

PRIVATE INSTRUMENT OF INDENTURE OF THE 2ND ISSUE OF DEBENTURES CONVERTIBLE INTO SHARES WITH FLOATING CHARGE FOR PRIVATE PLACEMENT OF LUPATECH S.A.

This Instrument is entered into by and between:

- (i) **LUPATECH S.A.**, a business corporation headquartered and with jurisdiction in the city of Caxias do Sul, state of Rio Grande do Sul, at Rua Dalton Lahm dos Reis, nº 201, CEP 95.012-020, enrolled with the National Register of Corporate Taxpayers (CNPJ/MF) under No. 89.463.822/0001-12, with its articles of incorporation and bylaws filed with the Registry of Commerce of the State of Rio Grande do Sul ("JUCERGS") under Corporate Registry ID No. 43300028534, hereby represented pursuant to its Articles of Incorporation and Bylaws (hereinafter referred to as simply the "Issuer" or the "Company");

And

- (ii) representing the pooling of interests of the debenture holders, purchasers of the debentures that are the object of this issue (jointly referred to as the "Debenture Holders"), PLANNER TRUSTEE DTVM LTDA, a financial institution authorized to operate by the Brazilian Central Bank, headquartered at Av. Brigadeiro Faria Lima nº 3900 – 10th floor, in the city of São Paulo, state of São Paulo, enrolled with the National Register of Corporate Taxpayers (CNPJ/MF) under No. 67.030.395/0001-46, hereby represented pursuant to its Articles of Incorporation and Bylaws (hereinafter referred to simply as the "Trustee"),

and the Issuer, the Debenture Holders and the Trustee are hereinafter referred to as the "Parties",

WHEREAS:

- (i) the Company intends to raise funds for the acquisition of companies and patents, working capital and capital structure strengthening, modernization and extension of the production capacity and social investments pursuant to the issue of debentures convertible into shares, with floating guarantee, for private placement;
- (ii) in a meeting of the Company's Board of Directors held on May 13, 2009, the issue of debentures convertible into shares, with floating guarantee, for private placement was approved in the amount of three hundred twenty million reais (R\$320,000,000.00);
- (iii) in the Company's extraordinary general meeting held on June 1, 2009, the issue of debentures convertible into shares, with floating guarantee, for private placement was approved;

NOW, THEREFORE, the Parties hereto RESOLVE to execute this Indenture for the 2nd Issue of Debentures Convertible into Shares, with Floating Charge, for private placement, of LUPATECH S.A. ("Indenture"), pursuant to the following terms and conditions:

Clause I – Authorization

This Indenture is entered into based on the resolution of the Meeting of the Board of Directors of the Issuer, held on May 13, 2009 ("RCA") and the Extraordinary General Meeting of the Issuer, held on June 1, 2009 ("AGE"), pursuant to the terms of article 59 of Law No. 6,404, of December 15, 1976, as amended (the "Brazilian Business Corporation Act").

Clause II – Requirements

The 2nd Issue of Debentures Convertible into Shares, with Floating Guarantee, for private distribution by the Issuer ("2nd Issue") shall be carried out in compliance with the following requirements:

2.1 Indenture Registration

This Indenture and any amendments thereto shall be filed with the JUCERGS, pursuant to the provisions of item II and paragraph 3, of article 62, of the Brazilian Business Corporation Act.

2.2 Filing and Publication of the Minutes of the Extraordinary General Meeting and the Meeting of the Board of Directors

The minutes of the RCA were filed with the JUCERGS and published on the Official Gazette of the State of São Paulo and of the State of Rio Grande do Sul, and on the newspaper usually used by Lupatech for its legally-required disclosures, on May 15, 2009, pursuant to the terms of item I, of article 62, of the Brazilian Business Corporation Act.

The minutes of the AGE shall be filed with the JUCERGS and published on the Official Gazette of the State of São Paulo and of the State of Rio Grande do Sul, and on the newspaper usually used by Lupatech for its legally-required disclosures, within up to thirty (30) days as from this date, pursuant to the terms of item I, of article 62, of the Brazilian Business Corporation Act.

2.3 Registration with the Brazilian Securities and Exchange Commission

The 2nd Issue shall not be registered with the Brazilian Securities and Exchange Commission ("CVM"), as the debentures hereby issued ("Debentures") shall be privately placed, and no sales efforts shall be carried out aimed at investors.

Clause III – Corporate Purpose of the Issuer

The Issuer's corporate purpose includes the following: (a) the industrialization of parts, components, systems and molds, obtained through casting, injection, sinterization, metallurgy and other processes; valves, regulators, taps, actuators and other products for controlling fluids and steam; industrial automation systems for installation in equipment, machines, devices and pipes for steam, water, gas, oil and fluids in general, equipment and components for industrial use and in the fields of oil and gas, and casting activities; (b) the industry, trade, import and export of ropes, cables and similar and complementary items, such as terminations, links, thimbles, rollers,

polyurethane, chains, bonds, anchors, floaters and similar items, equipment and machinery employed in this line of business, as well as raw materials and secondary inputs; (c) the exportation, as an exporting trading company, as provided by Decree Law no. 1894/81, of ropes, cables and similar and complementary items, such as terminations, links, thimbles, rollers, polyurethane, chains, bonds, anchors, floaters and similar items, as well as equipment and machinery employed in this line of business, acquired from third parties; (d) the trading, whether in Brazil or abroad, of the products mentioned in item (a) above, whether manufactured by the company itself or by third parties, as well as its parts and components; (e) the importation and exportation of raw materials, parts and components, as well as industrial machinery, devices and equipment that may be used in the industrialization of the products referred to in item (a) above; (f) the provision of commercial representation services; technical support for its products in Brazil and abroad; tests with metallic and synthetic equipment; repairing of polyester cables; as well as the provision of casting and recovery services of scrap and nonferrous metals; restoration, maintenance and repair of industrial valves and regulators, machining, modeling and tool room; and CAO and CAM projects, polymeric resins in primary forms or finished products; (g) the interest in other companies, regardless of its form, whether as a partner or shareholder, as a way or not of carrying out the corporate purpose, or to benefit from tax incentives.

Clause IV – Characteristics of the Issue

The Issue of the Debentures shall comply with the following conditions and characteristics:

4.1 Allocation of Proceeds

The proceeds obtained through this 2nd Issue shall be used in the acquisition of companies and patents, strengthening of capital structure, increasing working capital and for the increase and modernization of industrial capacity.

4.2 Number of the Issue

This Indenture comprises the 2nd Issue of Debentures of the Issuer and shall be privately placed.

4.3 Single Series

The 2nd Issue shall be carried out in a single series, pursuant to the terms and conditions of this Indenture.

4.4 Issue Amount

This 2nd Issue shall amount to up to three hundred and twenty million reais (R\$320,000,000.00), in a single series, on the Issue Date, as defined in item 4.7.

4.5 Limit of the Issue

The issue limit, as provided by item "b", paragraph 1 of article 60, of the Brazilian Business Corporation Act, was complied with, since the amount of the 2nd Issue is

equivalent to less than seventy per cent (70%) of the book value of the Company's assets, net from the amount of its debt secured by security interests.

4.6 Placement

The Debentures shall be privately placed, with no sales efforts being carried out aimed at investors, and shall be placed as soon as the requirements of article 62 of the Brazilian Business Corporation Act are complied with, after the AGE authorizing their issue.

4.7 Issue Date

For all legal purposes, the issue date of the Debentures shall be 04.15.2009 ("Issue Date").

Clause V – Characteristics of the Debentures

5.1 Basic Characteristics

5.1.1 Unit Face Value

The unit face value of the Debentures shall be equal to one thousand reais (R\$1,000.00) ("Unit Face Value" and "FV"), on the Issue Date, as defined in item 4.7.

5.1.2 Number of Debentures Issued

A total of up to three hundred and twenty thousand (320,000) Debentures, in a single series, shall be issued.

5.1.3 Term to Maturity and Maturity Date of the Debentures

The term to maturity of the Debentures shall be nine (9) years, as from the Issue Date. Therefore, the maturity date shall be 04.15.2018 ("Maturity Date of the Debentures"), except in the event of accelerated maturity or redemption, in which case the Issuer must pay the balance of the Unit Face Value of the Debentures still outstanding, plus the Adjustment of the Face Value and Remunerating Interest, as defined in items 5.2 and 5.3 of Clause V, respectively.

5.1.4 Form, Certificate and Custodian Agent

The Debentures shall be issued as book-entry Debentures, with no issue of certificates. For all legal purposes, the ownership of the Debentures shall be evidenced by the statement of the deposit account issued by the Custodian Agent.

