ULTRAPAR HOLDINGS INC
Form 6-K
December 20, 2013

Form 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report Of Foreign Private Issuer
Pursuant To Rule 13a-16 Or 15d-16 Of
The Securities Exchange Act Of 1934

For the month of December, 2013

Commission File Number: 001-14950

ULTRAPAR HOLDINGS INC.
(Translation of Registrant's Name into English)

Avenida Brigadeiro Luis Antonio, 1343, 9º Andar
São Paulo, SP, Brazil 01317-910
(Address of Principal Executive Offices)

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

Form X	Form
20-F	40-F

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

Yes No X

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

Yes No X

ULTRAPAR HOLDINGS INC.

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Item 1

Manual for Shareholders' Participation

Extraordinary Shareholders' Meeting
of January 31, 2014

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MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Shareholders,

We are pleased to invite you to attend the Extraordinary Shareholders' Meeting (the "Meeting") of Ultrapar Participações S.A. ("Ultrapar" or the "Company"), to be held on January 31, 2014, at 2:00 p.m., in the Company's headquarters, located at Av. Brigadeiro Luís Antônio, nr 1,343, 9th floor, in the City and State of São Paulo, Brazil, in accordance with the Call Notice to be published in the newpapers Valor Econômico on December 20, 23 and 26, 2013 and Diário Oficial do Estado de São Paulo on December 20, 21 and 28, 2013, also available at the Company's website (www.ultra.com.br).

PAULO G. A. CUNHA
Chairman of the Board of Directors

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Dear Shareholders,

The preparation of this Manual for Shareholders' Participation (the "Manual") is aligned with the Company's philosophy towards the continuous improvement of its corporate governance practices, including the quality and convenience of the information provided to our shareholders.

The purpose of this document is to present the management proposals and to provide you with clarification and guidance regarding the matters to be discussed and procedures required for your attendance and power of attorney to participate in the Meeting of January 31, 2014 of Ultrapar, consolidating in a single file all documents published by Ultrapar in connection with the Meeting.

I would also like to inform that, in addition to the information disclosed, the Investor Relations department of Ultrapar will be available for additional clarification by e-mail invest@ultra.com.br or telephone +55 11 3177-7014.

THILO MANNHARDT
Chief Executive Officer

INVITATION

DATE
January 31, 2014

TIME
2:00 p.m.

LOCATION
Company’s headquarters
Av. Brigadeiro Luís Antônio, nr 1,343
Bela Vista – 01317-910
São Paulo – SP

MAP

CALL NOTICE

ULTRAPAR PARTICIPAÇÕES S.A.
Publicly Traded Company
CNPJ/MF Nr. 33.256.439/0001- 39NIRE 35.300.109.724

Call Notice

EXTRAORDINARY SHAREHOLDERS' MEETING

The Shareholders are invited to attend the Extraordinary Shareholders' Meeting of Ultrapar Participações S.A. ("Ultrapar" or "Company") to be held on January 31, 2014, at 2:00 p.m., in the Company's headquarters, located at Av. Brigadeiro Luís Antônio, Nr. 1.343, 9th floor, in the City and State of São Paulo ("Meeting"), in order to discuss and vote on the proposal of the merger by the Company, of shares (incorporação de ações) issued by Imifarma Produtos Farmacêuticos e Cosméticos S.A. ("Extrafarma"), with the subsequent conversion of Extrafarma into a wholly-owned subsidiary of the Company ("Merger of Shares") including in the agenda:

(i) the "Protocol and Justification of Incorporação de Ações (Merger of Shares) of Imifarma Produtos Farmacêuticos S.A. by Ultrapar Participações S.A." ("Protocol and Justification");

(ii) the ratification of the appointment and engagement of Ernst & Young Assessoria Empresarial Ltda., with headquarters in the City of São Paulo, State of São Paulo, at Av. Presidente Juscelino Kubitschek, 1.830, Tower 2, 4th floor, enrolled with the CNPJ/MF under Nr. 59.527.788/0001-31, as the specialized firm responsible for the preparation of the economic appraisal report of the shares of Extrafarma, for the capital increase of the Company as a consequence of the Merger of Shares, in the terms of Article 226 and pursuant to Article 8, both of Law Nr. 6,404/76 ("Appraisal Report");

(iii) the Appraisal Report;

(iv) the capital increase of the Company as a result of the Merger of Shares and the issuance of new common, book-entry shares with no par value;

(v) the amendment of Article 5 of the Company's Bylaws, in order to reflect the capital increase resulting from the Merger of Shares;

(vi) the issuance of subscription warrants, as set forth in the Protocol and Justification; and

(vii) the consent from the managers of the Company for required measures to be adopted in order to formalize the Merger of Shares, including in relation to the competent public departments and third parties in general.

