

BRAZILIAN ASSOCIATION OF FRANCHISING

ARTICLES OF INCORPORATION

CAPÍTULO I

NAME, HEADQUARTERS, DURATION, PURPOSES AND OBJECTIVES

Artigo 1º. The Brazilian Association of Franchising - ABF is a non-profit association, nationwide, with an indefinite term, headquartered and venue in the city of São Paulo, State of São Paulo, at 10.989 AV. das Nações Unidas, conjunto [suites] 92 and 112, 9th and 11th floors, Vila Olímpia, CEP [ZIP CODE] 04578-000.

Sole paragraph The association, by decision of the Board of Directors, may install offices and open branches in any city in the country.

Artigo 2º. ABF has a legal personality distinct from that of its associates, and the associates are not liable for the social obligations of the association, and ABF is not liable for the social and contractual obligations contracted by its associates, including, but not limited to material and moral damages, and indemnity for the non-success of the contracted business.

Sole paragraph - The associates, even if invested in the capacity of Directors and Counselors of the association, are not liable, subsidiarily, or jointly, for the responsibilities and social obligations assumed or contracted by the association, which are under the exclusive responsibility of its equity.

Artigo 3º. ABF may be dissolved by resolution of at least three quarters (3/4) of its associates entitled to vote and in full enjoyment of their rights, meeting in an extraordinary General Assembly, specially convened for this purpose.

Parágrafo 1º. Once the ABF is dissolved, its assets and rights will have the destination that the associates, who represent at least three quarters (3/4) of the association with voting rights, may decide, according to the cases provided for in Article 61 and Paragraph 2 of the Brazilian Civil Code.

Parágrafo 2º. The associates will not be required to refund the contributions referred to in § 1 of Article 61 of the Brazilian Civil Code.

Artigo 4º. ABF will not endorse political party or religious manifestations, nor will it assign its facilities for such purposes.

Artigo 5º. ABF aims to:

- I. promote the business franchise system and its benefits in Brazil;
- II. contribute to the defense of the franchising system with government authorities; public agencies; entities and class associations; and opinion formers;
- III. contribute to the improvement of performance techniques for the general public, in their respective fields of activity, through the permanent exchange of information, data, ideas and experiences; provision of institutional courses, lectures, seminars and similar events; availability of material of interest to those who work in franchising; participation in fairs and conventions in Brazil and abroad, whether or not encouraged by third parties hired for this purpose;

- IV. enter into partnerships with other companies aimed at promoting the franchise activity and for the benefit of ABF associates;
- V. publications of newsletters, magazines and books relating to franchising and related matters;
- VI. organization of events aimed at promoting the franchise activity;
- VII. organization of events for ABF associates;
- VIII. strive for the improvement of legislation, doctrine and jurisprudence related to franchising and related segments; and
- IX. ensure the compliance of the associate with the ABF Code of Conduct and Ethical Principles;
- X. Representing associates in the judicial and extrajudicial spheres, upon their agreement, especially in matters involving collective rights.

CAPÍTULO II ASSOCIATES

Artigo 6°. There is no limit to the number of associates who can join the association.

Artigo 7°. There are fifteen categories of associates:

- I. **Founder:** legal entities that signed the founding minutes of ABF.
- II. **Junior Franchisor:** Legal entity organized to distribute or that distributes its products and services using, at least in part, the business franchise system, or holder of a master franchise organized in accordance with Brazilian law; that has its headquarters and administration in the country; which observes the provisions of Law No. 13.966/19 (Franchise Law); and that it has at least one franchised unit in operation.
- III. **Full Franchisor:** Legal entity organized to distribute its products and services using, at least in part, the business franchise system, that is the owner of a master franchise organized in accordance with Brazilian laws; that it has headquarters and administration in the country; which observes the provisions of Law No. 13.966/19 (Franchise Law); and, cumulatively, meets the following conditions:
 - a. Has been using the franchise system for at least 2 (two) years, depending on the signature date of the first franchise contract;
 - b. Has at least 10 (ten) franchised units in operation;
 - c. Is a member of the ABF for at least 1 (one) uninterrupted year.
- IV. **Senior Franchisor:** Legal entity organized to distribute its products and services using, at least in part, the business franchise system, that is the owner of a master franchise organized in accordance with Brazilian laws; that it has headquarters

and administration in the country; which observes the provisions of Law No. 13.966/19 (Franchise Law); and, cumulatively, meets the following conditions:

- a. Has been using the franchise system for at least 5 (five) years, depending on the signature date of the first franchise contract;
- b. Has at least 30 (thirty) franchised units in operation;
- c. Is associated with ABF for at least 3 (three) uninterrupted years.

V. **Master Franchisor:** Legal entity organized to distribute its products and services using, at least in part, the business franchise system, that is the owner of a master franchise organized in accordance with Brazilian laws; that it has headquarters and administration in the country; which observes the provisions of Law No. 13.966/19 (Franchise Law); and, cumulatively, meets the following conditions:

- a. Has been using the franchise system for at least 10 (ten) years, depending on the signature date of the first franchise contract;
- b. Has at least 60 (sixty) franchised units in operation;
- c. Is associated with ABF for at least 3 (three) uninterrupted years.

VI. **International Franchisor:** Foreign legal entity that distributes its products and services using, at least in part, the business franchise system or holds a master franchise, organized in accordance with the laws of its country of origin, which is not headquartered in Brazilian territory and has at least one franchised unit in operation outside the Brazilian territory.

VII. **Regional Master Franchisee:** legal entity that holds the rights to use a certain brand according to a master franchise contract in force covering one or more regions in the national territory, signed with a franchisor associated or not with ABF, who is aware of its association initiative to the ABF;

VIII. **Franchisee:** Individual or legal entity with an effective franchise contract signed with a franchisor associated or not to the ABF. For your association, you must inform the intention to the franchisor;

IX. **Supplier:** individual or legal entity that is a service provider and/or product supplier, acting in the franchising system.

X. **International Supplier:** Individual or legal entity that is not headquartered in Brazilian territory and is a service provider and/or product supplier, operating in the *franchising* system, organized in accordance with the legislation of its country of origin.

XI. **Startup:** legal entity incorporated in any legally permitted form, whose main business purpose is the development of innovative technology-based products or services with the potential for rapid growth in a repeatable and scalable manner.

XII. **Multi-Franchise:** Individual or legal entity with more than one franchised unit, with a franchise contract in force with one or more than one franchisor brand, associated or not with ABF (multi brand or multiunit franchisee). For your association there must be the knowledge of the franchisors involved;

XIII. **Council or Association of Franchisees:** entity duly recognized by the respective franchisor and that counts on with its participation, with or without legal personality, representing at least 2/3 (two thirds) of the franchisee network in number

of units and, demanding the franchisor to be associated with ABF. Finally, the franchisor must be informed of the association of the Council or Association to the ABF.

XIV. Potential Franchisor: Legal entity organized to distribute products and services using, at least in part, the business franchise system, pursuant to Brazilian law; that it has headquarters and administration in the country; which observes the provisions of Law No. 13.966/19 (Franchise Law); and that does not have a franchised unit in operation.

XV. Meritorious: individual who has contributed or contributes to the growth and development of franchising in Brazil, who accepts an invitation from the ABF Board to participate of the ABF.

Parágrafo 1º. Any category changes will occur with the updating of the ABF registration by the Franchisor who is responsible for the information provided to ABF.

Paragraph 2. The foreign legal entity that owns a franchised unit operating in Brazil will not be considered as “International Franchiser”. In this case, it must be associated with one of the categories described in items II to V above.

Paragraph 3. The Startup associate must, after a period of 2 (two) years, join the “Supplier” category, under penalty of discontinuing their association exclusion, at ABF’s discretion.

Paragraph 4. ABF may disregard the association of a “Potential Franchisor” if, after one year of association from the date of admission, it does not join one of the categories described in items II to V above”;

Paragraph 5 “Meritorious” associates are exempt from paying fees or association contributions to ABF.

CAPÍTULO III ASSOCIATES ADMISSION

Artigo 8º. Individuals or legal entities that meet the admission requirements in force at the time of application may join the ABF in the categories provided for in this Statute.

