perform the criminal acts described in this article, to the extent of their guilt.

Decrease or substitution of penalty

Paragraph 4. In the case of bankruptcy of SMEs, and if the bankrupt is not found to practice any fraudulent conduct, the court may reduce the sentence of confinement from one third (1/3) to 2/3 (two thirds) or replace it by the restriction of rights, the loss of property and assets or the provision of services to the community or public entities.

Trade Secrets Violation

Article 169. To violate, explore or disclose, without cause, trade secrets or confidential data on

operations or services, contributing to leading the debtor to a state of economic or financial infeasibility: Penalty – Two (2)-Four (4) years of Confinement plus fine.

False Information Disclosure

Article 170. To disclose and propagate, by any means, false information on the debtor in judicial reorganization, in order to lead it to bankruptcy or take advantage therefrom:

Penalty – Two (2)-Four (4) years of Confinement plus fine. Deception

Article 171. To withhold or omit information or provide false information in the bankruptcy

proceedings, for judicial or out-of-court reorganization, in order to mislead the court, the prosecutor, the creditors, the general meeting of creditors, the Committee or the trustee:

Penalty – Two (2)-Four (4) years of Confinement plus fine.

Favoring of Creditors

Article 172. Practice before or after the decision to decree bankruptcy, grant judicial reorganization or endorse the out-of-court reorganization, an act of disposal or encumbrance of asset or obligation generator, intended to favor one or more creditors to the detriment of others:

Penalty – Two (2)-Five (5) years of Confinement plus fine.

Sole paragraph. The same penalty is enforced to a creditor acting jointly who may benefit from an act provisioned in the main Section of this Article.

Diversion, Concealment or Appropriation of Assets

Article 173. To appropriate, divert or hide assets belonging to the debtor under judicial reorganization or bankruptcy, including through the acquisition via an intermediary:

Penalty – Two (2)-Four (4) years of Confinement plus fine.

Acquisition, receipt or illegal use of assets

Article 174. To unlawfully acquire, receive, use an asset acknowledged to belong to the bankrupt estate or influence a third party, in good faith, to acquire, receive or use it:

Penalty – Two (2)-Four (4) years of Confinement plus fine.

Unlawful Credit Qualification

Article 175. To present in bankruptcy, judicial or out-of-court reorganization a list of claims, credit qualification or false claim, or otherwise join them under false or simulated purpose:

Penalty – Two (2)-Four (4) years of Confinement plus fine.

Unlawful Performance of Activities

Article 176. To perform an activity for which he was disqualified or incapacitated by court order herein:

Penalty – One (1)-Four (4) years of Confinement plus fine.

Violation of Preclusion

Article 177. If the court, the public prosecutor, the trustee, the judicial manager, the expert, the assessor,

the clerk, the bailiff or the auctioneer, by himself or through an intermediary, purchases bankrupt property or debtor bankruptcy, or in relation therefrom, indulges in some profit speculation when they have acted in the respective cases:

Penalty – Two (2)-Four (4) years of Confinement plus fine.

Omission of Mandatory Bookkeeping Documents

Article 178. To fail to prepare, notarize or authenticate before or after the decision decreeing bankruptcy, grant judicial reorganization or endorse the out-of-court reorganization plan, the mandatory bookkeeping documents:

Penalty – One (1)-Two (2) Years of Confinement plus fine if the act is not a more grave crime.

Section II. Common Provisions

Article 179. In company bankruptcy, judicial reorganization and out-of-court reorganization, their partners, directors, managers, administrators and counselors, in a de facto or de jure manner, and the trustee, are equivalent to the debtor or bankrupt for all criminal effects hereof, to the extent of their guilt.

Article 180. The decision decreeing bankruptcy, granting judicial or out-of-court reorganization pursuant to Article 163 hereof is an objective condition of enforcement of the criminal offenses described herein.