Attendance at the Meeting

The shareholders (including holders of American Depositary Receipts ("ADRs")) of the Company attending the Meeting in person or represented by proxies, must comply with the requirements for attendance provided for in article 12 of the Company's Bylaws, presenting the documents listed under items Individual Shareholder, Corporate Shareholder and Investment Funds below. The quality of shareholder will be evidenced by submitting a statement issued by the bookkeeping institution or by the custodian institution, indicating the number of shares held by them up to three days prior to the Meeting.

Shareholders holding ADRs will be represented at the Meeting by the custodian of the shares underlying the ADRs pursuant to the terms of the deposit agreement, dated December 16, 1999, as amended ("Deposit Agreement"). The procedures for exercising voting rights in connection with the ADRs will be specified in a communication to be delivered to ADR holders by the depositary bank, pursuant to the terms of the Deposit Agreement. Shareholders may be represented by proxies that have been granted within one year, representatives who may be shareholders, members of the Company's management, lawyers, financial institutions, or investment fund managers representing the investors.

Individual Shareholder

- Original or certified copy of a photo identification (ID, Alien Resident Card, driver's license, officially recognized work card, or passport, in case of non-Brazilians); and
- Original or certified copy of the power-of-attorney, if applicable, and a photo identification of the proxy.

Corporate Shareholder

- Certified copy of the most recent consolidated bylaws or articles of incorporation and of the corporate action granting powers of attorney (minutes of the meeting of election of the board members and/or power of attorney);
- Original or certified copy of photo identification of the proxy or proxies; and

- Original or certified copy of the power of attorney, if applicable, and photo identification of the proxy.

Investment Funds

- Evidence of the capacity of fund manager conferred upon the individual or legal entity representing the shareholder at the Shareholders' Meeting, or the proxy granting such powers;

- The corporate action of the manager, in case it is a legal entity, granting powers to the representative attending the Shareholders' Meeting or to whom the power of attorney has been granted; and

- In the event the representative or proxy is a legal entity, the same documents referred to in "Corporate Shareholder" must be presented to the Company.

The documents listed above must be sent to the Investor Relations Department until 2:00 p.m. of January 29th, 2014.

Availability of Documents and Information

In accordance with article 6 of CVM Instruction Nr. 481, of December 17, 2009, and CVM Instruction Nr. 319, of December 3, 1999, the documents and information regarding the matters to be approved, as well as other relevant information and documents to the exercise of voting rights in the Meeting, were filed with the Brazilian Securities Commission (Comissão de Valores Mobiliários, or "CVM"), by the IPE system, and are available in CVM website (www.cvm.gov.br), at the Company's headquarters, in BM&FBOVESPA's website (www.bmfbovespa.com.br) and in the Company's website (www.ultra.com.br), where the Manual of the Extraordinary Shareholders' Meeting is also available.

São Paulo, December 19, 2013.

PAULO GUILHERME AGUIAR CUNHA
Chairman of the Board of Directors

PROCEDURES AND DEADLINES

The documents necessary for participation in the Meeting are specified in the Call Notice.

We clarify that in the case of non-Brazilian investment funds and shareholders, a sworn translation of the documents shall not be required if the documents are originally in English or Spanish.

Ultrapar, aiming to facilitate the representation of its shareholders at the Meeting (excluding holders of common shares in the form of ADRs), provides in the end of this Manual a power-of-attorney model, through which shareholders may appoint the lawyers thereby indicated to represent them at the Meeting, at no cost and strictly in accordance with the powers granted. To the extent shareholders (excluding holders of common shares in the form of ADRs) opt to be represented at the Meeting using the model provided by the Company, the power of attorney must include all the representatives listed in the power-of-attorney model.

The documents listed above must be sent to the Investor Relations Department, at Avenida Brigadeiro Luís Antônio, 1,343, 8th floor, CEP 01317-910, in the City and State of São Paulo, up to 2:00 p.m. of January 29, 2014.

VOTING RIGHTS IN THE MEETING

All shareholders of Ultrapar (including holders of common shares in the form of ADRs) may vote in all matters included in the agenda. Each common share entitles its holder to one vote in the Meeting's resolutions.