The custodian agent of the Issue shall be Itaú Corretora de Valores, a financial institution headquartered in the city of São Paulo, at Av. Brigadeiro Faria Lima, 3400, 10th Floor, state of São Paulo, enrolled with the National Register of Corporate Taxpayers (CNPJ/MF) under No. 61.194.353/0001-64 ("Custodian Agent").

5.1.5 Convertibility

The Debentures shall be convertible into common shares issued by the Company, pursuant to the terms of item 5.8 of Clause V.

5.1.6 Type

The Debentures shall be of the floating guarantee type.

5.1.7 Subscription

The subscription of the Debentures shall take place within up to forty (40) days as from the publication of the Notice to the Shareholders by the Company, as set forth by item 5.1.11 of this Clause V.

5.1.8 Subscription Price and Payment

The subscription price and payment of the Debentures shall be the Unit Face Value of the Debentures plus the Adjustment of the Face Value and the Remunerating Interest, duly calculated pursuant to the terms of this Clause V, *pro rata temporis*, as from the Issue Date up to the payment date.

5.1.9 Payment

The Debentures shall be paid in, in domestic currency, at the moment of the subscription set forth in items 5.1.7 and 5.1.8 of this Clause V.

5.1.10 Form of payment

The Debentures shall be paid in cash, as defined by item 5.1.9 of this Clause V, in domestic currency.

5.1.11 Preemptive Right of the Shareholders of the Issuer

The shareholders of the Issuer shall be entitled to preemptive rights for the subscription of the Debentures in proportion to the number of shares issued by the Issuer held by them, pursuant to the terms of the Brazilian Business Corporation Act, in accordance with their holdings registered in the Custody and Liquidity Brazilian Company – CBLC and / or in the bank where the shares issued by the Company are in custody (Banco Bradesco S.A.), on the date of the AGE (the "Preemptive Right"), for the period of thirty (30) days as from the publication of the notice to the shareholders of the Issuer notifying them about the placement of the Debentures ("Notice to the Shareholders").

Shareholders intending to subscribe Debentures pursuant to the exercise of their Preemptive Right, in accordance with the provisions of the paragraph above, shall

appear at any of the brands of the Custodian Agent, where they shall sign the Debentures subscription list ("*boletim de subscrição*"):

1.

AGÊNCIA ESPECIALIZADA VALORES MOBILIÁRIOS - BRASÍLIA
SCS Quadra 3 – Edif. D'Angela, 30 – Bloco A, Sobreloja
Centro – Brasília/DF
CEP: 70300-500

2.

AGÊNCIA ESPECIALIZADA VALORES MOBILIÁRIOS - BELO HORIZONTE
Av. João Pinheiro, 195 – Subsolo
Centro – Belo Horizonte/MG
CEP: 30130-180

3.

AGÊNCIA ESPECIALIZADA VALORES MOBILIÁRIOS - CURITIBA
R. João Negrão, 65 – Sobreloja
Centro – Curitiba/PR
CEP: 80010-200

4.

AGÊNCIA ESPECIALIZADA VALORES MOBILIÁRIOS - PORTO ALEGRE
R. Sete de Setembro, 746 – Térreo
Centro – Porto Alegre/RS
CEP: 90010-190

5.

AGÊNCIA ESPECIALIZADA VALORES MOBILIÁRIOS - RIO DE JANEIRO
R. Sete de Setembro, 99 – Subsolo
Centro – Rio de Janeiro/RJ
CEP: 20050-005

6.

AGÊNCIA ESPECIALIZADA VALORES MOBILIÁRIOS - SÃO PAULO
R. Boa Vista, 176 – 1 Subsolo
Centro - Sao Paulo/SP
CEP: 01092-900

7.

AGÊNCIA ESPECIALIZADA VALORES MOBILIÁRIOS - SALVADOR
Av. Estados Unidos, 50 - 2º AND - (ED. SESQUICENTENÁRIO)
Comércio - Salvador/BA
CEP: 40020-010

The subscription and payment of the Debentures shall be made pursuant to items 5.1.7 through 5.1.9, respectively.

The shareholders subscribing the Debentures during the Preemptive Right period may, simultaneously, through the subscription list, request to subscribe the remaining Debentures unsubscribed during the Preemptive Right period, in proportion to the

amounts subscribed by them. At the end of the Preemptive Right period, the Company will allocate up to all Debentures unsubscribed during the Preemptive Right period to the shareholders who have requested to subscribe same, and said shareholders shall not be required to present a new request. The remaining subscribed Debentures shall be paid in pursuant to item 5.1.9.

5.2 Adjustment of the Face Value

The face value of the debentures shall be adjusted annually ("Adjusted Face Value" or "Vna") based on the Extended Consumer Price Index ("IPCA"), calculated and published by the Brazilian Institute of Geography and Statistics (IBGE), as from the Issue Date, calculated *pro rata temporis* per working days until the date of each payment.

The face value of the Debentures shall be adjusted based on the following formula:

$$VNa = VN \times C$$

where:

Vna	=	Adjusted face value calculated with six (6) decimal places, without rounding off;
VN	=	face value of the issuance or face value balance (face value remaining after the amortization of principal, merger, monetary adjustment at each period, or payment of monetary adjustment, if any) of the Debenture, supplied/calculated with six (6) decimal places, without rounding off – Unit Face Value;
C	=	Accumulated factor of the monthly changes of the indices used, calculated with eight (8) decimal places, without rounding off, calculated as follows:

$$C = \prod_{k=1}^n \left[\left(\frac{NI_k}{NI_{k-1}} \right)^{\frac{dup}{dut}} \right]$$

where:

n	=	total number of indices taken into account in the adjustment of the asset, with "n" being a whole number;
NI _k	=	value of the index-number of the month prior to the adjustment month, should the adjustment take place on a prior date or on the Anniversary Date of the asset. After the Anniversary Date, value of the index-number of the adjustment month;
NI _{k-1}	=	value of the index-number of the month prior to the "k" month;
dup	=	number of working days between the last Anniversary Date and the calculation date, limited to the total number of working days on

		which the price index was in force, with "dup" being a whole number;
dut	=	number of working days between the last and the next Anniversary Date, with "dut" being a whole number.

The IPCA shall be applied to the smaller period allowed by the legislation in force, with no need of adjustment in the Indenture or any other formality.

The Anniversary Date is the day of the Maturity Date or the day informed as a reference for using the index, in each month.

The adjustment month is understood as being the monthly period comprised between two consecutive Anniversary Dates of the relevant asset.

5.2.1 In the event of a temporary unavailability of the IPCA upon the payment of any monetary obligation provided in this Indenture, the last index-number disclosed, calculated *pro rata temporis* per working days, shall be used in its place, however, no financial compensation related to payments already made shall be payable, upon the disclosure of the index-number owed, whether by the Issuer or the Debenture Holders.

For unmatured obligations, as well as for the other benchmarks of this issuance, upon the subsequent disclosure of the IPCA, all amounts shall be recalculated and adjusted by the IPCA disclosed at this later moment, within a period of 180 days.

5.2.2 Should no index-number be established and/or disclosed for a period higher than 180 days after the expected date of its disclosure, or, also, in the event of its extinction either by a legal imposition of judicial order, the IPCA shall be replaced by the legally determined substitute index. In the absence of a legal substitute for the IPCA, the Trustee shall call a General Meeting of the Debenture Holders, to be held within no more than twenty (20) days, as from the expiration date of the term of any of the events provided in the previous item, in which 2/3 of the Debenture Holders shall define a benchmark to be applied that better preserves the real value of the 2nd Issue and that provides remuneration at the same previous levels. Until this benchmark is established, the last index-number disclosed shall be used for the purposes of calculating the value of any obligations provided herein.

5.2.3 The amount related to the Adjustment of the Unit Face Value shall be paid annually, together with the payment of the amount related to the Remunerating Interest, so that the Unit Face Value shall revert, annually, to its initial value of R\$1,000.00 at the moment immediately after the payment of the Adjustment of the Unit Face Value and the Remunerating Interest.

$$\text{Adjustment of the Face Value} = VNa - VN$$

5.3 Remunerating Interest

The Debentures shall yield interest at six and a half percent (6.50%) p.a. (252-working-day basis) on the Adjusted Unit Face Value, as from the Issue Date, calculated based on a compound interest rate system *pro rata temporis* per working days ("Remunerating Interest").