Article 181. Effects of enforcement for crimes set out herein include:

- I. disqualification to perform business activities;
- II. the preclusion to the exercise of position or function in the board of directors, board of directors or management of companies subject to this statute;
- III. the inability to manage a company by mandate or business management.

Paragraph 1. The effects of this article are not automatic and must be grounded for cause stated in the judgment, and will last up to five (5) years after the extinction of criminal liability, however it may cease before the criminal rehabilitation.

After the criminal sentence becomes final and unappealable, the Board of Trade will be notified to take the necessary measures to prevent new record on behalf of the disqualified parties.

Article 182. The limitation of the crimes provided for herein shall be governed by the provisions of Decree-Law #2,848 of December 7, 1940 - Penal Code, starting to count from the day of the decree of bankruptcy, the granting of judicial reorganization or approval of out-of-court reorganization plan.

Sole paragraph. The declaration of the debtor's bankruptcy interrupts the limitation period whose

count has started with the granting of judicial reorganization or approval of out-of-court reorganization plan.

Section III. The Criminal Proceeding

Article 183. It is for the criminal court of the jurisdiction where bankruptcy was decreed, a judicial reorganization was granted or the out-of-court reorganization plan was ratified to acknowledge the criminal action for the crimes set forth herein.

Article 184. The crimes provisioned herein takes place upon public criminal action.

Sole paragraph. If, after the period referred to in Article 187, Paragraph 1, the public prosecutor fails to file a complaint, any qualified creditor or the trustee may file a private prosecution subsidiary of the public prosecution, subject to the statutory period of six (6) months.

Article 185. Upon receipt of complaint or prosecution, the proceedings provided for in Articles 531-540 of the Decree-Law #3,689 of October 3, 1941 shall be met.

Article 186. In the report referred to in line e of section III of the main Section of Article 22 hereof, the trustee shall submit to the bankruptcy court a detailed statement considering the causes of the bankruptcy, the debtor's procedure prior and after court decision, and additional detailed information regarding the conduct of the debtor and other officials, if any, for acts that may be a crime related to judicial reorganization or bankruptcy, or other offense related thereto.

Sole paragraph. A detailed statement will be attached to the report of the accountant in charge of debtor's bookkeeping review.

Article 187. After being served of the decision that decrees bankruptcy or grants bankruptcy protection, the public prosecution, while verifying the occurrence of any offense herein, shall immediately carry out competent prosecution or, if deemed necessary, request the opening of a police investigation.

Paragraph 1. The deadline for the complaint filing shall be governed by Article 46 of Decree-Law #3,689 of October 3, 1941 - Code of Criminal Procedure, unless the Public Prosecutor, if defendant is released or bailed, decides to await the presentation of the detailed statement referred to in Article 186 hereof and shall then file the complaint within fifteen (15) days.

Paragraph 2. In any procedural stage, if any evidence of the crimes set forth herein appear, the bankruptcy or judicial or out-of-court court shall inform prosecutors.

Article 188. The provisions of the Code of Criminal Procedure apply alternatively when they do not comply with this Statute.

CHAPTER VIII. FINAL AND TRANSITORY PROVISIONS

Article 189. Where applicable, the Statute #5,869 of January 11, 1973 - Civil Proceedings Code apply to the procedures set out herein.

Article 190. Whenever this Statute refers to the debtor or bankrupt, the provision also applies to unlimited liability partners.

Article 191. Subject to the specific provisions hereof, the ordered publications shall be made preferably in the official press, and if the debtor or the bankruptcy affords, in newspaper, or regional or national magazine, as well as any other periodicals circulating throughout the country.

Sole paragraph. The publications ordered hereby shall bear the heading "judicial reorganization of", "out-of-court reorganization of" or "bankruptcy of".

Article 192. This Statute does not apply to cases of bankruptcy or previously filed for bankruptcy at the beginning of its term, which shall be completed in accordance with Decree-Law #7,661, of June 21, 1945.