MANAGEMENT PROPOSAL FOR THE MATTERS TO BE DISCUSSED IN THE EXTRAORDINARY SHAREHOLDERS' MEETING

ULTRAPAR PARTICIPAÇÕES S.A.
Publicly Traded Company
CNPJ/MF Nr 33.256.439/0001- 39 NIRE 35.300.109.724

MANAGEMENT PROPOSAL

In compliance with Articles 11, 14, 15 and 21 of CVM Instruction Nr 481, dated as of December 17, 2009 ("CVM Instruction 481/09")

Dear Shareholders,

The Management of Ultrapar Participações S.A. ("Ultrapar" or "Company") hereby presents to the Company's shareholders this Management Proposal ("Management Proposal"), regarding the matters included in the agenda of the Extraordinary Shareholders' Meeting to be held, in first call notice, on January 31, 2014, at 2:00 p.m.

The management of Ultrapar proposes the approval of the merger, by the Company, of all shares (incorporação de ações) issued by Imifarma Produtos Farmacêuticos e Cosméticos S.A., a closely-held corporation (sociedade anônima fechada) headquartered in the City of Belém, State of Pará, at Travessa Quintino Bocaiúva, 381, zip code 66053-240, enrolled with the Brazilian Corporate Taxpayers' Registry of the Ministry of Finance ("CNPJ/MF") under No. 04.899.316/0001-18 ("Extrafarma" and, together with Ultrapar, the "Companies"), with the consequent conversion of Extrafarma into a wholly-owned subsidiary of Ultrapar ("Merger of Shares"), pursuant to the Protocol and Justification of the Merger of Shares Issued by Imifarma Produtos Farmacêuticos e Cosméticos S.A. by Ultrapar Participações S.A., entered into between the management of the Companies on December 17, 2013 ("Protocol and Justification").

In order to implement the Merger of Shares, the management of the Company proposes (i) the approval of the Protocol and Justification; (ii) the ratification of the appointment and engagement of Ernst & Young Assessoria Empresarial Ltda., headquartered in the City of São Paulo, State of São Paulo, at Av. Presidente Juscelino Kubitschek, 1.830, Tower 2, 4th floor, enrolled with the CNPJ/MF under No. 59.527.788/0001-31 ("Appraisal Firm"), as the specialized firm responsible for the preparation of the respective economic-financial valuation report of Extrafarma's shares, for the purpose of the Company's capital increase resulting from the Merger of Shares, under the terms of Article 226 and pursuant to Article 8, both of the Brazilian Corporate Law ("Appraisal Report"); (iii) the approval of the Appraisal Report; (iv) the approval of the capital increase of the Company as a result of the Merger of Shares and the issuance of new common, book-entry shares with no par value; (v) the approval of the amendment to Article 5 of the Company's Bylaws, in order to reflect the capital increase resulting from the Merger of Shares; (vi) the issuance of subscription warrants,

as set forth in the Protocol and Justification; and (vii) the authorization to the managers of the Company to adopt all measures necessary for the formalization of the Merger of Shares, including before the competent public departments and third parties in general.

For the purposes of CVM Instruction 481/09, Ultrapar's management makes available, as attachments hereto: (i) the information related to the amendment to the Company's Bylaws, pursuant to Article 11 of CVM Instruction 481/09 (Annex I); (ii) the information related to the capital increase of the Company, pursuant to Annex 14 of CVM Instruction 481/09 (Annex II); (iii) the information related to the issuance of subscription warrants by the Company, pursuant to Annex 15 of CVM Instruction 481/09 (Annex III); and (iv) the information related to the Appraisal Firm, pursuant to Annex 21 of CVM Instruction 481/09 (Annex IV).

São Paulo, December 19, 2013.

PAULO GUILHERME AGUIAR CUNHA
Chairman of the Board of Directors

ANNEX I

(Pursuant to Article 11 of CVM Instruction 481/09)

Information related to the amendment to the Company's Bylaws.

1. Detailed report of the origin and justification of proposed changes and analysis of the legal and economic effects thereof:

Current Wording	Proposed Changes (highlighted)	Justification
"Article 5. The subscribed and paid-in capital stock is three billion, six hundred and ninety six million, seven hundred and seventy two thousand, nine hundred and fifty seven reais and thirty two cents (R$3,696,772,957.32), represented by five hundred and forty four million, three hundred and eighty three thousand, nine hundred and ninety six (544,383,996) nominative common shares with no par value, and with no issuance of preferred shares or founder's shares permitted.	"Article 5. The subscribed and paid-in capital stock is is three billion, six hundred and ninety six million, seven hundred and seventy two thousand, nine hundred and fifty seven reais and thirty two cents (R$3,696,772,957.32) three billion, eight hundred and thirty eight million, six hundred and eighty six thousand, one hundred and four reais (R$3,838,686,104.00), represented by five hundred and forty four million, three hundred and eighty three thousand, nine hundred and ninety six (544,383,996) five hundred and fifty six million, four hundred and five thousand and ninety six (556,405,096) nominative common shares with no par value, and with no issuance of preferred shares or founder's shares permitted.	The amendment results from the implementation of the association of the Company with Extrafarma, through the Merger of Shares.
Paragraph 1 – All of the Company shares are in the book-entry form and held in a deposit account with a financial institution authorized by the Brazilian Securities and Exchange Commission - CVM, in the name of their holders, without certificates issued.	Paragraph 1 – All of the Company shares are in the book-entry form and held in a deposit account with a financial institution authorized by the Brazilian Securities and Exchange Commission - CVM, in the name of their holders, without certificates issued.	