The Remunerating Interest shall be payable annually, always on the fifteenth (15th), with the first payment beginning on 04/15/2010 and the subsequent payments on:

04/15/2011;
 04/15/2012;
 04/15/2013;
 04/15/2014;
 04/15/2015;
 04/15/2016;
 04/15/2017; and
 04/15/2018.

according to the formula:

$$J = VNa * (FatorJuros - 1)$$

where:

J	=	value of the interest owed at the end of each Capitalization Period, calculated with six (6) decimal places, without rounding off;
VNa	=	Adjusted Face Value, calculated with up to six (6) decimal places, without rounding off;
FatorJuros	=	fixed interest factor calculated with nine (9) decimal places, with rounding off, calculated in the following way:

$$FatorJuros = \left[\frac{100 + \left(\frac{Taxa}{100} \right)^{\frac{n}{DP}}}{100} \right]^{DT}$$

where:

Taxa	=	Fixed interest rate, as an annual percentage, supplied with four (4) decimal places = 6.5000;
n	=	number of working days between the date of the next event and the date of the previous event, with "n" being a whole number;
DP	=	number of working days between the last event and the current date, with "DP" being a whole number;
DT	=	number of working days between the last and the next event, with "DT" being a whole number.

The Issuer shall pay *pro rata temporis* the Adjustment of the Face Value and the Remunerating Interest owed up to the day of the effective payment, in the following events: (i) any conversion of Debentures; (ii) scheduled amortizations; (iii) accelerated maturity or redemption; and (iv) final maturity or settlement of the Debentures.

There is no scheduled renegotiation for the Debentures, with the possibility of accelerated redemption being provided for pursuant to the terms mentioned in Clause VI.

5.4 Amortization

The Unit Face Value of the Debentures shall be amortized in three (3) installments, as specified below:

- 1) on 04/15/2016, at a rate of 47.5%;
- 2) on 04/15/2017, at a rate of 47.5%; and
- 3) on 04/15/2018, at a rate of 5.0%.

5.5 Publicity

All acts and decisions to be taken arising from this 2nd Issue that, in any way, involve the interests of the Debenture Holders, shall compulsorily be communicated in the form of notices, on the Official Gazette of the State of São Paulo and the Official Gazette of the State of Rio Grande do Sul and on the newspaper usually used by the Issuer for its legally-required disclosures, as well as on the Issuer's Internet page (www.lupatech.com.br).

5.6 Payment Terms

5.6.1 Date and Place of Payment

All payments related to the principal and income to which the Debentures are entitled shall be carried out through electronic transfer (TED) and shall be made on the dates provided for in this Indenture.

5.6.2 Maturity Falling on Weekends or Holidays

Every maturity related to any event of payment of the Debentures provided for herein falling on Saturdays, Sundays or national holidays or in the city and/or state of São Paulo, including banking holidays, for all legal purposes, shall be extended to the next first business day, and charges shall be calculated up to this date, inclusive, also starting as from this date, the following regular period of determination and calculation of charges incurred on the Debentures.

The definition of a working day, in this Issue, shall respect the weekends and holidays mentioned in this item.

5.6.3 Default

In the event of any default of any obligation assumed by the Issuer herein, the provision in articles 40 through 47-A of the "Provisions Applicable to BNDES Contracts", an integral part hereof in the form of its Exhibit I (the "Applicable Provisions") shall be complied with, and, for the purposes of determining the overdue outstanding balance, the Unit Face Value, as well as the charges, shall be calculated *pro rata temporis* per

working days up to the date of effective payment. The Applicable Provisions shall be construed so that the "Beneficiary" shall refer to the Issuer and "BNDES" shall refer to the Debenture Holders.

5.6.4 Peremption and Surcharge Rights

Should a Debenture Holder fail to be present to receive the amount equivalent to any monetary obligations of the Issuer on the dates provided in this Indenture, or in a notice published by the Issuer, same shall not be entitled to receive any income, surcharges or delinquency charges in the period corresponding to the date on which the funds are made available for payment and the effective date on which the Debenture Holder is present to receive said proceeds, being, however, entitled to the rights acquired up to the date of the respective maturity.

5.6.5 Immunity or Exemption of the Debenture Holder

Should any Debenture Holder enjoy any type of tax immunity or exemption, same shall forward to the Agent Bank and to the Issuer, within the minimum period of ten (10) working days prior to the date provided for the reception of amounts related to the Debentures, documentation evidencing said tax immunity or exemption, under the penalty of having discounted from his/her income the amounts owed pursuant to the tax legislation in force.

5.7 Guarantee

In order to ensure the prompt and full payment of any liabilities arising from the Debentures, such as debt principal, remuneration, penalties and fines, the Debentures shall be of a floating guarantee type.

5.8 Terms of Conversion

5.8.1 Conversion Bases

The Debentures may be converted into common shares issued by the Company, at the sole discretion of the Debenture Holders, at any time as from the 2nd year after the Issue Date ("Conversion of the Debentures").

Should a Debenture Holder request the conversion of the Debentures, each Debenture shall be converted into a given number of shares ("Q"), as defined in the following formula:

$$Q = \text{int} \left(\frac{VN}{(PNDE) \times (1 + Psp)} \right)$$

VN	Unit Face Value, in compliance with the expected amortizations pursuant to the table below.
Int	the whole part of the quotient
PNDE	MAXPN as defined in Clause VI, in item 6.1.1.1, calculated at the end of the second year of the Issue Date, on 04/15/2011, deflated by the IPCA up to the

	Issue Date
Psp	Premium on the price, as defined in item 6.1.2 of Clause VI

And, taking into account the amortizations provided in item 5.4, the VN shall be:

Up to 04/15/2016	R\$1,000.00
From 04/16/2016 to 04/15/2017	R\$525.00
From 04/16/2017 to 04/15/2018	R\$50.00

The difference between the whole portion of the quotient and the fraction value of Q ("D") shall be paid in cash at the moment of the conversion and shall be calculated pursuant to the following formula:

$$D = (VN) - (Q \times (PNDE) \times (1 + Psp))$$

The definitions informed above shall be used.

5.8.1.1 Forecast of Conversion of Debentures in the event of acquisition of the Company's common shares

Notwithstanding the provision in item 5.8.1 above, Debenture holders may convert one hundred percent (100%) of outstanding Debentures, at any time, should a third-party acquire more than twenty percent (20%) of the common shares issued by the Company, event when they will still have the right to participate in the public offer of shares, pursuant to Article 52 of the Company's Bylaws.

5.8.2 Conversion Request

Subject to the conditions set forth above, the Debenture Holders shall express their intention of converting the Debentures through a conversion request to be made in writing to the Issuer ("Conversion Request"). For all legal purposes, the conversion date shall be the date the Issuer receives the Conversion Request, and the Issuer is required to deliver the common shares arising from the conversion of the Debentures, within no later than fifteen (15) working days as from the receipt date of the Conversion Request.

5.8.3 Share Rights Arising from the Conversion

The common shares issued by the Issuer arising from the conversion of the Debentures: (i) shall have the same characteristics and conditions and shall enjoy the same rights and advantages attributed to it by the Articles of Incorporation and Bylaws currently or in the future to the type; and (ii) shall fully participate in the results, including dividends and interest on own capital, declared as from the issue date of said shares.

5.9 Adjustment in the Number of Shares from the Conversion of the Debentures

Up to the final maturity of this Issue, should the Company's General Meeting or Board of Directors approve a capital increase through a public or private issuance; or the issuance of any securities convertible into or exchangeable by shares issued by the Company, or whose exercise allows the acquisition of shares issued by the Company, such as warrants, convertible debentures, or call option, for public or private subscription, in the event the Conversion of the Debentures is requested, the number of shares to be converted ("Q") shall be adjusted in accordance with the following formula ("Adjustment"), except the events of issue of shares by the Company within the scope of the Issuer's Stock Option Granting Plan approved in its Special Shareholders' Meeting held on April 19, 2006, as amended on August 13, 2008, as well as the programs related to them, pursuant to the provisions of article 9 of the Company's Articles of Incorporation and Bylaws:

$$Q_{adjusted} = higher\ calculated\ FA \times Q$$
$$FA = \frac{MAXPNa \times (1 + Psp)}{PNnem}$$

with the following definitions:

MAXPNa	MAXPN (as defined below), adjusted by the IPCA, as per item 5.2, from its respective determining date up to the date on which the pmp180 is determined.
PNnem	Subscription or acquisition price of share issued by the Company in the events of item 5.9
FA	Adjustment factor

The Adjustment will only occur if the adjustment factor ("FA") mentioned in the formula above is higher than one (1).