Paragraph 1. It is forbidden to grant suspensive bankruptcy in ongoing bankruptcy proceedings, but the bankrupt's assets may be disposed upon completion collection, regardless of the formation of the general list of creditors and the completion of the judicial inquiry.

Paragraph 2. The existence of previous application for bankruptcy to this Law shall not preclude the application for bankruptcy by the debtor which has not breached any obligation under the concordat, sealed, however, the claim based on the special plan for bankruptcy protection for micro and small businesses referred to Section V of Chapter III of this Act.

Paragraph 3. In the case of Paragraph 2 of this article, be granted the processing of bankruptcy, the bankruptcy process will be terminated and the claims submitted to bankruptcy will be enrolled by their original value in bankruptcy, less installments paid by the concordat.

Paragraph 4. This law applies to enacted failures in its operation resulting from convolação of bankruptcies or prior bankruptcy filings, which applies to the decree, Decree-Law No. 7,661, of June 21, 1945, noted in the Decision to declare bankruptcy, the provisions of art. 99 of this Law.

Paragraph 5. The judge may authorize the rental or lease of real estate or movable in order to prevent damage, the results of which shall revert to the mass. (as included by the Complementary Statute #11,127, of 2005).

Article 193. The provisions of this Act do not affect the obligations under the chambers or providing clearing services and financial settlement, which will be finalized and settled by the camera or service in the

form of its regulations.

Article 194. The proceeds from the realization of guarantees provided by the participant of the chambers or clearing service providers and financial settlement submitted to dealing with regimes this Law, as well as bonds, securities and any other assets compensation objects or settlement will be used the settlement of obligations under the cameras or service providers.

Article 195. A declaration of bankruptcy of utilities implies termination of the concession, according to the law.

Article 196. Boards of Trade shall maintain free public database available on the World Wide Web, containing a list of all bankrupts or bankruptcy debtors.

Sole paragraph. Boards of Trade shall foster the integration of their databases nationwide.

Article 197. Pending their specific laws passed, this Act applies in the alternative, where appropriate, to the arrangements in Decree-Law N° 73 of 21 November 1966, in Law 6,024 of March 13, 1974, in Decree-Law N° 2,321, of February 25, 1987, and Law 9514 of November 20, 1997.

Article 198. Debtors prohibited to apply for bankruptcy under the specific legislation on the date of publication of this Law shall be prohibited to require judicial or extrajudicial reorganization under this Act.

Article 199. Not apply the provisions of art. 198 of the Law on companies referred to in art. 187 of Law 7,565 of December 19, 1986.

Sole paragraph. In bankruptcy and bankruptcy of the companies mentioned in this article, in no event shall be suspended exercise of rights deriving from leasing contracts for aircraft or its parts.

Paragraph 1. In bankruptcy and bankruptcy of the companies mentioned in this article, in no event shall be suspended exercise of rights derived from leasing contracts, leasing or any other type of lease aircraft or its parts. (As amended by Statute #11,196 of 2005)

Paragraph 2. Claims arising from contracts mentioned in § 1 of this article shall not be submitted to the effects of judicial or extrajudicial reorganization, prevailing property rights over the thing and the contractual conditions, do not apply to them the proviso contained in the final part of § 3 of article 49 hereof. (as included by the Statute #11,196, of 2005).

Paragraph 3. In the event of bankruptcy of the companies mentioned in this article, prevail the rights of ownership over the thing related to leasing contracts, leasing or any other type of lease aircraft or its parts. (as included by the Statute #11,196, of 2005).

Article 200. Subject to the provisions of art. 192 of this Act is repealed Decree-Law No 7661 of 21 June 1945, and - Code of Criminal Procedure. Articles 503-512 of the Decree-Law #3,689 of October 3, 1941 shall be met.

Article 201. This Statute enters into force a hundred and twenty (120) days after its publication.
Brasília, February 9, 2005; 184th Year of Independence and 117th Year of Republic.

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