Paragraph 2 – The transfer and record cost, as well as the cost of the services relating to the book-entry shares, may be charged directly to the shareholder by the bookkeeping institution, as set forth in the stock bookkeeping agreement.”	Paragraph 2 – The transfer and record cost, as well as the cost of the services relating to the book-entry shares, may be charged directly to the shareholder by the bookkeeping institution, as set forth in the stock bookkeeping agreement.”

2. Copy of the Bylaws including the proposed changes.

ULTRAPAR PARTICIPAÇÕES S.A.
BYLAWS

CHAPTER I
Name, Headquarters, Purpose and Term

Article 1. The Company is an authorized capital company (sociedade de capital autorizado). The name of the Company is ULTRAPAR PARTICIPAÇÕES S.A.

Sole Paragraph. The admission of the Company on New Market (Novo Mercado) special listing segment of the BM&FBOVESPA S.A. – Securities, Options and Futures Exchange ("BM&FBOVESPA") subjects the Company, its shareholders, its management and members of the Statutory Audit Council, if installed, to the Listing Regulation of the New Market of BM&FBOVESPA ("New Market Regulation").

Article 2. The Company's headquarters and jurisdiction are located in the city of São Paulo, State of São Paulo.

Article 3. The purpose of the Company is to invest its own capital in commerce, industry, agriculture and service provision, through the subscription or acquisition of shares or quotas of other companies.

Article 4. The Company is organized for an indefinite term.

CHAPTER II
Capital Stock and Shares

Article 5. The subscribed and paid-in capital stock is three billion, six hundred and ninety six million, seven hundred and seventy two thousand, nine hundred and fifty seven reais and thirty two cents (R$3,696,772,957.32) three billion, eight hundred thirty-eight million, six hundred eighty-six thousand, one hundred four reais (R$ 3,838,686,104.00), represented by five hundred and forty four million, three hundred and eighty three thousand, nine hundred and ninety six (544,383,996) five hundred fifty-six million, four hundred five thousand, ninety-six (556,405,096) nominative common shares, with no par value, and with no issuance of preferred shares or founder's shares permitted.

§1 All of the Company shares are in book-entry form and held in a deposit account with a financial institution authorized by the Brazilian Securities and Exchange Commission – CVM, in the name of their holders, without certificates issued.

§2 The transfer and record cost, as well as the cost of the services relating to the book-entry shares, may be charged directly to the shareholder by the bookkeeping institution, as set forth in the stock bookkeeping agreement.

Article 6. The Company is authorized to increase its capital stock up to the limit of eight hundred million (800,000,000) common shares, by resolution of the Board of Directors, notwithstanding any amendment to the Bylaws.

Article 7 The subscription and payment of shares issued by the Company shall follow the criteria provided for in this Article:

a) up to the limit of the authorized capital, the issuance, amount, price and term for payment of the shares to be issued by the Company shall be provided for by the Board of Directors;

b) the resolution to increase the capital stock for payment in assets, other than monetary credits, may only be made at a Shareholders' Meeting; and

c) upon the issuance of new shares, debentures convertible into shares or subscription warrants offered on a stock exchange, public subscription or share exchange in a tender offer for the acquisition of corporate control, the Board of Directors may waive the preemptive rights of the former shareholders or reduce the period for the exercise thereof.

Article 8. The Company may grant stock options through stock option plans, approved by a Shareholders' Meeting, to directors and executive officers, employees or individuals providing services to the Company or to its directly or indirectly controlled companies.

Article 9. Each common share entitles the holder thereof to one vote for resolutions made at the Shareholders' Meetings.

CHAPTER III
Shareholders' Meetings

Article 10. The annual Shareholders' Meeting shall be called by the Board of Directors within the first four (4) months upon conclusion of the fiscal year and extraordinary meetings shall be held whenever the Company's interest shall so require.