For each event of this item 5.9 requiring a new PNnem, the FA shall be determined again and separately, and the highest FA determined from the Issuance Date up to the date of the Conversion of the Debentures to adjust the number of shares to be converted, in accordance with the formula above, shall always be used.

5.10 Maturity Premium

The Issuers shall have to pay, on the Maturity Date of the Debentures, a Maturity Premium per Debenture ("PVD") in the amount of four hundred twenty three reais and seventy five centavos (R\$423.75), adjusted by the IPCA as per item 5.2 from the Issue Date up to the Maturity Date of the Debentures, per each Debenture fully amortized.

Should a Debenture be partially amortized and should same be subsequently converted, the PVD shall be paid in proportion to the amortized portion of the VN on the delivery date of the shares determined in item 5.8.2.

Should the Condition for the Accelerated Redemption be implemented, as defined in item 6.1.1.1, the Debentures chosen for Accelerated Redemption, as defined in item

6.1, shall no longer be entitled to the PVD, even though, should the term for Accelerated Redemption be reached, same is not effected.

Clause VI – Accelerated Redemption

6.1 Accelerated Redemption

The Issuer may accelerate the redemption of the Debentures ("Accelerated Redemption") pursuant to the following:

6.1.1 Condition for Accelerated Redemption

As from the 2nd year from the Issue Date, i.e., on 04/15/2011, should the condition provided in 6.1.1.1 and 6.1.1.2 occur ("Condition for Accelerated Redemption"), the Accelerated Redemption by the Issuer shall be possible, subject to the Conversion of the Debentures right provided in item 5.8:

6.1.1.1 Condition

The Condition shall occur when the average weighted price of one hundred and eighty (180) consecutive days of the common shares issued by the Company, calculated on the trading sessions of the BM&F BOVESPA and daily determined by the Trustee, multiplied by the dilution quotient described below,

is equal to or higher than the

maximum amount achieved by the traded price adjusted by the IPCA as per item 5.2 ("MAXPNa", as defined below), multiplied by the Premium on the price ("Psp", as defined below) and capitalized by 14% p.a., according to the following formula:

$$\langle (K \times pmp180) \rangle \geq \left\langle (MAXPNa) \times (1 + Psp) \times \left\{ (1 + 0.14)^{\frac{ne}{252}} \right\} \right\rangle$$

pmp180	average weighted price of one hundred and eighty (180) consecutive days of the common shares issued by the Company, calculated on the trading sessions of the BM&F BOVESPA
MAXPNa	MAXPN (as defined below), adjusted by the IPCA, as per item 5.2, from its respective determining date up to the date on which the pmp180 is determined.
Psp	Premium on the price as per item 6.1.2
Ne	number of working days as from the Issue Date
K	quotient of adjustment per dilution as defined below

$$K = \frac{q}{q + q'}$$

Q	Total number of the Company's shares at the day on which the <u>Condition for Accelerated Redemption</u> occurs.
Q'	Maximum number of shares that may be the result of the Conversion arising from the Accelerated Redemption process to be initiated.

The maximum value achieved by the traded price ("MAXPN") shall be the highest value determined by the moving average of one hundred and twenty (120) consecutive days of the common shares issued by the Company, calculated on the trading sessions of the BM&F BOVESPA, to be determined, daily, over the first two years, as from the Issue Date, with a minimum non-adjustable value of seventeen reais and fifty centavos (R\$17.50) per share, and a maximum value of thirty five reais (R\$35.00), adjusted in accordance with item 5.2 during two years as from the Issue Date.

The determination of the MAXPN shall take into account the initial value and, daily, each value of moving average of one hundred and twenty (120) consecutive days of the common shares issued by the Company, calculated on the trading sessions of the BM&F BOVESPA, and same must also be adjusted, in accordance with item 5.2, as from the respective determining date, for each of them individually, up to the last day of the second year, as from the Issue Date. The MAXPN shall be defined on this last day.

6.1.2 Premium on the price

The Premium on the price ("Psp") shall have the following values, as from the Issue Date:

1st year	100%
2nd year	100%
3rd year	100%
4th year	85%
5th year	60%
6th year	50%
7th year onwards	40%

6.1.3 Random Selection and Communication

Should the Condition for Accelerated Redemption occur, the Trustee shall carry out the random selection of 50% of the Debentures outstanding that may be the object of the Accelerated Redemption, at the discretion of the Issuer, pursuant to the terms of item 6.1.4 ("Random Selection").

After the Random Selection, the Trustee shall notify, simultaneously, the Issuer and the Debenture Holders in up to ten (10) working days notifying about the possibility of request by the Issuer of an Accelerated Redemption ("Notification of the Trustee").

The Notification of the Trustee sent to the Debenture Holders owners of the selected Debentures, shall notify that said selected Debentures shall no longer be entitled to the PVD, even though, should the term for Accelerated Redemption be reached, same be not effected, in accordance with the terms of item 5.10.

6.1.4 Phases of the Accelerated Redemption

As from the Notification of the Trustee, the Debenture Holders may carry out the Conversion of Debentures provided in item 5.8 of Clause V within up to forty (40) working days.

Should the Debenture Holders fail to carry out the Conversion of the Debentures within up to forty (40) working days as from the Notification of the Trustee, the Issuer may carry out the Accelerated Redemption within up to ten (10) working days after the forty (40) working days mentioned.

The Accelerated Redemption shall be carried out in two phases of fifty percent (50%) each, with the first phase on the first occasion in which the Issuer carries out the Accelerated Redemption ("First Phase of the Accelerated Redemption") and the second phase as from six months after the First Phase of the Accelerated Redemption, provided that the Condition for Accelerated Redemption occur.

The Debentures selected for the Accelerated Redemption shall not be selected for a new Acceleration Redemption while all Debentures have not been selected an equal number of times.

As from the day on which the occurrence of the Condition for Accelerated Redemption is verified, the respective determinations (item 6.1.1.1) shall be suspended up to the Conversion of the Debentures or the Accelerated Redemption.

In the event of nonoccurrence of the Conversion of the Debentures and/or the Accelerated Redemption of the Debentures, the determination process of the Condition for Accelerated Redemption (item 6.1.1.1) shall be reinitiated after seventy five (75) working days as from the Notification of the Trustee.

Clause VII – Accelerated Maturity

7.1 In addition to the events set forth in articles 39 (except for item II), 40 and 47-A of the Applicable Provisions, subject to the specific quorum set forth in item 7.4 below, all Debentures may be declared as having their maturities accelerated and their payment may be demanded, by the Issuer, for the debt related to the debt balance of the Debentures, plus the Adjustment of the Face Value and the Remunerating Interest owed up to the payment date, as well as the conventional penalty and fine, in accordance with the terms of the Applicable Provisions, in the occurrence of the following events:

- a) default by the Issuer of any monetary obligation related to the Debentures, not addressed within the period of thirty (30) working days as from the respective maturity date;
- b) reiterated protest of debt instruments against the Issuer in an individual value that is in excess of thirty million reais (R\$30,000,000.00) or in an aggregate value, over a period of twelve (12) consecutive months, that is in excess of one hundred and fifty million reais (R\$150,000,000.00), except in the event the protest has been made by mistake or in bad faith by third parties, and such event be validly proven by the Issuer, or even if suspended, guaranteed or cancelled by it within the maximum period of fifteen (15) working