Artigo 9º. The interested party, to be admitted to the association, must participate in the association process observing the regulations in force at the ABF at the time of the association.

Artigo 10. The regulation of the association process will be available on the ABF portal on the Internet.

Artigo 11. The association process will be analyzed by the ABF legal department and deliberated by the Admission Committee of this association, in compliance with the provisions of paragraphs one and two of this article.

First paragraph. The decision regarding the admission of interested parties as associates will be subject to review by the Board of Directors upon written request made by at least one-fifth (1/5) of the associates.

Second paragraph. If there is any doubt or any question of order raised by the Board of Directors, the decision regarding the admission of interested parties to association will proceed to the decision of the ABF Board.

CAPÍTULO IV ASSOCIATES' RIGHTS

Artigo 12. Associates in the Master Franchisor and Senior Franchisor category have the following rights:

- I. participate in General Meetings and any other meetings of associates that are summoned.
- II. vote, subject to the provisions of paragraph 6;
- III. be voted at the General Meetings, provided that the qualifications required in Paragraphs 1 and 2 of Article 40 and in Paragraph 1 of Article 44, as applicable, are met;
- IV. represent the ABF agencies, against an act that they consider contrary to the Statute, the associates interests, or the association interests;
- V. submit to the appreciation of the General Meeting or the ABF Council matters of interest to the association or associates; and
- VI. participate in the activities provided by the ABF and use its benefits, observing, in both cases, the regulations provisions.
- VII. use the ABF BRAND, identifying itself as an associate, in any advertising media in a reputable manner, without harming the integrity of the association and in accordance with the brand use rules determined by the association.

Parágrafo 1º. Associates in the Junior Franchisor, Full, Potential Franchisor, Master Regional Franchisee and Meritorious categories enjoy all the rights described in this article caput, with the exception of the rights provided for in items II and III.

Parágrafo 2º. Associates in the Supplier, Franchisee and Multi-franchisee categories enjoy all the rights described in this article caput, with the exception of the right provided for in item II.

Parágrafo 3º. The member in the category Council or Franchisees Association enjoys all the rights described in this article caput, with the exception of the right provided for in item III.

Parágrafo 4º. Associates in the Supplier, Franchisees and Founders categories have the right to be voted, subject to Paragraphs 1 and 2 of Article 40 and Paragraph 1 of Article 44.

Parágrafo 5º. Founding associates will not have the right to vote, as provided for in item II of this article, if they have not been operating in the franchise market for at least 2 (two) years.

Parágrafo 6º. Associates in the Startup, International Franchisor and International Supplier categories enjoy the rights described in items VI and VII of this article.

Parágrafo 7º. The rights of the associate indicated in items II and III of this article will be automatically suspended in the event of default of any obligation, including financial, owed to ABF when exercising such rights.

Artigo 13. ABF associates may use other ABF brands, when applicable, in accordance with current regulations, in any advertising media in a reputable manner, without harming the association integrity and in accordance with the brand use rules determined by the association;

Parágrafo único. The associate in the Franchisee category will only have the right to use the ABF BRAND and the ABF's brands, as provided for in item VII of article 12 and if the franchisor is not unable to do so in accordance with the provisions of this Statute.

Artigo 14. Meritorious associates have, exclusively, the right to be regularly informed about ABF's activities, programs, and deliberations; to receive a copy of each newspaper, magazine or flyer that the ABF might edit, as soon as they join the association; and to participate in cultural and institutional activities provided by the entity.

Parágrafo único. Associates in the Meritorious category are part of the associative agency, regardless of compliance with the formalities of Article 9 or a fee payment.

Artigo 15. The associate who intends to leave must express the intention, in writing, in compliance with the regulation rules in force at the time of the application and must proceed to the obligations full satisfaction before the ABF's request approval.

CAPÍTULO V ASSOCIATES' DUTIES

Artigo 16. The associates duties are:

- I. comply with the provisions of this Statute, the ABF Code of Conduct and Ethical Principles, and observe the regulations in force;
- II. comply with the General Meeting deliberations, the ABF Council and the ABF Board of Directors;

- III. collaborate with the ABF Council, the Board of Directors, the Commissions and the Fiscal Council, so that the social objectives are achieved;
- IV. be up to date with all the obligations to the ABF;
- V. ensure the good name of ABF;
- VI. honor ABF, its activities and initiatives, forwarding information and suggestions that may contribute to the franchising system development in Brazil;
- VII. respond to surveys promoted by the ABF or by partner entities;
- VIII. keep the registration data and other information updated in the ABF database, ensuring the veracity of the information provided, being responsible for all of them, under penalty of having the data transmission suspended, without prejudice to the penalties application provided for in Article 18 and following;
- IX. provide, within a period of up to 5 (five) business days, any documents requested by the ABF, which may impute or change the information contained in these documents in the database;

Artigo 17. Legal entity associates will appoint representatives to represent them before the association for all purposes and effects.

Parágrafo 1º. A formally constituted person may only be appointed as a representative, through a corporate act filed with the competent agency, or through a power of attorney, with powers to represent the associate at the ABF for all purposes and effects.

Parágrafo 2º. The right to vote and be voted for elective positions may only be exercised by representatives appointed by the member or, in their absence or impediment, by alternates, who may, however, be represented by granting a mandate with specific powers for the exercise of voting rights.

CAPÍTULO VI PENALTIES

Artigo 18. In case of non-compliance with the ethical principles provided for in the ABF Code of Conduct and Ethical Principles or non-compliance with other provisions provided for in this Statute the Associates, the following sanctions shall apply:

- I. reporting of non-compliance;
- II. warning;
- III. suspension;
- IV. exclusion;

Artigo 19. The ABF Ethics Committee is responsible for processing cases of non-compliance with the ethical principles provided for in the ABF Code of Conduct and Ethical Principles;

Parágrafo 1º. The rules on the processing of ethical principles violation cases are described in the Internal Regulations of the Ethics Commission;

Parágrafo 2º. The associate who is excluded for violating ethical principles may only return to the association's staff after the situation that led to the exclusion has been rectified, by starting a new association process, including payment of a new process analysis fee association in force at the time of application, subject to re-entry upon presentation of a letter of justification and approval by the Board of Directors.

Artigo 20. It is the responsibility of the Board of Directors to process cases not provided for in the ABF Code of Conduct and Ethical Principles;

Artigo 21. The sanctions for reporting non-compliance, warning and suspension will be applied by the Ethics Committee, subject to the provisions of Article 19.

Parágrafo único. Once the Ethics Committee requirements have been complied with and the associate suspension causes are ceased, the Ethics Committee will assess compliance and submit it to the Board of Directors at the next scheduled meeting.

Artigo 22. The sanction of exclusion will be recommended by the Ethics Committee and applied by the Board of Directors.

Artigo 23. In extremely serious cases that imply a risk to the ABF integrity and/or the franchising system, the CEO may officially file a representation, immediately admit its receipt and forward it to the Ethics Committee for judgment.

Parágrafo único. The Ethics Committee will have a period of 10 (ten) days, counted from the representation receipt, to hold an extraordinary meeting to assess the representation.

Artigo 24. The Board of Directors may apply any of the penalties provided for in Article 18 to the associate who:

- I. is in default with its financial obligations for more than six months;
- II. ceases to exercise the franchising, within the precepts established in Law No. 13.966/19 and the statutory rules of this association, either on its own initiative or by legal determination;
- III. uses the ABF BRAND or the ABF's brands in a disreputable or irregular manner;
- IV. perform acts that may detract from the franchising system image;
- V. fails to update the registration data and other information in the ABF database, under the terms established in item VIII of Article 16;
- VI. fails to provide true information when updating the registration data and other information in the ABF database, as provided for in item VIII of Article 16;

VII. fails to provide the documents requested by the ABF or on doing so within the indicated deadline, as established in item IX of Article 16;

VIII. fails to observe other provisions of these Bylaws that are subject to the penalty application.

Parágrafo único. The associate excluded under the terms of this article may only return to the association boards after the situation regularization that generated the exclusion, and then start a new association process, including payment of a new analysis fee of the association process in effect at the time of application.

Artigo 25. The associate who has received the sanction provided for in article 18, may only file an appeal to the agency immediately superior to the one issuing the decision by applying the sanction.

