

## Dividend Policy and History

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### Dividend Policy

The Brazilian Corporation Law and the Company's By-laws require the shareholders' ordinary general meeting to be held up to April 30 of each year where the shareholders must, among other things, decide about the distribution of the annual dividends. All shareholders are entitled to receive the dividends on the date when the dividends were declared.

The Company's shareholders will decide about the Board of Directors proposal to allocate the net income for the prior year. The Brazilian Corporation Law defines "net profits" for any fiscal year as net income for that fiscal year, net of any accumulated losses from prior fiscal years, income tax and social contribution taxes and any amounts allocated to the participation of its employees and management in Lupatech net profits in such fiscal year.

The Lupatech mandatory dividend is of at least 25% of the adjusted net income, under the terms of the Brazilian Corporate Law and the Company's By-laws, determined in the unconsolidated financial statements. The yearly distribution of dividends, including dividends in excess of the minimum mandatory dividend, requires approval by a majority vote of the holders of Lupatech common shares and will depend on many factors. These factors include the Company's results of operations, financial condition, cash requirements, future prospects and other factors deemed relevant by Lupatech board of directors and shareholders.

### Dividend History

The table below shows the dividend and interest on shareholders' equity distributed to Lupatech shareholders for the periods indicated.

	Dividends	Interest on Equity	Total Number of Issued Shares	R\$ per thousand shares
2000	0.1	–	110,032,013	5,54
2001	0.5	0.9	122,257,792	15,61
2002	0.8	1.6	122,257,792	26,00
2003	0.9	2.1	167,261,389	24,00
2004	4.2	3.7	167,261,389	104,15
2005	7.7	12.2	181,644,768	176,37
2006	5.8	–	45,625,310	127,67
2007	–	–	47,437,333	–
2008	–	–	47,581,746	–
2009	–	–	47,674,118	–