- days as from the date of its occurrence. The amount referred to by this item shall be annually adjusted by the IPCA as from the Issue Date;
- c) request for court-supervised or out-of-court reorganization prepared by the Issuer;
 - d) bankruptcy, winding up and liquidation of the Issuer;
 - e) a fail to address, within thirty (30) working days as from the out-of-court notification that may have been sent by any Debenture Holder, the noncompliance of any nonmonetary obligation provided in this Indenture, except should said noncompliance arise from an act of God or force majeure event;
 - f) acceleration of any debt of the Issuer due to contractual default or final and unappealable decision at court, the individual amount of which is equal to or higher than seventy five million reais (R\$75,000,000.00) or whose aggregate value, over a period of twelve (12) consecutive months, is equal to or higher than one hundred and fifty million reais (R\$150,000,000.00). The amount referred to by this item shall be annually adjusted by the IPCA as from the Issue Date;
 - g) the inclusion, in a shareholders' agreement or in the Issuer's Articles of Incorporation and Bylaws, as from the Issue Date, of provisions resulting in:
 - (i) restrictions to the growth capacity of the Issuer or to its technological development;
 - (ii) restrictions to the Issuer's access to new markets; or
 - (iii) restrictions to or loss in the capacity of paying financial obligations arising from this operation;
 - h) realization that the representations made in this Indenture, by the Issuer, were false or misleading, or also, significantly incorrect or incomplete on the date they were made;
 - i) change in the corporate purpose of the Issuer, except if previously approved by the owners of Debentures representing two thirds (2/3) of the Debentures outstanding, except for: (i) the inclusion of other activities, provided that same are in any way related, similar or complementary to its main activity, in the corporate purpose of the Issuer: or (ii) changes in the purpose that are aimed at including in the Issuer's corporate purpose the corporate purpose(s) of the companies acquired by the Issuer;
 - j) approval of decrease in the Issuer's capital stock, through a refund to the shareholders of part of the share value or the decrease in their value, when not paid-up, to the amount of inflows, without the previous and express approval of Debenture holders representing two thirds (2/3) of the Debentures outstanding;
 - k) creation of callable shares or profit-sharing bonds by the Issuer without the previous and express approval of Debenture holders representing two thirds (2/3) of the Debentures outstanding;
 - l) change in the controlling interest as provided in the Articles of Incorporation and Bylaws of the Issuer, without the previous approval of Debenture holders representing two thirds (2/3) of the Debentures outstanding;
 - m) acquisition by the Issuer of the controlling interest or equity interest in other companies, joint ventures or partnerships whose purposes are in no way related, similar or complementary to the industry or

- services currently developed by the economic group of the Issuer, therefore characterizing a deviation from the corporate purpose of the Issuer, except if previously approved by Debenture holders representing two thirds (2/3) of the Debentures outstanding;
- n) exit of the Issuer from the BM&F BOVESPA's *Novo Mercado* segment of trading, without the previous and express approval of Debenture holders representing two thirds (2/3) of the Debentures outstanding;
 - o) the Issuer makes investments without the approval of its respective Board of Directors, when required to do so by its articles of incorporation, and when not provided in the annual budget, which, individually or cumulatively, within the same year, are in excess of forty percent (40%) of the amount approved in the annual investment budget, unless if previously approved by Debenture holders representing two thirds (2/3) of the Debentures outstanding;
 - p) noncompliance with the limits of at least two determined indices listed in item 8.1, letter "n" of Clause VIII;
 - q) default of any obligation assumed with the BNDES and its subsidiaries, by the Issuer or an entity that is part of the Economic Group to which the Issuer belongs, within thirty (30) days as from its notification;
 - r) payment of dividends, subject to the provisions of article 202 of the Brazilian Business Corporation Act, interest on own capital or any other share in the profit provided in the articles of incorporation, when in default with the Debenture Holders of this 2nd Issue;
 - s) spin-off in which the spun-off portion is higher than 10% of the consolidated net revenue of the last four quarters, consolidation or, also, merger of the Issuer into another company, except should, pursuant to the terms of article 231 of the Brazilian Business Corporation Act: (i) said corporate change be approved by Debenture holders representing at least two thirds (2/3) of the Debentures outstanding, or (ii) the redemption right of the Debenture holders who disagree with said spin-off, consolidation or merger be ensured;
 - t) existence of a final and unappealable judgment related to the practice of acts, by the Issuer, that result in violation to the legislation related to the fight against race or gender discrimination, and child and slave labor;
 - u) allocation of the funds raised in a different way as what is specified in item 4.1 or their use in companies and/or businesses noncompliant with environmental regulations, without immediately presenting a plan for regularizing the environmental issue;
 - v) noncompliance with the provisions of item 5.9;
 - x) noncompliance with the provisions of item 8.1, letter "l";
 - w) redemption or amortization of perpetual bonds, unless the redemption was previously approved by Debenture holders representing two thirds (2/3) of the Debentures outstanding. No previous approval is required by Debenture holders representing two thirds (2/3) of the Debentures outstanding for the redemption of perpetual bonds in the event the perpetual bond issuance instrument is issued after the Issue Date whose maturity is after the maturity of the Debentures.

7.2 In relation to the events indicated in item 7.1 above that depend upon the express prior authorization of the Debenture Holders, the Issuer shall call a General Meeting of Debenture Holders (AGD) to be held, on first call, within at least fifteen (15) days as from the respective call.

7.3 Should any of the events mentioned in the subitems of item 7.1 above, the Trustee shall call, within seventy two (72) hours from the date on which it becomes aware of the occurrence of any of said events, an AGD to resolve on the acceleration of the Debentures, subject to the specific quorum set forth in item 7.4 below, as well as the provision of the sole paragraph of article 13 of CVM Instruction No. 28, of 11/23/1983, as amended ("CVM Instruction 28").

7.4 In the occurrence of any of the events indicated in the subitems of item 7.1 above, should the acceleration mentioned in item 7.3 above be declared by Debenture Holders representing two thirds (2/3) of the Debentures outstanding, the Trustee shall declare the acceleration of all obligations arising from the Debentures and demand the payment by the Issuer of all financial obligations assumed within the scope of this 2nd Issue, including the Adjustment of the Face Value and the Remunerating Interest owed up to the date of their effective payment, within ninety (90) days as from the date of the AGD.

7.5 Subject to the provisions of item 7.3 above, the AGD aimed at deciding on the acceleration may also be called by Debenture Holders representing at least ten percent (10%) of the Debentures outstanding.

Clause VIII – Issuer’s Special Obligations

8.1 Up to the full settlement of the Debentures, subject to the other obligations provided herein, the Issuer hereby undertakes to:

- a)
 - (i) notify the Trustee on the occurrence of any of the events listed in item 7.1 of Clause VII above, immediately after becoming aware of same. Said information shall be provided together with a report from the Issuer with a description of the occurrence and the measures it intends to take in relation to said occurrence. Should this information arise from an event, act or fact that requires the publication of a material event notice by the Issuer, pursuant to the terms of CVM Instruction No. 358, of January 3, 2002, as amended ("CVM Instruction 358"), the disclosure of said event, act or fact in accordance with the terms of said CVM Instruction 358, shall occur simultaneously to its disclosure to the market;
 - (ii) forward to the Trustee a copy of any correspondence or court-ordered or out-of-court notice received by the Issuer that may adversely affect in a material way the Issuer’s capacity of meeting its obligations assumed in this Indenture, immediately after its receipt; and
 - (iii) after the end of each fiscal year, up to the last working day of the legal period for its disclosure, supply copies of its complete financial statements related to the respective fiscal year, together with the management’s report and the opinion of the independent auditors, unless when said information is, within this period, made available to the Debenture owners at the Issuer’s website;

- b) publish, within the required periods and in the way determined by the corporate legislation, its economic and financial information;
- c) maintain its accounting updated and post the respective records in accordance with the Brazilian GAAP;
- d) call an AGD to resolve on any subject that directly or indirectly relates to the Debentures in connection with this Issue;
- e) refrain from carrying out activities foreign to its corporate purpose, subject to the articles of incorporation, legal and regulatory provisions in force;
- f) pay all taxes owed to the Federal, State or Municipal Treasuries, except in relation to those taxes that may be challenged in good faith by the Issuer, on the administrative and/or legal spheres;
- g) comply, in all relevant aspects, with all applicable laws, rules, regulations and orders, in any jurisdiction in which it carries out businesses or has assets, in particular to remain regularized before the environmental agencies and comply with the applicable legislation related to handicapped people;
- h) immediately notify the Trustee about the occurrence of any default event;
- i) ensure that all permits, licenses, authorizations, grants or approvals essential to the development of the Issuer's activities are valid and in order – in any relevant aspect;
- j) maintain, upkeep and preserve, in good order and working conditions, all of its assets, relevant to, necessary or useful for the respective management of its business;
- k) maintain in good standing its obligations towards environmental agencies, complying with specific environmental legislation, except for those obligations or legislations challenged in good faith on the administrative and/or legal spheres;
- l) ensure that its financial statements and accounting records do not contain any incorrect or false information or withhold any relevant information that should be disclosed in accordance with the Brazilian GAAP;
- m) refrain from participating in, or performing, any transactions with related parties that are not strictly carried out at arm's length and in conditions compatible with market standards;
- n) comply, if applicable, with the "PROVISIONS APPLICABLE TO BNDES CONTRACTS", approved by Resolution No. 665, of December 10, 1987, partially amended by Resolution No. 863, of March 11, 1996, by Resolution No. 878, of September 4, 1996, by Resolution No. 894, of March 6, 1997, by Resolution No. 927, of April 1st, 1998, by Resolution No. 976, of September 24, 2001, and by Resolution No.1571, of March 4, 2008, all issued by the Board of Executive Officers of the BNDES, published on the issues of the Official Federal Gazette (Section I) of December 29, 1987, December 27, 1991, April 8, 1996, September 24, 1996, March 19, 1997, April 15, 1998, October 31, 2001, and March 25, 2008, respectively, which comprise the Exhibit to this Indenture;
- o) adopt, during the period of validity of this Indenture, actions and measures aimed at avoiding or addressing damages related to the environment, and occupational health and safety that may be