Parágrafo 1º. In case of sanction application, the member may file an appeal within 15 working days.

Parágrafo 2º. Once the appeal is received, it will be placed on the next meeting agenda of the Responsible Agency for judging the appeal.

Parágrafo 3º. The Responsible Agency for Judging the Appeal may deliberate on it at the same meeting or, without fail, at the next meeting, when the decision must be handed down.

Parágrafo 4º. The ABF Board decisions are not appealable.

CAPÍTULO VII SOCIAL ADMINISTRATION

Artigo 26. The ABF agencies are:

- I. the General Meeting;
- II. the ABF Council;
- III. the Board of Directors; and
- IV. the Fiscal Council.

Artigo 27. No ABF elective position will be remunerated.

Parágrafo 1º. People who own and maintain active businesses, have any economic or financial interest, including, but not limited to, suppliers of products and services, with ABF, may not run for elective positions and/or hold these positions, be appointed as a member from any council or be hired as ABF employees.

Parágrafo 2º. According to ABF's internal policies, members of elective positions may be reimbursed for expenses that may incur in carrying out duties such as travel, food and lodging expenses, among others.

Artigo 28. The right to be elected is restricted to the individual representing each associate, subject to the provisions of Paragraphs 1 and 2 of Article 40 and Paragraph 1 of Article 44, as applicable.

Parágrafo 1º. The ABF Council associate, Board of Directors or Audit Committee who fail to represent the associate to whom was linked at the time of the election and do not become a representative of another, eligible, within a maximum period of 30 (thirty) days, will have the mandate immediately revoked.

Parágrafo 2º. The position vacancy, in the case provided for in the previous paragraph, will not give the associate whose representative was from committee or board the right to appoint another representative, to fulfill the balance of the term.

Parágrafo 3º. The replacement of the committee or board associate who fails to represent an associate and does not become a representative of another within the period indicated in Paragraph 1 of this article, shall observe the procedure described in Article 40, paragraph 11, Article 44, paragraph 6, or Article 43, item VIII, depending on the case.

Artigo 29. The Board of Directors is empowered to carry out the management acts necessary for the fulfillment of the entity's purposes and objectives.

Artigo 30. The Board of Directors associates are not liable for obligations assumed by ABF in the regular exercise of its powers, but are liable for damages they might cause to ABF or third parties as a result of acts performed in excess of power.

Parágrafo 1º. Board of Directors or the ABF Council associates who have not attended a meeting are responsible for any resolution taken there, except in relation to those they have opposed by means of a written statement, within 48 (forty-eight) hours after the meeting, including by fax or email.

Parágrafo 2º. If there is a change in the Board of Directors or in the ABF Council as a result of the beginning of a new term, the new elected Board of Directors and ABF Council associates shall be responsible for the continuity of the commitments assumed by ABF before any public agencies.

Artigo 31. The Board of Directors and ABF Council decisions will be taken by a majority vote of the associates present at the meeting.

Parágrafo 1º. If there is a tie in any deliberation, the ABF Council President, or the CEO, or whoever is replacing them, as the case may be, shall have the casting vote in the respective agency deliberations, ending the impasse.

Parágrafo 2º. Minutes of the Board of Directors and ABF Council meetings will be drawn up, containing the summary of the deliberations, in addition to other information considered relevant, as well as any dissent or protest, and such minutes will be filed at the entity's headquarters.

Parágrafo 3º. The Federal, State and Municipal Revenue Services and other public agencies must be notified of changes in the Board of Directors, under penalty of Civil and/or Criminal liability of the responsible associates, depending on the case.

CAPÍTULO VIII GENERAL MEETING

Artigo 32. The General Meeting is ABF's sovereign power, which brings together associates who are in the enjoyment of their rights.

Parágrafo 1º. The General Meeting, regularly installed, is empowered to deliberate on any matter of interest to ABF.

Parágrafo 2º. The General Meetings may be ordinary or extraordinary, according to the purpose for which they are called, not having, however, impediment to the joint holding of the Ordinary and Extraordinary General Meetings.

Parágrafo 3º. The summon will be addressed to the associate's main executive according to information contained in the ABF database on the submission date.

Artigo 33. The Annual General Meeting shall be held annually during the first four months of the year, for the following purposes and effects, in compliance with the provisions of Paragraph 1:

- I. take and approve the accounts of the Board of Directors and the ABF Council and examine the balance of the previous year, both instructed with the opinion of the Fiscal Council, in compliance with the provisions of Article 57, VI;
- II. examine and discuss the activities report, as well as the budget for the year in question, as prepared by the Board of Directors and ratified by the ABF Council; and

Single paragraph. Every 2 (two) years, in November, the Annual General Meeting will be held to elect the members of the Board of Directors and the Fiscal Council, and every 3 (three) years to elect the members of the ABF Council, as per the case, based on the list of lists or candidates presented by the Electoral Committee, pursuant to Article 91 of this Statute, subject to the rules of composition and election of said agencies provided for in this instrument.

Artigo 34. The General Meeting will happen, extraordinarily, to deal with ABF and the associates matters of interest, whenever summoned:

- I. by the Board of Directors, ABF Council or Fiscal Council, by resolution of the associates majority present at the meeting in which such summon is decided; or
- II. by the President of the Board of ABF or by the CEO, or any other associate who, due to vacancy or impediment, is presiding over the agency; or
- III. by representation of at least one-fifth (1/5) of the associates, by means of a written request addressed to the Board of Directors, and this request must contain, in a specific, detailed and clear manner, the matters that will be submitted to the Meeting for consideration.

Artigo 35. The General Meeting, whether ordinary or extraordinary, must be convened by means of a circular to the associates sent by post or electronically, which will contain, even if briefly, an indication of the matters on which the meeting must deliberate.

Parágrafo 1º. The summon will be addressed to the associate's main executive according to information contained in the ABF database on the submission date.

Parágrafo 2º. Between the issuance date of the call notice and the General Meeting holding, there will be a period of not less than 10 (ten) and not more than 30 (thirty) days, except if the General Meeting has as objective the Board of Directors associates election, of the ABF Council and the Fiscal Council, when the deadline stipulated in Article 91 must be observed.

Parágrafo 3º. The Board of Directors will have a maximum period of 15 (fifteen) days, counting from the request receipt, to convene the Extraordinary General Meeting required by the associates, pursuant to item III of Article 34. If the Board of Directors does not do so, the applicants may proceed with the summon directly, sending it to all associates, by mail, with an application copy sent to the Board of Directors, and the Meeting shall be held at the registered office, or at the place indicated in the summon, in the municipality and district of São Paulo, State of São Paulo.

Parágrafo 4º. Each associate will have the right to one vote at the General Meetings, and this right may only be exercised in the manner stipulated in the caput of Article 17, Paragraph 1, and in compliance with the provisions of Article 12 and paragraphs.

Parágrafo 5º. If there is a tie in any deliberation, the casting vote will be played by the associates of the Master Franchisor category, who will decide on the deadlock by mutual agreement, ending it. If the tie remains, it will be decided by the associate casting vote of the Master Franchisor category, who will be chosen according to the criteria below, in the following order:

- a. ABF's associate for the longest period of uninterrupted time.
- b. Detains a greater number of franchised units in operation.

Artigo 36. The General Meetings will be installed:

- I. on first summon, on the day and time indicated in the circular sent to the associates, with the presence of at least two-thirds (2/3) of the associates entitled to vote and in full enjoyment of the statutory rights; and
- II. on second summon, with any associates number, half an hour after the scheduled time for the first summon.

Sole Paragraph – Deliberations will be taken by a simple majority of the votes of those present.

Artigo 37. The General Meetings shall be opened and presided over by the President of the ABF Council or by the acting President, being supported by an associate of the Board of Directors chosen by the President of the board.

Parágrafo único. In case of impediment of the ABF's President of the Board or the CEO, the Vice-President of the Board of Directors or the Board of ABF shall open and preside over the General Meeting and appoint a member to act as secretary. In case of

impediment of said Vice-Presidents, this function will be incumbent upon the Administrative-Financial Director, and so on, observing the order of positions established in Article 44 of this Statute.

Artigo 38. Minutes of the work and resolutions of each General Meeting shall be drawn up to be signed by the presiding board associates and filed at the headquarters of ABF.