§ 1 Documents pertaining to the matters to be deliberated upon at the Shareholders' Meetings shall be made available to the shareholders, at the Company's headquarters, at the date of

publication of the first call notice, except if a longer period for making such documents available is otherwise required by law or applicable regulations.

§ 2 The Shareholders' Meeting shall be presided over by the Chairman of the Board of Directors or by whom he/she may designate. In the absence of the Chairman and of his/her designation, the Shareholders' Meeting shall be presided over by the Vice-Chairman of the Board of Directors, or by whom he/she may designate. The chairman of the Meeting shall choose one of the attendees to act as secretary of the meeting.

§ 3 The chairman of the Meeting shall have the exclusive power, in compliance with the rules provided for in these Bylaws, to conduct the election of the members of the Board of Directors, including any decision relating to the number of votes of each shareholder.

Article 11. Before the Shareholders' Meeting is commenced, the shareholders, as duly identified, shall sign the "Shareholders Attendance Register", which shall contain their names and the number of shares held by each of them.

§ 1 The list of the attending shareholders shall be closed by the chairman of the Meeting at the time the Shareholders' Meeting is commenced.

§ 2 The shareholders who appear at the Shareholders' Meeting after its commencement may take part in the meeting, however they shall not be entitled to vote on any resolution.

Article 12. At the Shareholders' Meeting, the Company and the presiding board shall comply with the following requirements for attendance, in addition to the procedures and requirements provided for by law:

a) Up to forty-eight (48) hours prior to the Shareholders' Meeting: (i) all shareholders shall furnish to the Company a share statement issued by the bookkeeping institution or by the custodian institution, indicating the number of shares held by them of record no more than three (3) days prior to the Shareholders' Meeting; and (ii) the shareholders represented by proxies shall send to the Company the respective power of attorney;

b) The shareholders organized as investment funds shall send the Company, within the same period mentioned in item (a) above: (i) evidence of the capacity of fund manager conferred upon the individual or legal entity representing the shareholder at the Shareholders' Meeting, or the proxy granting such powers; (ii) the corporate action of the manager, in case it is a legal entity, granting powers to the representative attending the Shareholders' Meeting or to whom the power of attorney has been granted; and (iii) in the event the representative or proxy is a legal entity, the same documents referred to in (ii) of this item, as related thereto;

c) The documents referred to in the preceding items may be presented as copies, however the original documents referred to in item (a), shall be shown to the Company prior to the

commencement of the Shareholders' Meeting, the signatures of which shall not need to be notarized;

d) The Company shall adopt the principle of good faith in verifying the validity of the documents demonstrating the representative capacity of shareholder, and will presume the truthfulness of the credible statements made to it; however, the shareholders who fail to present the respective power of attorney granted to their representatives, or the custodian's statement, in the event the shares are recorded as held with a custodian institution, shall be prohibited from participating in the meeting; and

e) In the event the shareholders who were present at the Shareholders' Meeting (i) were not duly represented; or (ii) did not hold the stated number of shares, the Company shall notify them that, regardless of a new Shareholders' Meeting, the Company shall disregard the votes of such shareholders, and they shall be liable for losses and damages arising from their acts.

Article 13. Resolutions of the Shareholders' Meeting shall require a majority vote of the attendees, not taking into account blank votes, except as otherwise provided for by law.

Article 14. Minutes of the Shareholders' Meetings shall be kept and signed by the presiding board of the meeting and by the attending shareholders.

Article 15. The Shareholders' Meeting shall determine the overall compensation of the members of the Board of Directors and of the executive officers, specifying the amounts to be allocated to each managing body.

§ 1 The Board of Directors shall determine the compensation to be paid to the Chief Executive Officer and the other executive officers, in the latter case based on the Chief Executive Officer's recommendation, in accordance with the amount set forth at the Shareholders' Meeting, in the introductory paragraph of this Article and the competencies of the Compensation Committee, as provided for in Article 42 herein.

§ 2 The members of the Board of Directors and the executive officers are entitled to profit sharing, as provided for by law.

CHAPTER IV
Management – General Rules

Article 16. The Company shall be managed by a Board of Directors and a Board of Executive Officers.

Sole Paragraph. The commencement of the term of the directors and executive officers, which shall not require the posting of a bond, shall be made upon the execution of the instrument of

assumption of duties. The commencement of the term of the directors and executive officers shall be conditioned on their prior execution of the Instrument of Consent of the Directors' and Executive Officers provided for in the New Market Regulation and of the Disclosure and Trading Policy adopted by the Company.