- caused by the Issuer and/or its subsidiaries, directly or indirectly, due to the use of the proceeds arising from this Issue;
- p) notify the Debenture Holders, on the date of the event, the name and the Individual Taxpayer Identification Number (CPF/MF) of an individual who, while exercising a paid function or being among its owners, controllers or officers, has been instated or invested as a Federal Representative or Senator;
 - q) not to dispose of or, in any way, encumber any of its "permanent assets" (investments, fixed assets, and deferred charges) subject to registration of ownership, in excess of seventy million (R\$70,000,000.00) per year, except if approved in advance by Debenture Holders representing two thirds (2/3) of the Debentures outstanding and except for the fixed assets of the Issuer that were already encumbered on this date;
 - r) formally notify the Debenture Holders in advance about the constitution of a security interest as a result of a legal order or for posting an undertaking in court in lawsuits and for administrative proceedings in which it is the defendant, as well as in cases involving fiduciary ownership in the financing for the acquisition of equipment;
 - s) refrain from making investments without the approval of its respective Board of Directors, if required by its articles of incorporation, and which, when not provided in the annual budget, individually or cumulatively, within the same year, are in excess of forty percent (40%) of the amount approved in the annual investment budget, unless if previously approved by Debenture holders representing two thirds (2/3) of the Debentures outstanding;
 - t) maintain, during the existence of the Debentures, up to their final maturity, at least two of the following ratios determined annually in the financial statements audited by independent auditors registered at the Brazilian Securities and Exchange Commission (CVM):

(i) Net Debt/EBITDA: equal to or lower than three and a half (3.5);

(ii) EBITDA/ROL: equal to or higher than twenty percent (20%);

(iii) Current Ratio: equal to or higher than one and a half (1.5);

where:

- Net Debt: (Gross Debt – Perpetual Bonds – Cash and Cash Equivalents), where (Gross Debt = Loans + Financing + Debentures + any other forms of debt to financial institutions, including installments to creditors) and (Cash and Cash Equivalents = Cash + Financial Investments);

- EBITDA: Operating Income before Profit Sharing, Income Tax and Social Contribution, Net Financial Income, Depreciation,

Amortization, Amortization of Goodwill, Equity Income (except for the Equity Income from Luxxon S.A.) and impairment losses, on a consolidated basis for the last twelve (12) months, including the companies acquired in this period on a *pro forma* basis;

- ROL: Net Operating Income;

- Current Ratio: Current Assets divided by Current Liabilities;

- u) should, as a result of the allocation of the funds and/or the acquisitions provided for in item 4.1, a reduction in personnel of the Issuer occur during the period of validity of the Debentures, offer a training program aimed at creating job opportunities in the region and/or a job placement program for the workers in other companies;
- v) invest the funds raised with this Issue solely for the purpose mentioned in item 4.1 and always in companies and/or businesses compliant with environmental regulations, or, in the case of companies and/or businesses noncompliant with environmental regulations, with the immediate presentation of an environmental situation regularization plan.

Should the Issuer make acquisitions, the EBITDA to which this item refers shall be the *pro forma* EBITDA of the twelve (12) months prior to the date of the calculation of the Issuer's EBITDA, including the company(ies) acquired, provided that the figures that were used as the calculation basis for the EBITDA are audited.

Any changes in the Brazilian accounting practices, in relation to the then existing practices upon the end of the fiscal year ended December 31, 2008, which may impact the economic and financial indices of the Issuer, taken into account on consolidated bases, shall be the object of adjustments by same, so as to maintain the economic and financial balance between the new Brazilian accounting practices and those then existing upon the end of the fiscal year ended December 31, 2008.

Clause IX - Trustee

9.1 Appointment and Representations

The Company appoints and selects as the trustee of the Debenture Holders Planner Trustee DTVM Ltda., identified in the introduction of this Indenture, which signs acting as the Trustee and intervening party, which, hereby and lawfully, accepts the appointment to, pursuant to the terms of law and this Indenture, represent the pooling of interests of the Debenture Holders before the Company, stating that:

- a) it does not have, under the penalties of the law, any legal impediment, pursuant to the provisions in paragraph 3 of article 66 of the Brazilian Business Corporation Act, in article 10 of CVM Instruction 28, and in the other applicable norms, to perform the function to which it is hereby appointed;
- b) it accepts the function to which it is hereby appointed, assuming all duties and obligations provided in the specific legislation and herein;

- c) it is aware of the applicable regulations issued by the Brazilian Central Bank, the CVM and the other relevant authorities;
- d) it has no conflict of interests as provided in article 10 of CVM Instruction 28 and it does not have any connection with the Issuer preventing it to perform its functions;
- e) it has verified the authenticity of the information contained in this Indenture, having striven to address any omissions, failures or defects it became aware of;
- f) it fully accepts this Indenture and all of its terms and conditions;
- g) it verified the compliance, by the Company, of the limit of issuance provided for in item "b", paragraph one of article 60 of the Brazilian Business Corporation Act;
- h) it is equated to a financial institution, being duly organized, incorporated and existing in accordance with the Brazilian laws, as well as being duly qualified to perform the Trustee's duties, pursuant to the applicable regulations in force;
- i) it is duly authorized to execute this Indenture and to comply with the obligations provided herein, having met all legal requirements and those related to its articles of incorporation necessary for such;
- j) the execution of this Indenture and the compliance with the obligations provided herein do not violate any obligation previously assumed by the Trustee; and
- k) this Indenture comprises a legal, valid, binding and efficient obligation of the Trustee, being enforceable in accordance with its terms.

9.2 Remuneration and Expenses

For the performance of the duties and obligations for which it is responsible, in accordance with the terms of law and this Indenture, the Trustee or the institution that may replace it as such:

- a) Shall receive annual remuneration of twenty four thousand reais (R\$24,000.00), to be paid in quarterly installments of six thousand reais (R\$6.000,00) each, the first installment due three (03) days after the signing of this Indenture, and the plots in the same time of the subsequent quarters, until the Maturity Date, Conversion of the Debentures, Accelerated Redemption or Accelerated Maturity of the last outstanding Debenture, whichever comes first;
- b) The value of the installments mentioned in item "a" above shall be adjusted based on the IGP-M accumulated variation, or in the event of unavailability of it, by the index which substitutes the IGP-M, from the Issue Date until each date of payment, calculated pro rata temporis, if necessary;
- c) Trustee's remuneration will be due even after the Maturity Date of the Debentures, in case the Trustee is still acting in the collection of an eventual subsisting default by the Company; and

- d) Remuneration will be added by the following charges: (i) ISS (Service Tax of any kind), (ii) PIS (Contribution of the Social Integration Program), (iii) COFINS (Contribution for Financing Social Security) and any other taxes and charges that will cover this fee, except for Income Tax, prevailing on the date of payment.

9.2.1. The Company will pay all expenses incurred by the Trustee when protecting the Debenture Holders' rights and interests or to charge its credits, including legal costs and fees and other expenses and costs incurred in the virtue of charging any amount due to the Debenture Holders in the terms of this Indenture;

9.2.2. The expenses referred to on item 9.2.1 above will comprise, among others, the following:

- (a) Report publication, warnings and notifications, pursuant this Indenture, and any other that may be exigible by law;
- (b) Requesting up to date certificates from courts and similar;
- (c) Travel expenses, when they are necessary to fulfill Trustee's obligations, being the amounts of these expenses limited to those spent by the Company with its own employees, for their travel expenses;
- (d) Eventual additional and special surveys or expert's opinions deemed necessary, if they result from omissions in the information regarding the interests of the Debenture Holders.

9.2.2.1. All expenses with legal procedures, including administrative procedures, incurred by the Trustee to protect the interests of the Debenture Holder shall be previously approved and paid in advance by the Debenture Holders and later reimbursed by the Company. These expenses to be paid un advance by the Debenture Holders include also counsel fees from third parties, deposits, legal costs and fees of lawsuits filed by the Trustee, while representing the Debenture Holders. Eventual expenses, fees and legal charges arising from a loss of suit will as well be borne by Debenture Holders. The remuneration of the Trustee shall be borne by the Debenture Holders in the case of a default by the Company for a period longer than sixty (60) days.