Parágrafo único. The minutes may be drawn up in the form of a summary of the facts that occurred, containing only a transcript of the resolutions taken and any dissent and protests.

Artigo 39. The deliberations of a Meeting that has been held regularly may be questioned by the Founding associate, Senior Franchisor or Master Franchisor, in another Meeting, convened pursuant to Article 34, item III for this purpose.

CAPÍTULO IX ABF COUNCIL

Artigo 40. The ABF Board is composed of 8 (eight) members with an office term of 3 (three) years, subject to the provisions of Paragraph 10 below, of which (I) 3 (three) will be obligatorily the last Presidents of the ABF; (II) 1 (one) shall be the acting CEO; (III) 2 (two) will be representatives of associates of the Senior Franchisor or Master Franchisor category, provided they have been associated with ABF for at least 5 (five) uninterrupted years; and (IV) 2 (two) will be representatives of associates in the Founder or Supplier category, and if they are in the Supplier category, they must be lawyers or consultants, as well as being associated with the ABF for at least 5 (five) uninterrupted years. The last 4 (four) associates will be elected by the General Meeting, subject to the requirements of Paragraph 1 of this article.

Parágrafo 1º. To run for eligible positions as associate of the ABF Board, the candidate must be a partner, shareholder, legal representative or have an employment relationship with an associate, present written authorization from the legal representative of the associated company they represent to run for the position, provided they are associated in the Founder, Senior Franchiser, Master Franchisor and Supplier categories, as well as having demonstrably fulfilled a two-year term as associate of the Board of Directors or served for at least two uninterrupted years in the Ethics Committee, without prejudice to other specific conditions established in this Statute.

Parágrafo 2º. The ABF Board, at sole discretion, may invite 1 (one) or more Franchisees or Master Franchisees to participate in the meetings, without, however, having the right to vote on the resolutions taken there.

Parágrafo 3º. Associates are prohibited from granting a mandate to a representative of another associate category for purposes of eligibility on the ABF Board.

Parágrafo 4º. The ABF Council inauguration shall take place on the first business day of the year immediately following the election. The ABF Board members office term will last, however, until the effective investiture of the new members elected pursuant to this Statute, observing the restriction provided for in Paragraph 7 of this article.

Parágrafo 5º. In the month that follows taking the office, the ABF Board members will appoint a General Secretary, and the acting President cannot occupy any of these positions.

Parágrafo 6º. The president of the ABF Council will be the entity former president of the Board of Directors that is the oldest among the former presidents that make up the current Council.

Parágrafo 7º. The ABF Board vice president will be the 2nd former president of the entity's Board of Directors, the oldest among the former presidents that make up the current Board.

Parágrafo 8º. The ABF Council may nominate one of its members to act as secretary at the council's meetings, or even invite an entity associate to exercise those agency functions.

Parágrafo 9º. The ABF Board secretary will be elected or invited, at the first Board ordinary meeting, and the current chairman of the Board of Directors will not be able to hold this position.

Parágrafo 10. The ABF Board members may be re-elected only once for a period of 03 (three) years, being impossible for them to remain on the ABF Board for more than 6 (six) years, successive, uninterrupted, except with regard to the CEO in office, who will be first invested as an ABF Board member acting CEO, and later, as former CEO of ABF.

Parágrafo 11. In the event of impediment or vacancy of any of the ABF Board members, the other directors will indicate, by mutual agreement, the substitute, except in cases of vacancy or impediment of the CEO in which case the substitute, as soon as appointed for the vacant position, will automatically be invested in the ABF Board.

Parágrafo 12. The current ABF Board has an office term of 2 (two) years that will be fulfilled without any addition.

Artigo 41. The ABF Board may create, by own initiative or at the Board of Directors initiative, specialized, non-permanent Commissions, which will define specific projects and policies in each area of ABF's performance, with each Commission being preferably coordinated by a Board of Directors member, subject to the provisions of Paragraphs 1 and 2 of Article 80 of this Statute.

Artigo 42. The Board of Directors may nominate individuals to work with the ABF Commissions, and said nomination must be approved by the majority of the ABF Board.

Artigo 43. The ABF Council shall:

- I. ensure the faithful compliance with the Statute, the Code of Conduct and Ethical Principles and the resolutions taken at the General Meeting;
- II. promote cultural and professional development activities, especially courses, debates and conferences related to the business franchise system;

- III. appraise and decide on the appeals presented due to the application of an exclusion sanction, pursuant to the sole paragraph of Article 25;
- IV. consider requests from the Board of Directors regarding general matters of interest to the association;
- V. ratify the general orientation of the activities defined by the Board of Directors;
- VI. approve the acts performed by the Board of Directors that imply the assumption of obligations by ABF in an amount greater than BRL 100,000.00 (one hundred thousand reais), either in a single act or in a series of successive and related acts;
- VII. jointly approve the accounts, budgets and extraordinary matters that go beyond simple management acts, including the sale and encumbrance of ABF's real estate;
- VIII. appoint a substitute for the Board of Directors member who fails to represent the one he/she was linked and does not become a representative of another within the period provided for in Article 28, Paragraph 1, in cases where it is not possible replacement in accordance with the hierarchy of positions provided for in the caput of Article 44 of this Statute;
- IX. inspect the acts of the Board of Directors and summon a General Meeting in case of proven conduct by any member of the Board of Directors that violates this Statute or the law;
- X. approve the installation of ABF regional and sectional representations provided for in Chapters XIII and XIV of this Statute;
- XI. approve the nomination made by the Board of Directors of the associates who will direct the ABF regional representations;
- XII. analyze the rendering of accounts of the representations and/or sectional submitted for appreciation;
- XIII. determine involvement with a particular mediation and arbitration chamber;
- XIV. approve the regulation on commissions;
- XV. interpose the investiture of the Board of Directors members, provided that it is duly justified;
- XVI. interpose, provided that it is duly justified, the name indicated by the Board of Directors to occupy the Chair of the Ethics Committee and that was appointed by the CEO to occupy the Chair of the Admission Committee;
- XVII. interpose, if duly justified, one or more names appointed by the Board of Directors to be part of the Ethics Committee or one or more names appointed by the CEO to be part of the Admission Committee;
- XVIII. define the entity's strategic direction;
- XIX. approve the strategic planning, budget and action plan of the Board of Directors;

- XX. define the investment destination whose amount exceeds BRL 100,000.00 (one hundred thousand reais), provided that the entity has a surplus cash flow;
- XXI. be informed of the decisions taken at all meetings of the Board of Directors and of the sectional and regional Boards, within a maximum period of 5 (five) business days, and may interpose any decisions, whether taken in decisions of the Board of Directors, or in any sectional and regional Boards; and
- XXII. approve any and all changes to the ABF organizational chart in terms of positions and functions, including the creation and extinction of new positions.

Parágrafo 1º. The ABF Board will ordinarily meet, at least once every three months, with the summon made by the Chairman of the Board by means of a notice fixed at the headquarters or by email, at least 05 days in advance, which will include, location, day, month, year, and agenda, and extraordinarily, whenever summoned by any member, following the terms for the ordinary meeting, deciding, in any case, by simple majority of the members present.

Parágrafo 2º. The member who, not being licensed, misses more than 3 (three) consecutive ordinary meetings, or 4 (four) alternate ordinary meetings, without providing reasonable justification, in writing, by letter or fax, will be warned by the ABF's Board Chairman, and the mandate revocation must be resolved at an Extraordinary General Meeting, to be summoned for such resolution, pursuant to Article 34 of this Statute,

Parágrafo 3º. In justified cases, the meeting may be attended through some means of audio or videoconference.

Parágrafo 4º. The ABF Council member mandate revocation may also occur in case of malpractice or social assets dilapidation, Statute serious violation, deviation from good customs, doubtful conduct, illegal or immoral acts practice, recognized in administrative proceedings disciplinary action, and the mandate shall be resolved at an Extraordinary General Meeting, to be called for such resolution, pursuant to Article 34 of this Statute.

Parágrafo 5º. The ABF Council members must make every effort so that deliberations are always obtained by consensus.

Parágrafo 6º. In case there is no consensus, the ABF Council decisions will be taken by majority vote of the members present at the meeting.