CHAPTER V
Board of Directors

Section I – Members

Article 17. The Board of Directors shall be comprised of at least five (5) and at maximum nine (9) members, all of whom shall be elected and removable at the Shareholders' Meeting, for a unified term of two (2) years, with reelection being permitted.

§ 1 The positions of Chairman of the Board of Directors and Chief Executive Officer may not be held by the same individual.

§ 2 The Board of Directors shall adopt Internal Bylaws that shall provide for, among other relevant matters, its own operation, and the rights and duties of its members, as well as their relationship with the Board of Executive Officers and other corporate bodies.

§ 3 The only persons eligible for election to the Board of Directors, unless otherwise permitted by the Shareholders' Meeting, shall be those who, in addition to complying with legal and regulatory requirements and being of well-regarded reputation, do not hold any position in a company which may be considered a competitor of the Company or its controlled companies, and do not have, nor represent, a conflicting interest with the Company's interest or those of its controlled companies; it shall be presumed that a person has a conflicting interest with the Company if, cumulatively: (i) he/she has been elected by a shareholder who has also elected a director in a competing company; and (ii) he/she has a subordinate relationship with the shareholder who elected him/her.

§ 4 Subject to the introductory paragraph of this Article, the number of members who will comprise the Board of Directors for each term of office shall be determined at each Shareholders' Meeting electing the members of the Board of Directors, and which must be submitted to a vote by the chairman of the Meeting.

Article 18. At least thirty percent (30%) of the members of the Board of Directors shall be Independent Directors.

§ 1 Independent Directors shall be those who meet the independence requirements provided for in the New Market Regulation.

§ 2 Independent Directors shall also be those who have been elected in conformity with Article 141, Paragraph 4, of Law no. 6,404/76.

§ 3 Where, as a result of compliance with the percentage referred to in the introductory paragraph of this Article, the number of directors results in a fraction, such number will be rounded to: (i) the immediately higher whole number, if the fraction is equal to or higher than five tenths (0.5); or (ii) the immediately lower whole number, if the fraction is lower than five tenths (0.5).

Article 19. If a member of the Board of Directors fails to meet the requirements set forth in Article 17 above due to a supervening or unknown fact at the time of his/her election, he/she shall be immediately replaced.

Sole Paragraph. The same actions provided for in the introductory paragraph of this Article shall be taken in the event any of the Independent Directors fails to meet the independence requirements set forth in Article 18, resulting in the thirty percent (30%) requirement provided for in the same article not being met.

Section II – Election

Article 20. Except for the provisions in Article 21, the election of the members of the Board of Directors shall be made through the nomination of a slate of candidates.

§ 1 Under the election provisions of this Article, only the following slates of candidates will be eligible for election: (a) those nominated by the Board of Directors; or (b) those nominated by any shareholder or group of shareholders, as provided for in Paragraph 3 hereof.

§ 2 At the date the Shareholders' Meeting for electing the members of the Board of Directors is called, the Board of Directors shall make available at the Company's headquarters a statement signed by each of the members of the slate of candidates nominated by it, containing: (a) their full identification; (b) a complete description of their professional experience, describing the professional activities previously performed, as well as their professional and academic qualifications; and (c) information about disciplinary and judicial proceedings for which a final judgment was rendered and in which any such members have been convicted, as well as inform, if the case may be, the existence of events of limitations or conflict of interest provided for in Article 147, Paragraph 3 of Law no. 6,404/76.

§ 3 The shareholders or group of shareholders desiring to propose another slate of candidates to be elected to the Board of Directors shall, at least five (5) days prior the date of the Shareholders' Meeting, send to the Board of Directors statements individually signed by the candidates nominated by them, containing the information mentioned in the preceding Paragraph; the Board of Directors shall immediately disclose such information, by notice posted on the Company's internet website and sent by electronic means of communication to the CVM and the BM&FBOVESPA notifying them that the documents with respect to the other slate of candidates

submitted to the Board of Directors are available to the shareholders at the Company's headquarters.

§ 4 The persons nominated by the Board of Directors or by shareholders shall be identified, as the case may be, as candidates to Independent Directors, subject to the provisions of Article 18 above.

§ 5 The same person may stand for election in two or more slates of candidates, including those nominated by the Board of Directors.

§ 6 Each shareholder shall be entitled to vote for only one slate of candidates, and the slate of candidates receiving the largest number of votes at the Shareholders' Meeting will be elected.

Article 21. When electing members to the Board of Directors, shareholders will be entitled to request, as required by law, the adoption of a cumulative voting process, provided that they do so within, at least, forty-eight (48) hours in advance of the Shareholders' Meeting.