9.3 Trustee's Duties

In addition to the duties provided by law or by normative rulings of the CVM, or in this Indenture, the following shall also comprise the Trustee's duties and obligations:

- a) protecting the rights and interests of the Debenture Holders, employing, in the fulfillment of its duties, all the care and diligence every active and law-abiding individual usually employs in the management of their own assets;

- b) resigning from its function in the event of any conflict of interests or any other form of inaptitude;
- c) carefully keeping all records, correspondence and other documents related to the fulfillment of its duties;
- d) verifying the compliance, by the Issuer, of the limits of issuance provided in item "b", paragraph one of article 60 of the Brazilian Business Corporation Act;
- e) verifying, upon accepting the function, the authenticity of the information contained in this Indenture, striving to have omissions, failures or defects it becomes aware of addressed;
- f) should the Company fail to do so, filing this Indenture and its respective amendments with the proper authorities, remedying the gaps and irregularities they may contain; in this case, the registrar shall notify the Company's management so that it supplies the necessary indications and documents;
- g) monitoring the compliance with the frequency of required disclosures, warning Debenture Holders about possible omissions or untruthfulness contained in said disclosures;
- h) issuing an opinion about the sufficiency of the information included in the proposals for changes in the terms of the Debentures, as the case may be;
- i) requesting, whenever it deems necessary for the fulfillment of its duties, updated certificates from the civil distributors, Lower Treasury Courts, protest offices, Boards of Conciliation and Judgment, and the Office of the Attorney-General of the National Treasury, where the Company is headquartered;
- j) requesting, whenever it deems necessary, an extraordinary auditing of the Issuer, and said request shall be made with a detailed report supporting and effectively justifying the need of said auditing, the costs of which shall be incurred by the Issuer;
- k) calling, whenever necessary, a General Meeting of Debenture Holders (AGD) through a call notice published at least three (3) times on the newspapers in which the Company should publish its notices, subject to the other rules related to publishing issues included in the Brazilian Business Corporation Act and this Indenture;
- l) attending to the AGD in order to provide the information required from them;
- m) preparing an annual report for Debenture Holders, pursuant to item "b", paragraph 1 of Article 68 of the Brazilian Business Corporation Act, which shall contain at least the following information:
 - a. any omission or untruthfulness of which it becomes aware, in the disclosures made by the Issuer, or, also, the default or delay in the mandatory disclosures made by the Issuer;
 - b. amendments to its Articles of Incorporation and Bylaws in the period;

- c. comments on the Issuer's accounting statements focusing on the economic and financial indicators, and the Issuer's capital structure;
 - d. compliance with other obligations assumed by the Issuer in this Indenture;
 - e. any material event notices taking place during the fiscal year ended, related to the performance of the obligations assumed by the Company in this Indenture;
 - f. voluntary redemption and payment of interest of the Debentures made in the period, as well as the acquisition and disposal of Debentures carried out by the Company; and
 - g. representation regarding its capacity for continuing to perform its Trustee's duties;
- n) making the report referred to in letter "m" above available to the Debenture Holders no later than four (4) months as from the closing of the Company's fiscal year, and for a minimum period of three (3) months, at least in the following locations:
- a. at the Company's headquarters; and
 - b. at their office, as mentioned in Clause XII below.
- o) exercising any rights and prerogatives available to the Debenture Holders and the Trustee provided in this Indenture and in the documents attached herein, except should said rights and prerogatives be waived at a AGD called for this purpose by Debenture Holders representing all the Debentures outstanding, including, without limitation, issuing and submitting all notices and announcements provided therein;
- p) maintaining the list of Debenture Holders and their addresses updated, including through lobbying with the Company and the Custodian Bank;
- q) overseeing the compliance with the provisions herein, and, in regards to the method for monitoring the Issuer's financial obligations, making said method available to the Debenture Holders, in writing, no later than ninety (90) days as from the Issue Date;
- r) notifying the Debenture Holders, severally if possible, and within the maximum period of thirty (30) days, of any default by the Company on the obligations undertaken herein, mentioning the place where further clarifications will be available to interested parties; and
- s) making all benchmarks of this Indenture available on a daily basis and duly notifying the parties when any of the events provided for occur, including the implementation of the Condition for Accelerated Redemption.

9.4 Specific Duties

The Trustee shall make use of any court-ordered or out-of-court procedures against the Company in order to protect the Debenture Holders' interests and credit realization, and, in the event of the Company's default, it shall:

- a) with due regard for the conditions set forth herein, declare the acceleration of the Debentures and collect their principal and ancillary charges;
- b) take any measures required for the realization of the Debenture Holders' credits; and
- c) represent the Debenture Holders in bankruptcy, court-supervised or out-of-court reorganization, out-of-court intervention or liquidation procedures of the issuing company.

9.5 Liability

The Trustee shall only be exempt from liability for failing to adopt the measures referred to in subitems (a) and (b) of item 9.4 above if, at an AGD, Debenture Holders representing the majority of the Debentures outstanding resolve to authorize it.

9.6 Replacement

In case of absence, temporary impairment, resignation, intervention, court-supervised or out-of-court liquidation, bankruptcy, or any other event of vacancy of the Trustee, an AGD shall be held no later than thirty (30) days as from the event determining this vacancy for the election of a new Trustee. Said Meeting may be called by the Trustee to be replaced itself, by the Company or by Debenture Holders representing at least ten percent (10%) of the Debentures outstanding. In case there is no call within fifteen (15) days prior to the end of the aforementioned period, the Company shall be responsible for calling the Meeting with due regard for the period of fifteen (15) days for the first call and eight (8) days for the second call, and the Company may appoint a temporary replacement until a new Trustee is elected.

Should the Trustee be unable to continue performing its duties due to circumstances subsequent to this Indenture, it shall immediately communicate this fact to the Debenture Holders, requesting its replacement.

After the end of the period for distribution of the Debentures, the Debenture Holders may have the Trustee substituted, appointing a new Trustee, at a meeting specially called for this purpose.

As a result of the replacement of the Trustee, this Indenture shall be amended, and same shall be filed at the relevant registry of commerce.

The Trustee shall begin to perform its duties as from the date of this Indenture or, in case of an alternate Trustee, on the day of any amendment related to the Trustee replacement, and the new Trustee shall remain performing its duties up to the maturity date of the Debentures or up to its effective replacement.

Clause X – General Meeting of Debenture Holders (“AGD”)

10.1 Call

The Debenture Holders shall meet at any time at a general meeting, pursuant to the provisions of article 71 of the Brazilian Business Corporation Act, in order to resolve on matters of their common interest.

The AGD may be called by the Issuer, the Trustee and by Debenture Holders representing at least ten percent (10%) of the Debentures outstanding.

The call shall be made through a call notice published on the newspapers in which the Issuer should publish its notices, subject to the other rules related to the publishing of call notices of general meetings included in the Brazilian Business Corporation Act, the applicable regulations, and this Indenture;

The AGD shall be called subject to a minimum period of fifteen (15) days, for the first call, and of eight (8) days, for the second call.

Regardless of any publicity and/or notices, an AGD shall be deemed as having been a regular one if the owners of all Debentures outstanding are present.

The decisions taken by the Debenture Holders, within the scope of their legal authority, subject to the quorums set forth herein, shall be existent, valid and efficient for the Issuer and shall bind all owners of the Debentures outstanding, regardless of their presence at the meeting or their vote cast in the respective meeting.

10.2 Opening and Resolutions

The AGD shall be opened with the quorum provided in paragraph three of article 71 of the Brazilian Business Corporation Act.

The matters presented to the meeting shall be approved by the vote of Debenture Holders representing at least two thirds (2/3) of the Debentures outstanding.

Any changes in the conditions of the Debentures, object of this Issue, shall require the approval of Debenture Holders representing at least two thirds (2/3) of the Debentures outstanding on that occasion.

At the meeting's resolutions, each Debenture shall be entitled to one vote, and proxies may be appointed, subject to the provisions of paragraphs 1 and 2, of article 126 of the Brazilian Business Corporation Act.

For the purposes of constituting any AGD's opening and resolution quorums provided herein, "Debentures outstanding" are deemed to be all Debentures issued, excluding those held in Treasury by the Issuer; those owned by (i) (direct or indirect) subsidiaries of the Issuer; (ii) controlling (or controlling group) and/or associated companies of the Issuer; and (iii) managers of the Issuer, including, but not being limited to, persons directly or indirectly related to any of the persons previously mentioned, as well as the Debentures owned by officers, directors and their relatives up to the second degree.