Parágrafo 7º. If there is a tie in any deliberation, then ABF Council President, or the person who is replacing him/her, as per the case, shall have the casting vote in the respective body deliberations, ending the impasse.

Parágrafo 8º. The ABF Board will keep a record of all meetings, processes and decisions in a safe environment and available for review, at sole discretion, by the ABF Board.

Parágrafo 9º. All of the meeting minutes must be signed by the directors and filed by the ABF with the proper signatures. Matters that may require the participation or contribution of any director that was absent at the meeting in which the matter was discussed, may be considered at the immediately subsequent board meeting, and thus

appear in the minutes of that meeting, without, however, changing any resolution or vote result that was previously defined.

Parágrafo 10º. The CEO may not deliberate on matters submitted to the appreciation of the ABF Board that concern the Board of Directors or specifically the performance as CEO of ABF, in which case a conflict of interest will remain.

Paragraph 11. The member of the ABF Board must declare himself/herself impeded when there is a conflict of interest.

Paragraph 12. A conflict of interest occurs not only when the individual member, but also the company that he/she acts or represents has any interest in the work performed by the ABF Board, or has an interest in the results of such work.

CAPÍTULO X BOARD OF DIRECTORS

Artigo 44. The Board of Directors will be composed of 10 (ten) members, who will be elected by the General Meeting, through the list system, to occupy the following positions, with an office term of 2 (two) years, subject to the requirements of Article 40, Paragraphs 1 and 3:

- I. CEO;
- II. VP;
- III. Administrative-Financial Director;
- IV. Legal Director;
- V. Marketing and Communication Director;
- VI. Institutional Director;
- VII. Training Director;
- VIII. International Director;
- IX. Franchisees Director; and
- X. Relationship Director. Micro franchises and New Formats

Parágrafo 1º. To run for the positions of CEO Vice-President Director or Administrative-Financial Director, the candidate must have the following qualifications, subject to the provisions of Articles 12 and 28, as well as Paragraphs 1 and 3 of Article 40:

- I. Be President, Vice-President, Director, Chairman of the Board of Directors, Partner or Chief Executive of a Senior Franchisor or Master Franchisor associate; and

- II. Be a partner or in the exercise of the respective position in the associated company for a minimum period of 1 (one) year.

Parágrafo 2º. The lists that run for the agency may only be composed of up to 8 (eight) candidates who have participated in the Board of Directors who took office at the time of the election.

Parágrafo 3º. The position of Legal Director must be held by a lawyer regularly registered with the OAB.

Parágrafo 4º. At the Board of Directors sole discretion, new positions of directors with specific functions may be created, on a precarious basis and without any power to represent the ABF.

Parágrafo 5º. In the event of impediment or vacancy in the position of CEO, the VP will assume the position, who will replace the CEO during the impediment period and succeed him/her in the vacancy until the end of the office term.

Parágrafo 6º. In the impossibility of joint vacancy of the positions of CEO and VP, the ABF Board shall appoint, within 10 (ten) days, at sole discretion, the respective substitutes, observing the provisions of paragraph 1 of Article 44 , or summon an Extraordinary General Meeting for such purpose.

Parágrafo 7º. In the event of vacancy in the positions listed in the caput, items II to X, it will be up to the CEO to indicate new names to occupy them, and he/she must submit them for approval by the ABF Board within 10 (ten) days, which will have the same period to approve or reject the nominated name.

Parágrafo 8º. In the event of the listed position occupant impediment in the caput, items II to X term, for a period of less than 90 (ninety) days, the CEO may indicate new names to occupy them during the period of impediment and must submit them to approval by the ABF Board within 10 (ten) days.

Parágrafo 9º. In the event of the listed position occupant impediment in the caput, items II to X term, for a period exceeding 90 (ninety) days, the CEO shall declare the position vacant. The vacant position filling will comply with the provisions of paragraphs 7 and 10 of this article.

Parágrafo 10. In cases of vacancy, if the appointment was not made by the CEO or there are not enough Directors to occupy the vacant positions, the ABF Board may, at sole discretion, appoint the respective substitutes or summon an Extraordinary General Meeting for such purpose.

Parágrafo 11. The Board of Directors shall take office on the first business day of the year immediately following the election. The term of office of the members of the Board of Directors in office will last, however, until the effective investiture of the new members elected pursuant to this Articles of Incorporation.

Artigo 45. The Board of Directors shall:

- I. approve the criteria for associates' admission under the Regulation of the Association Process presented by the ABF Admission Committee;

- II. set the amount of contributions to be paid by the associates, their frequency, form and payment term;
- III. file judicial and/or administrative measures aimed at the association's interests;
- IV. proceed with the financing contracting, the practice of acts that imply the obligations assumption or in the waiver of any right and the assets disposal that are part of the entity's assets, in compliance with the Associates Meeting's resolution;
- V. to manifest in the acceptance of the entity donations;
- VI. prepare an annual budget at the end of each fiscal year, forecasting income and expenses for the following fiscal year, which must be reviewed by the ABF Board and presented to the Ordinary General Meeting;
- VII. define the new ABF policies implementation, activities and strategies;
- VIII. deliberate on matters of the associates interests;
- IX. submit, annually, to the General Meeting, the balance sheet and report for the last fiscal year ended, as well as the documents necessary to verify the accuracy of the information presented and the rendering of the management accounts, instructed with the opinion of the Fiscal Council, under the terms Article 57, item VI, of this Statute;
- X. annually prepare and submit to the General Assembly the annual budget, forecasting ABF's income and expenses for the next fiscal year;
- XI. resolve on matters not provided for in this Statute;
- XII. appoint for approval by the ABF Board one or more names to occupy the Ethics Committee Presidency;
- XIII. choose and appoint the Ethics Committee President, subject to the provisions of item XII of this article and item XVI of Article 43;
- XIV. approve the Ethics Committee other members chosen by the Chairman of the Committee, submitting this list to the ABF Board within a period of up to 10 (ten) days, counted from the approval;
- XV. nominate for approval by the ABF Council the associates who will direct the ABF regional representations; and
- XVI. interpose the decisions of the Ethics Committee on reporting non-compliance and/or warning and/or suspension to the member.

Parágrafo 1º. The Board of Directors will ordinarily meet, at least once a month, summoned by the CEO by means of a notice fixed at the headquarters or by email, with at least 05 days in advance, and it shall include, place, day, month, year, and agenda, and extraordinarily, whenever called by any of its members following the terms of the call for the ordinary meeting, deciding, in any case, by simple majority of the present members. The Ethics Committee President must be invited to participate in the

meetings of the Board of Directors, without, however, having the right to vote in the resolutions taken there.

Parágrafo 2º. The member who, not being licensed, misses more than 4 (four) consecutive ordinary meetings, or 6 (six) alternate ordinary meetings, without presenting a reasonable justification, in writing, via letter, email or fax, will have the mandate revoked, and this matter must be resolved at an Extraordinary General Meeting, to be summoned pursuant to Article 34 of this Statute.

Parágrafo 3º. The ABF Council member mandate revocation may also occur in case of malpractice or social assets dilapidation, Statute serious violation, deviation from good customs, doubtful conduct, illegal or immoral acts practice, recognized in administrative proceedings disciplinary action, and the mandate shall be resolved at an Extraordinary General Meeting, to be called for such resolution, pursuant to Article 34 of this Statute.

Artigo 46. The CEO shall:

- I. summon and preside over the Board of Director meetings;
- II. summon the General Assemblies and preside over them, alone or along with the ABF Council President;
- III. sign along with the VP or the Administrative-Financial Director the minutes of the Board of Directors meetings and with the Administrative and Financial Director the annual budget, balance sheets and other documents and financial reports of ABF;
- IV. represent the association before financial institutions, being able to practice, along with the Administrative-Financial Director, all necessary acts to carry out bank transactions, especially in checking accounts, including the checks signings, bank contracts and other banking documents related to the regular exercise of the Association's objectives;
- V. appoint the entity representatives who, on behalf of the entity, shall participate in meetings, conferences, events or congresses, both national and international;
- VI. establish the work plan of the Board of Directors for each management year;
- VII. sign the Social Security Cards and other documents of the ABF's employees labor nature;
- VIII. represent the association, actively or passively, in or out of court, alone, including constituting, if necessary, attorneys with banking powers and *ad-judicia et extra* clauses;
- IX. sign contracts involving the association's objectives along with the Administrative-Financial Director;
- X. decide on the organization chart and the remuneration package for the entire ABF staff; and
- XI. Indicate the members who will be part of the Admissions Committee.