§ 1 The Company, immediately after receiving the request, shall notify the CVM and the BM&FBOVESPA by electronic means and post on its internet website that the election will be conducted by cumulative voting.

§ 2 After the Shareholders' Meeting is commenced, the presiding board shall calculate the number of votes to which each shareholder is entitled by reviewing the signatures appearing on the Shareholders Attendance Register and the number of shares held by the attending shareholders.

§ 3 In the event members of the Board of Directors are elected by cumulative voting, the candidates will not be elected through a nomination on a slate of candidates; the candidates for the Board of Directors shall be those who are part of the slate of candidates as provided for in Article 20, as well as the candidates who are nominated by a shareholder attending the meeting, provided that the Shareholders' Meeting is provided with the statements signed by these candidates as set forth in Paragraph 2 of Article 20 of these Bylaws.

§ 4 Each shareholder shall be entitled to cast the entirety of the votes to which he/she is entitled on one sole candidate or to distribute them among several candidates; the candidates who received the largest number of votes shall be elected.

§ 5 Positions that are not filled due to a tie vote shall require a new election, following the same procedure, adjusting the number of votes to which each shareholder will be entitled to the number of positions to be filled.

§ 6 In the event the election has been conducted by cumulative voting, the removal of any member of the Board of Directors by the Shareholders' Meeting shall entail the removal of the other members, giving rise to a new election.

§ 7 In the event the Company may be controlled by one shareholder or group of shareholders, as defined in Article 116 of law no. 6,404/76, shareholders representing ten percent (10%) of the capital stock may require, in conformity with Paragraph 4 of Article 141 of Law no. 6,404/76, that the election of one of the members of the Board of Directors is carried out separately, notwithstanding the rules set forth in Article 20 above.

Article 22. In the event a director residing and domiciled outside Brazil is elected, the commencement of his/her term shall be conditioned on the appointment of an attorney-in-fact, residing and domiciled in Brazil, empowered to receive service of process for any corporate law-based lawsuit that may be brought against him/her. The term of such power of attorney shall be for, at least, three (3) years after the end of the term of office of the respective director.

Article 23. The Board of Directors shall elect a Chairman and Vice-Chairman among its members, to occur at the first meeting after the commencement of the directors´ term or at the first meeting after there is a vacancy of these positions on the Board of Directors.

Section III – Meetings and Replacements

Article 24. The Board of Directors shall hold regular meetings once every three (3) months and special meetings whenever called by the Chairman or by any two (2) directors.

§ 1 The meetings of the Board of Directors shall be called in writing, by letter, telegram, fax, e-mail or any other form that allows proof of receipt of the call notice by the recipient, and shall contain, in addition to the place, date and time of the meeting, the agenda.

§ 2 The meetings of the Board of Directors shall be called at least three (3) days in advance. Regardless of the formalities observed in calling the meeting, a meeting shall be deemed to be duly called if attended by all the members of the Board of Directors.

§ 3 In case of urgency, the Chairman of the Board of Directors may call a meeting of the Board of Directors with less than the period provided for in Paragraph 2 of this Article, provided that in this case the meeting shall not be held unless at least two-thirds (2/3) of the elected members attend the meeting.

§ 4 The directors may attend the meetings of the Board of Directors by telephone conference, videoconference or by any other means of communication allowing the identification of the director and simultaneous communication with all the other persons present at the meeting. In this case, directors will be considered to be present at the meeting and sign the corresponding minutes.

Article 25. Except for the provisions in Paragraph 3 of Article 24, the majority of the directors must attend a meeting of the Board of Directors for it to commence, including the Chairman or the

Vice-Chairman, and the resolutions shall require a majority vote, with the Chairman or, in his/her absence, the Vice-Chairman, in addition to his/her own vote, providing the casting vote.

Sole Paragraph. In event of absence or temporary unavailability of the Chairman of the Board of Directors, his/her duties will be exercised, on a temporary basis, by the Vice-Chairman or by another member of the Board of Directors nominated by him/her.

Article 26. No member of the Board of Directors may have access to information, take part in resolutions and discussions of the Board of Directors or of any managing bodies, vote or, in any manner, intervene in the matter in which he/she is directly or indirectly in a conflict with the Company's interests, as provided for by law.

Article 27. Except for the provisions in Paragraph 6 of Article 21, a substitute for a vacancy on the Board of Directors shall be appointed by the remaining directors and shall hold the office until the subsequent Shareholders' Meeting, at which a new director shall be elected for remaining term of office of the replaced director. In the event of vacancy of the majority of the Board of Directors, a Shareholders' Meeting shall be called within fifteen (15) days from the date thereof, in order to elect substitutes, who shall complete the term of office of the replaced members.