Clause XI – Representations and Warranties

11.1 Issuer's Representations and Warranties

The Issuer represents and warrants to the Trustee, on the date of execution of this Indenture, that:

- a) it is a duly incorporated business corporation, validly existing and in compliance with the Brazilian laws, as well as being duly authorized to perform the activities described in its corporate purpose;
- b) it is duly authorized to execute this Indenture and to comply with all obligations provided herein, having met all legal requirements and those related to its articles of incorporation necessary for such;
- c) the execution of this Indenture and the compliance with its obligations provided herein do not violate any obligation previously assumed by the Issuer;
- d) this Indenture, and each document to be delivered in accordance with its terms, shall constitute a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms and condition; and said obligation is not subordinated to any other debt of the Issuer other than those that enjoy preference, solely by force of any legal requirement, or which have a contractually established guarantee or preference and constituted prior to the date of execution of this Indenture;
- e) the execution of the Indenture and the placement of the Debentures do not violate any legal provision, court or administrative order, decision, even if as a preliminary injunction, agreements or instruments in which the Issuer or any of its subsidiaries and associated companies is(are) a party(ies), nor shall it result in: (1) the acceleration of any obligation set forth in any of these agreements or instruments; (2) the creation of any burden on any assets or goods of the Issuer or of its subsidiaries or associated companies, except for those already existing on this date; or (3) the termination of any of these agreements or instruments;
- f) the execution of this Indenture and the issuance of Debentures were duly authorized by its relevant corporate bodies and are not in violation of (1) its Articles of Incorporation and Bylaws; or (2) any law or contractual restriction that bind or affect, or to which it is bound, on any account, any of its corporeals, incorporeals, tangibles, intangibles, personal property or real estate owned by it;
- g) no record, consent, authorization, approval, license, order of or qualification from any governmental authority or regulatory agency, is required for the Issuer to comply with its obligations in accordance with the terms of this Indenture and the Debentures, or for carrying out the issuance, except for the registration of the Indenture at the Registry of Commerce, which shall be complied with by the Issuer;
- h) the Issuer's financial statements, dated as March 30th, 2009, properly present the financial position of the Issuer and of its subsidiaries and associated companies on said date, and were duly prepared in compliance with the Brazilian GAAP, which were applied in a consistent way over the periods involved, and, since the date of the most recent financial statements, there has been no: material adverse impact on the relevant financial situation and operating results; transactions involving the Issuer

other than in the regular course of its business that were relevant to the Issuer; and changes in the capital stock or a substantial increase in the debt of the Issuer;

i) no debt instruments issued by it or withdrawn against it have been submitted for protest or been protested whose individual amount is equal to or higher than twenty five million reais (R\$25,000,000.00), except those that, being submitted for protest, have been the object of litigation over the preventive stay of protest on reasonable grounds, followed by the respective main lawsuit, as applicable;

j) the Issuer and its subsidiaries and associated companies are in compliance with the laws, regulations, administrative rules and orders from governmental bodies and agencies or courts, applicable to its business dealings, and have already obtained all the relevant authorizations and licenses required by the federal, state and municipal authorities for the exercise of its activities up to then, and all of them are valid and in order;

k) it does not have any connection with the Trustee preventing same to fully perform its duties in connection with this Issue;

l) it is not aware of a fact preventing the Trustee of fully performing its duties, in accordance with the terms of the Brazilian Business Corporation Act and other applicable norms, including regulatory ones;

m) the legal representatives that execute this Indenture have powers provided by the articles of incorporation and/or deputies to assume, on their behalf, the obligations hereby set forth; and, as representatives, they had powers legally granted, and their respective terms of office are in full force;

n) this Indenture comprises a legal, valid and binding obligation of the Issuer, being enforceable in accordance with its terms and conditions; and

o) it shall keep its assets properly insured, in accordance with current market practices.

Clause XII – General Conditions

12.1 Adjustment of price or quantity

All prices mentioned herein and formulas related to the shares issued by the Issuer, including the MAXPN, as defined in item 6.1.1.1, shall simultaneously and proportionally be adjusted whenever any securities are issued, via bonuses, stock-split or reverse stock-split of common shares issued by the Issuer, on any account, which may occur as from the Issuance Date, with no burden to the owners of Debentures and in the same proportion established for such events. There shall be no adjustment in the event of the issuance of any securities, via bonuses, for the purposes of a stock option granting plan of the Issuer.

12.2 Communications

The communications to be sent by any of the parties pursuant to the terms of this Indenture shall be forwarded to the following addresses:

Issuer:

LUPATECH S.A.
Rua Dalton Lahm dos Reis, nº 201
CEP 95.012-020
Caxias do Sul, RS
Att. Administrative Senior Management
Telephone: 55 54-2992-7000
Fax: 55 54-2992-7001
E-mail: gilberto.pasquale@lupatech.com.br

Trustee:

PLANNER TRUSTEE DTVM LTDA
Av. Brigadeiro Faria Lima nº 3900 – 10th floor
04538-132 – São Paulo / SP
At. Sra. Viviane Rodrigues
Telefone: 11 2172-2628
Fac-símile: 11 30748-7264
E-mail: vrodrigues@plannercorretora.com.br

The communications to be sent by any of the parties by mail shall be deemed as having been delivered against receipt or upon deliverance of a notice of receipt issued by the Post Office, against receipt, or by telegram at the above-mentioned addresses.

The communications to be sent to the Issuer pursuant to the terms herein, if made via fax or e-mail, shall be deemed as having been delivered on the date they are sent, provided that their receipt is confirmed via a confirmation of receipt (a receipt issued by the machine used by the sender or via a confirmation by telephone). The respective originals shall be forwarded to the addresses above in up to five (5) working days after the message is sent.

The change in any of the addresses above shall be communicated to all parties by the Issuer.

12.3 Waiver of Rights

This Indenture does not assume the waiver of any rights arising hereof. Therefore, no delay, omission or indulgence in the exercise of any right, capacity or remedy to which the Trustee and/or the Debenture Holders are entitled, due to any default by the Issuer, shall harm the exercise of said right, capacity or remedy, nor shall it be deemed as comprising a waiver of same or agreement with said default, and neither shall it comprise a novation or change in any other obligations undertaken by the Issuer in this Indenture nor a precedent as regards any other default or delay.

12.4 Applicable Law

This Indenture is governed by the Laws of the Federal Republic of Brazil.

12.5 Instrument Enforceable Out of Court and Specific Performance

This Indenture and the Debentures comprise instruments enforceable out of court in accordance with the terms of items I and II of article 585 of the Brazilian Code of Civil

Procedure, and the parties hereby recognize that, regardless of any other applicable measures, the obligations assumed pursuant to the terms herein allow specific performance and subject themselves to the provisions of articles 632 et seq. of the Brazilian Code of Civil Procedure, subject to the right of declaring the acceleration of the Debenture, pursuant to the terms herein.

12.6 Irrevocability and Irreversibility

This Indenture is irrevocably and irreversibly entered into, except in the event of noncompliance with any of the requirements listed in Clause II, binding the parties thereto and its respective successors.

12.7 Severability of the Provisions of the Indenture

Should any of the provisions herein be deemed illegal, invalid or inefficient, all remaining provisions shall remain unaffected by said decision, and the parties hereto undertake, in good faith, to replace said affected provision by another that, as far as possible, produces the same effect.

12.8 Expenses

The Issuer shall bear all costs arising from the private placement of the Debentures, including any costs related to the publication of the acts necessary for the Issue, such as this Indenture, any of its amendments and corporate acts of the Issuer; and expenses with the hiring of the Trustee.

12.9 Filing Fine

In the event of a court-supervised collection, the Issuer shall pay a ten percent (10%) fine on the amount of debt related to the Debentures, including principal, charges and Maturity Premium, without prejudice to out-of-court and legal expenses, and counsel fees, owed as from the first filing by the relevant authority in the suit for collection.

12.10 Jurisdiction

The judicial district of the city of Rio de Janeiro, state of Rio de Janeiro, is hereby elected as the venue jurisdiction to settle any controversy arising from this Indenture, with the express waiver of any other venue, as special or privileged as it may be.

In witness whereof, the parties have caused these presents to be executed in [four (4)] counterparts of equal form and content, in the presence of two (2) undersigned witnesses.

São Paulo, May 26, 2009

ISSUER

LUPATECH S.A.

TRUSTEE

PLANNER TRUSTEE DTVM LTDA

EXHIBIT I
Provisions Applicable to BNDES Agreements