Parágrafo único. In the absence of the CEO, he/she will appoint, by proxy, another member of the Board of Directors to carry out the activities mentioned in items IV, VII and VIII.

Artigo 47. The VP (Vice president) shall:

- I. replace the CEO, in case of impediment or leave of absence and succeed him/her in case of position vacancy;
- II. assist the CEO in the exercise of his/her duties, fulfilling the missions and tasks entrusted to by the same;
- III. sign, along with the CEO, the Board of Director's meetings minutes;
- IV. sign, in the absence of the CEO, along with the Administrative-Financial Director, checks, bank contracts and other bank documents related to the regular exercise of the association's objectives, being able to perform all necessary acts to carry out bank transactions, especially in checking accounts;
- V. appoint, in the absence of the CEO, always along with the Administrative-Financial Director, the attorneys-in-fact for the association, including but not limited to powers of attorney granted for banking purposes; and
- VI. act as secretary, when requested, at the meetings of the Board of Directors, writing the minutes that will be signed along with the CEO.

Parágrafo único. In the event of a vacancy in the position of CEO, the VP will assume the vacant position, which he/she will occupy until the end of the term for which the CEO had been elected.

Artigo 48. The Administrative-Financial Director shall:

- I. assist the CEO in the exercise of his/her duties, fulfilling the missions and tasks entrusted to by the same;
- II. sign, along with the CEO, the Board of Directors meeting minutes, the annual budget, balance sheets and other documents of financial nature and ABF financial reports;
- III. sign, in the absence of the CEO, along with the VP, checks, bank contracts and other bank documents related to the regular exercise of the association's objectives, being able to perform all necessary acts to carry out bank transactions, especially in checking accounts;
- IV. appoint, in the absence of the CEO, always along with the VP, the association's attorneys, including but not limited to powers of attorney granted for banking purposes;
- V. act as secretary, when requested, at the meetings of the Board of Directors, writing the minutes that will be signed along with the CEO;
- VI. provide the necessary documentation for the payment, expenses and investments by ABF, forwarding them to the CEO for approval;
- VII. manage ABF's revenue;

- VIII. sign receipts for fee payments that are paid by the associates;
- IX. keep an updated inventory of movable and immovable assets that are part of ABF's assets;
- X. sign the correspondence regarding matters in the daily administrative area;
- XI. organize and rigorously keep up-to-date the association's fiscal and accounting bookkeeping;
- XII. provide the necessary documentation for the payment, expenses and investments by ABF, forwarding them to the CEO for approval; and
- XIII. sign contracts involving the association's objectives along with the CEO;

Artigo 49. The Legal Director shall:

- I. participate in negotiations involving the ABF interests, analyzing or drafting the contracts to be signed by the entity, as well as guiding decisions in which ABF's manifestation is expected, in or out of court;
- II. assist the CEO in the exercise of his/her duties, fulfilling the missions and tasks entrusted to by the same;
- III. sign, along with the CEO, when necessary, any documents that bind the entity;
- IV. advise the Board of Directors on matters about which it is consulted, participating in and developing courses and lectures concerning the legal aspects of the franchising system;
- V. direct and/or coordinate the work of the commissions related to their area of expertise; and
- VI. in the event of unavailability, indicate the ABF Legal Studies Commission coordinator to whom he/she will be subordinate, for Board of Directors approval.

Artigo 50. The Marketing and Communication Director shall:

- I. coordinate ABF's dissemination activities in order to ensure the entity widest promotion and insertion in the media, facilitating the objectives fulfillment;
- II. coordinate the technical materials publication that may be edited by the ABF;
- III. ensure that the relationship of ABF with government agencies and departments, press and other opinion makers, other professional associations and with ABF associates, takes place efficiently and as quickly as possible;
- IV. assist the Training Director, Courses and Events to organize, coordinate and supervise the events held by ABF;

- V. collaborate with the Institutional Director in the preparation of a publication that will be edited by the ABF, in order to ensure that it contributes to raising the ABF concept; and
- VI. coordinate the work related to ABF publications, such as published newspapers, newsletters and various correspondence;

Artigo 51. The Institutional Director shall:

- I. coordinate with the Marketing Director the preparation of any publication that may be edited by the ABF;
- II. coordinate the process of representations and sectionals constitution and implementation, after hearing the Board of Directors;
- III. advise the activities promoted in the representations and in the sectionals;
- IV. coordinate the companies survey that operate in franchising in the state or region;
- V. keep ABF informed of all events concerning franchising in Brazil, taking into account the information and reports provided by the sectionals; and
- VI. organize and maintain a specialized library.

Artigo 52. The Training Director shall:

- I. organize and coordinate institutional courses, lectures, congresses, seminars and other cultural and educational events that may be held or supported by ABF; and
- II. promote relationships between franchisors and franchisees, enabling the information exchange between these groups.

Artigo 53. The International Director shall:

- I. establish relationships with franchising associations based abroad and with other entities linked to the commercial franchise system;
- II. monitor the evolution of the franchising system abroad, keeping ABF informed about fairs, congresses and other international events; and
- III. spread abroad the activities developed by ABF, as well as the stage of development of the franchising system in Brazil.
- IV. Representing ABF's international associates.

Artigo 54. The Franchisees and Multifranchisees Director shall:

- I. develop the franchisees representation at ABF.

Artigo 55. The Relationship, Micro franchises and New Formats Director shall:

- I. represent the associates to ensure the activities quality in accordance with ABF standards, as well as manage the relationship between them, suppliers and system participants, support micro and small entrepreneurs who develop their businesses through the concession of micro franchises and new formats
- II. Keep ABF Associates informed and updated with regard to internal rules and procedures, developing in partnership with the Marketing and Communication Director communication strategies and actions in various media.

CAPÍTULO XI FISCAL COUNCIL

Artigo 56. The Fiscal Council, composed of 3 (three) effective members and 3 (three) alternates, among the associates, will be elected simultaneously to the Board of Directors, at the same General Meeting, with an office term of 2 (two) years.

Parágrafo 1º. The choice of the Fiscal Council will be made through the constitution of a list specifically for this purpose, containing in its composition the names of 3 (three) effective members and 3 (three) alternates.

Parágrafo 2º. The ABF Council may nominate the members who will compose the fiscal council to compose the list.

Parágrafo 3º. The the term of office revocation of a member of the Fiscal Council may occur in case of social assets malpractice or dilapidation, serious violation of the Statute, deviation from good customs, doubtful conduct, illegal or immoral acts practice, recognized in disciplinary administrative proceedings, and the mandate revocation must be resolved at an Extraordinary General Meeting, to be called for such resolution, pursuant to Article 34 of this Statute.

Artigo 57. The Fiscal Council shall analyze and supervise actions and accounts of the Board of Directors and the ABF Council, for approval by the General Meeting, as well as all other administrative acts performed by the entity. The Fiscal Council is also responsible for:

- I. analyze and comment on the budget proposals of the Board of Directors and the ABF Council;
- II. establishing inspection, control and auditing standards for all accounts, as well as inspect and evaluate ABF's operational and financial management on a quarterly basis;
- III. Welcoming and analyzing the entity's associates or employees representations, as well as service providers, in relation to fulfilling budget management;
- IV. participating in the General Meetings provided for in Article 32 of this Statute;
- V. contracting and coordinating audits; and
- VI. annually hiring a company with suitability and good reputation in the market to carry out the balance sheet assessment and report for the last fiscal year ended, according to the documentation presented by the Board of Directors pursuant to

Article 45, item IX and preparing, based on the assessment carried out, an opinion to be submitted to the General Meeting.

Artigo 58. The Fiscal Council will meet with the Board of Directors ordinarily 1 (once) every 3 (three) months, always with the presence of the CEO and another member of the Board of Directors, preferred of the VP, to give opinion on the matters provided for in items I and II of Article 57:

- I. in the first summon, at day and time indicated in the circular sent to the Supervisory Board and the Board of Directors, with the presence of at least two-thirds (2/3) of the Supervisory Board and Board of Directors members; and
- II. In the second summon, with the presence of at least one third (1/3) of the Fiscal Council and Board of Directors members, half an hour after the time stipulated for the first summon.

Artigo 59. The effective members of the Fiscal Council are not eligible for the positions of the Board of Directors or the Council of ABF in the current term, nor in the subsequent office term.

Parágrafo único. If the effective member of the Fiscal Council wishes to apply for any position on the Board of Directors, he/she will have to leave the Fiscal Council within 6 (six) months before the elections.

CAPÍTULO XII ABF's ORGANIZATIONAL STRUCTURE

Artigo 60. The ABF's Organizational Structure seeks to promote the ABF objectives fulfillment defined in Article 5 of this Statute, for deliberation on studies, proposals preparation, strategies and actions formulation, reporting regularly to the Board of Directors.

Parágrafo 1º. The ABF Council will be responsible for approving, creating, maintaining and organizing the ABF Organizational Structure, whose rules and actions and own structure will be governed by its own regulation.

Parágrafo 2º. The CEO will be responsible for the organization execution and implementation of ABF Organizational Structure defined by the ABF Council, pursuant to Paragraph 1 of this article.

Artigo 61. ABF's Organizational Structure should be guided by impersonality and impartiality in decision-making, goal setting and development monitoring.

Artigo 62. The actions and definitions carried out within the ABF Organizational Structure must always comply with the principles of morality, publicity, reasonableness and proportionality.

CAPÍTULO XIII REGIONAL

Artigo 63. ABF may create representations in any region or unit of the federation, at the sole discretion of the ABF Council.

Parágrafo 1º. The representations will be directed by associates representatives appointed by the Board of Directors and approved by the ABF Board, observing the provisions of items I and II of paragraph 1 of Article 44.

Parágrafo 2º. The representations will follow the work plans and the financial budget prepared in conjunction with the ABF Board of Directors

Artigo 64. The Board of Directors, after approval by the ABF Board, may at its own discretion, appoint local, regional or state representatives in the municipalities, regions or states where it deems the potential for the franchising system development to be strong.

Artigo 65. The representatives will be able to promote the realization of institutional courses, meetings, lectures, seminars and similar activities, as well as the entity representation in any social acts, all being accountable to the ABF Council, in summary monthly reports that they will forward along with the suggestions considered appropriate, subject to the provisions of paragraph 2 of Article 63.

Parágrafo 1º. Representatives may not, under any circumstances, perform administrative acts.

Parágrafo 2º. Representatives will only be able to perform management acts necessary to fulfill the entity's purposes and objectives and observing the decisions of the ABF Council and the Board of Directors.

Artigo 66. Representations must act strictly in accordance with the rules published by the ABF and principles established in the ABF Code of Conduct and Ethical Principles

CAPÍTULO XIV SECTIONAL

Artigo 67. The ABF may install, where the representations activities justify it, sectional offices in any unit of the Federation, at the exclusive discretion of the ABF Council.

Parágrafo 1º. The sections will be directed by a board elected by associates, based in the Federation unit where it is located, pursuant to articles 12, 17 and 39.

Parágrafo 2º. The sections will follow the work plans to be developed jointly with the ABF. The sectional directors may participate in the meetings of the Board of Directors, at the CEO invitation, always as listeners, without any right to vote on the resolutions taken there.

Parágrafo 3º. Sectional directors may promote institutional courses, meetings, lectures, seminars and similar activities, as well as the entity representation in any social acts, all reporting to the ABF Council, in summary monthly reports that they will forward together with any suggestions considered appropriate.

Parágrafo 4º. The provisions of this Articles of Incorporation article 41 apply to the sectionals.

Artigo 68. Once any state section is consolidated, it must be governed by a statute drawn up jointly with the ABF, and such statute must provide for strict compliance with the rules issued by the ABF and the principles established in the ABF Code of Conduct and Ethical Principles.

CAPÍTULO XV CHAMBERS AND COMMITTEES

Artigo 69. It will be the ABF Board responsibility to promote the activities entrusted to it pursuant to this Articles of Incorporation and the exchange of information, data, ideas and experiences of interest to those who work in franchising, and it may also suggest to the Board of Directors the signing of an agreement with Mediation and Arbitration Chambers and permanent or temporary commissions.

Parágrafo único. The Mediation and Arbitration Chambers will be appointed, in accordance with an agreement in force at the time of the conflict, depending on the nature and scope of the intended work.

Artigo 70. The Mediation Chambers that the ABF has an agreement with will be intended to promote the composition of the available equity interests of the entity's associates and their counterparts, aiming at overcoming impasses and promoting optimal conditions for those who in daily life are not able to overcome the impasses generated by the relationships, are able to present claims, debate and compose them with the guidance and support of a mediator.

Artigo 71. The Commissions must be composed of professionals working in the business franchising areas, and their members are approved by the ABF Council, among the associates, franchisors, franchisees, multi-franchisees, national suppliers, employees or main executives and coordinators appointed by the President of the Board of Directors.

Artigo 72. The Ethics and Legal Studies committees are permanent commissions already constituted, installed and active within the ABF scope.

Artigo 73. The Ethics Commission, an agency appointed by the ABF Board of Directors, is responsible for guarding and ensuring the good practices and ethical conduct of the franchising system.

Artigo 74. The Ethics Commission shall:

- I. ensure compliance with the ABF Ethical Principles and Code of Conduct;
- II. analyze the representations, provided that they are based on the ABF Code of Conduct and Ethical Principles and not subject to litigation in the Common Court or Arbitration;

- III. recommend to the Board of Directors, after analyzing the representations, the application of possible applicable penalties; and
- IV. be responsible for the granting process of the “SEAL OF EXCELLENCE IN FRANCHISING” and the “ABF HIGHLIGHT FRANCHISING AWARD” in the Franchisee Category”.

Parágrafo 1º. The representations referred to in Article 74, item II, must be processed confidentially, in order to preserve the identity of the parties involved in the representation, and the breach of such confidentiality is subject to this statute penalties and/or the Ethics Committee internal regulations.

Parágrafo 2º. During the representation processing, only the parties involved, and their attorneys will have access to the information.

Parágrafo 3º. The sanctions for reporting non-compliance, warning, suspension, and exclusion from association applied in the scope of representation processes are public and may be informed to third parties.

Parágrafo 4º. The Ethics Committee may decide on the disclosure of other information about the representation process, whenever considers appropriate, upon prior approval of the disclosure content by the Board of Directors and the ABF Board.

Artigo 75. The Code of Ethical Principles and Conduct will be approved by the ABF Council.

Parágrafo único. The Ethics Committee is the ABF Council decision-making agency, and its opinions must be forwarded to the ABF Council to inform the entity's final decisions.

Artigo 76. The Ethics Committee is composed of a minimum of 7 (seven) members and a maximum of 13 (thirteen) members, one of them being the Chairman.

Artigo 77. In order to ensure experience diversity in the franchising system, the Ethics Committee must be composed by the President and at least 3 (three) franchisors, 1 (one) franchisee, 1 (one) lawyer and 1 (one) consultant.

Parágrafo 1º. The maximum number of lawyers cannot exceed 3 (three);

Parágrafo 2º. The maximum number of consultants cannot exceed 2 (two).

Artigo 78. The President of the Ethics Committee will be appointed by the President of the ABF Board of Directors from among the associates in the Senior Franchisor or Master Franchisor category.

Parágrafo 1º. The ABF Council, under the terms of item XVI of Article 43, may interpose the appointment made by the Board of Directors;

Parágrafo 2º. The other Ethics Committee members will be chosen by the Chairman and submitted for approval by the Board of Directors;

Parágrafo 3º. The list of those approved will be submitted within a period of up to 10 (ten) days to the ABF Council, which, under the terms of item XVII of Article 43, may interpose one or more names approved by the Board of Directors;

Parágrafo 4º. The franchisors appointed to compose the Ethics Committee must be partners, shareholders, legal representatives or have an employment relationship with the company associated with ABF in the category Senior Franchisor or Master Franchisor and present the respective written authorization of the legal responsible for the associated company, in order to occupy said position;

Parágrafo 5º. Franchisees, Lawyers and Consultants must be chosen from among those who have proven to be active in the franchising system for at least 3 years, and have been members of the ABF for at least two years;

Parágrafo 6º. The member's personality is an essential condition for the appointment. Nominations for a new member of the Ethics Committee will be personal and non-transferable. Any type of representation will not be accepted, even if through power of attorney, or delegation at the Ethics Committee meetings; and

Parágrafo 7º. The Ethics Committee member who leaves the franchising system or loses the original condition for which he/she was admitted, will be replaced.

Artigo 79. The Legal Studies Committee shall develop activities aimed at the information, data, ideas and experiences exchange of interest to those who work in franchising, focusing on the legislation legal consequences put in place and that in preparation may affect those who use the business franchise. The Juridical Studies Committee must also manifest on issues that are referred by the ABF Council or the Board of Directors, as a result of consultations made to the entity or the need for ABF to take a stand in relation to controversial issues.

Parágrafo 1º. The Legal Studies Commission is the governing agency for decisions of the Board of Directors, and its opinions must be forwarded to them, so that they can inform the entity's final decisions.

Parágrafo 2º. The Legal Studies Committee is composed of at least 7 (seven) members appointed by the ABF Legal Director and submitted for approval by the ABF Board.

Parágrafo 3º. The ABF Legal Director will exercise the Coordinator of the Legal Studies Commission functions, subject to the provisions of item VI of Article 49.

Parágrafo 4º. The Committee for Legal Studies will have an internal regulation that must define the criteria for the members admissibility and exclusion, frequency of meetings and forms of summoning meetings;

Artigo 80. The Board of Directors, under the terms of Article 41, may present, for approval by the ABF Board, new non-permanent Commissions, aimed at developing matters of interest to the franchising system.

Parágrafo 1º. These Committees shall have an internal regulation that mandatory defines the objectives of the Committee, the list of positions, number of effective members, number of alternates, if applicable, the criteria for members admission, exclusion, frequency of meetings, form of summoning meetings;

Parágrafo 2º. These internal regulations must be drawn up within a period of up to 30 (thirty) days, counted from the Commission constitution, and submitted for approval by the ABF Council.

Artigo 81. The Admission Committee, responsible for admitting new ABF associates, will be constituted.

Artigo 82. The Admission Committee, an agency appointed by the President of the ABF, is responsible for admitting new associates, as per the regulations established at the time of the association.

Artigo 83. The Admission Committee shall:

I - approve the entry of new associates to the ABF staff;

Artigo 84. The Admission Committee will be composed of members appointed by the CEO and will have an internal regulation that will delimit the composition, attributions and other activities.

Artigo 85. The names appointed by the CEO to compose the Admissions Committee are subject to approval by the ABF Board.

Single paragraph. The list of nominees will be submitted within a period of up to 10 (ten) days to the ABF Board, which, pursuant to item XVII of Article 43, may interpose one or more names nominated by the CEO.

CAPÍTULO XVI

ASSETS, REVENUE AND EXPENSES OF THE ASSOCIATION

Artigo 86. ABF's assets will consist of real estate, movable property and rights.

Artigo 87. ABF's revenue consists of:

- I. association fees, tuition and contributions paid by associates;
- II. extraordinary contributions paid by associates;
- III. sale result of registrations in institutional courses, lectures, seminars, fairs, and other events promoted by the ABF related to the franchise activity;
- IV. organization for events aimed at promoting the franchise activity or ABF associates;
- V. results from advertising space sale, advertising, broadcast, as well as sponsorships in general for events related to the franchise activity;
- VI. proceeds from publications sale and books related to franchising and related matters;
- VII. income from investments in finance made by ABF;
- VIII. donations and grants;
- IX. income received as a result of contracts signed with other companies aimed at promoting the franchise activity and for the benefit of ABF associates; and

X. other funds related to ABF's social objectives.

Artigo 88. All proceeds will be used to support the association's objectives.

Artigo 89. ABF's expense consists of:

- I. taxes and fees;
- II. costs with the acquisition of materials, services and inputs necessary to achieve the corporate objectives;
- III. salaries, charges and bonuses;
- IV. maintenance and conservation of the company's assets, preparation and editing of publications and contracting for any similar events;
- V. expenses with travel and stay of directors, employees or third parties working for the ABF;
- VI. fees for sending correspondence, publications, reports, facsimiles and telegrams; as well as editing any material and conducting any institutional courses or events;
- VII. energy consumption, water and other things necessary for the office operation; and
- VIII. others not specified, as long as authorized by the ABF Council.

CAPÍTULO XVII ELECTION

Artigo 90. The election to fill the ABF Council positions will be held every 03 (three) years, while the elections for Board of Directors, Audit Committee and the directors of the sectional will be held every 02 (two) years.

Artigo 91. The election will be the summoned the first fortnight of the month of October, of the year in which it is to be held, at least 45 (forty-five) days prior to the date set for realization.

Parágrafo 1º. The summon will be made by the CEO or the President of the ABF Council who, simultaneously, will invite the associates to proceed with the registration of candidates for the ABF Council and the Supervisory Board and the list for the Board of Directors, if it is the case. The Electoral Committee, composed of the President of the ABF Council, the CEO and the VP, will be responsible for preparing registered lists and candidates, which must be registered in the proper book, at the entity's headquarters, in the chronological order of entry of the respective registration requests with the secretariat.

Parágrafo 2º. Enrollments can only be made up to a maximum of 30 (thirty) days before the date set for the holding of the General Meeting.

Parágrafo 3º. Once the registrations are closed, the entity's secretariat must disclose the lists or candidates, as the case may be, up to a maximum of 15 (fifteen) days before the date set for the holding of elections.

Artigo 92. Elections will be chaired by the CEO or the President of the ABF Board.

Parágrafo 1º. Associates who are in default of the financial obligations to ABF, or suspended from association, cannot compete for the Board of Directors, Supervisory Board or ABF Council.

Parágrafo 2º. Associates who are elected to the positions of the ABF Council, Board of Directors or Supervisory Board, and also have an office term in any of these agencies must resign from the positions in force before taking office in the new positions for which were elected, since the accumulation of elective positions is prohibited.

Artigo 93. Voting will be by the secret ballot system, prevailing the decision of the simple majority of associates who have the right to vote and who effectively attend the General Meeting in which it takes place, and the tie-breaking criterion provided for in Paragraph 5 of Article 35 must be observed above.

Parágrafo 1º. If there is an exact number of candidates to fill the vacancies on the ABF Council and Supervisory Board, or just a single list for the Board of Directors, the candidates will automatically be considered elected for the respective positions.

Parágrafo 2º. In the absence of candidates to fill the vacancies of the ABF Council and Fiscal Council, or list for the Board of Directors, the members of each agency will be automatically reappointed, office terms being exceptionally extended, regardless of the maximum office term provided for in this Statute for each agency. If any of these members do not wish to be reappointed, the respective alternates/substitutes, as the case may be, will take office until the next election. In the event that the alternates/substitutes are not interested in taking office, a new Extraordinary General Meeting will be summoned to elect the members to occupy the available positions, subject to the limits and quorums established by this Statute.

Artigo 94. The Electoral Committee will deliberate on the issues that arise during the electoral process, using the respective Electoral Regiment, if any, as a last resort, such deliberations will not be appealed.

CAPÍTULO XVIII GENERAL AND TRANSITIONAL PROVISIONS

Artigo 95. The ABF fiscal year will coincide with the calendar year.

Artigo 96. This Articles of Incorporation will only be amended by means of an Extraordinary General Meeting specially summoned for this purpose, by decision of at least 2/3 (two thirds) of the associates present at the Meeting, with voting rights.

Artigo 97. Cases not covered by this Statute will be resolved by the ABF Council *ad referendum* of the first General Meeting following the deliberation.

Artigo 98. The text of this Statute revokes and replaces the provisions currently in force and the provisions to the contrary;

Artigo 99. This Statute will come into force on November 19, 2020, date of the Extraordinary General Meeting that approves it.

André Friedheim
CEO

Bruno Lucius de Sousa
OAB RJ 107.485