Section IV – Powers

Article 28. The Board of Directors shall have the power to:

a) set the general guidelines of the Company's and its subsidiaries' business;

b) elect and remove the executive officers of the Company, appointing among them the Chief Executive Officer and the Investor Relations Officer, and define their duties;

c) oversee the management of the executive officers; examine, at any time, the books and documents of the Company; request information about agreements previously entered into or in the process of being entered into by the Company or by its subsidiaries;

d) express its opinion with respect to management reports and the financial statements of the Company, submitting them to the Shareholders' Meeting for approval;

e) fix the compensation of the members of the Board of Directors and of the Chief Executive Officer and of the other executive officers, in the latter case based on the Chief Executive Officer's recommendation;

f) define the overall criteria regarding the compensation and benefits policy of the directors and executive officers as well as of the senior employees of the Company and, whenever necessary, of its subsidiaries, taking into consideration the Compensation Committee's proposal;

g) grant stock options under the terms of Article 8 of these Bylaws;

h) call the Shareholders' Meetings;

i) submit a slate of candidates to the Shareholders' Meeting for election of directors, pursuant to Article 20 of these Bylaws;

j) propose to the Shareholders' Meeting the allocation of the balance of the adjusted net profit for the year, as referred to in letter "d", of Article 55 of these Bylaws;

k) approve the preparation of financial statements at shorter intervals than the fiscal year, the distribution of dividends based on such financial statements or interim dividends, as well as the payment or crediting of interest on own capital, under the terms of the applicable laws;

l) pass resolutions on the issuance of shares, debentures convertible into shares and subscription warrants, within the limits of the authorized capital of the Company;

m) submit proposals to the Shareholders' Meeting concerning an amalgamation, spin-off, merger, merger of shares or dissolution of the Company, as well as amendments to these Bylaws;

n) authorize the acquisition of shares of the Company to be held as treasury shares, cancelled or subsequently disposed of, subject to applicable laws;

o) approve the public issuance of commercial promissory notes by the Company or by its controlled companies;

p) approve the following transactions, either by the Company or by its controlled companies, when the value exceeds three percent (3%) of the Company's shareholders' equity: (i) acquisition, disposal or encumbrance of assets; (ii) granting of collateral; (iii) borrowings or waivers of any rights; (iv) investment or investment project; and (v) direct or indirect acquisition or disposal of an equity interest, including by means of a consortium or special partnership;

q) approve the execution of shareholders' agreements by the Company or by its controlled companies;

r) select and dismiss the independent auditors, after receiving the Audit Committee's opinion;

s) provide a list with the names of three firms specialized in corporate economic appraisals to prepare an appraisal report with respect to the shares of Company, in the event of deregistration as a publicly-held company or withdrawal from the New Market, as set forth in Paragraph 2 of Article 48 of these Bylaws;

t) express an opinion as to whether it is in favor or against any tender offer for the shares of the Company, through a prior opinion containing the reasons for such position disclosed within 15 (fifteen) days from the publication of the tender offer notice, opinion which should cover, at minimum: (i) the convenience and opportunity of the tender offer for shareholders as a whole and with respect to the liquidity of their shares, (ii) the effects of the tender offer on the Company; (iii) the strategic plans disclosed by the offeror in relation to the Company; (iv) other points that the Board of Directors considers pertinent, as well as information required by the rules set forth by the CVM; and

u) pass resolutions on other matters not regulated by these Bylaws, as well as otherwise resolving such matters.

Article 29. The Chairman of the Board of Directors shall:

a) call the Shareholders' Meeting, whenever so decided by the Board of Directors or, exceptionally, on his/her own initiative, in which case he/she shall immediately inform the other directors of the meeting;

b) call and preside the meetings of the Board of Directors;

c) communicate the dates of the regular meetings and oversee the Board of Director's administrative activities; and

d) convey resolutions made by the Board of Directors to the Board of Executive Officers and instruct the latter on the fulfillment thereof.

Article 30. The Vice-Chairman of the Board of Directors shall replace the Chairman, in his/her occasional absences and unavailability and, in case of vacancy in the office of Chairman, to hold such office until the date of the election of the new Chairman.

CHAPTER VI
Board of Executive Officers

Article 31. The Board of Executive Officers shall be comprised of four (4) to eight (8) executive officers, who may or may not be shareholders, shall be resident in Brazil and be elected by the Board of Directors, without specific designation except for the Chief Executive Officer and the Investor Relations Officer.

Sole paragraph. The term of the members of the Board of Executive Officers shall be 2 (two) years, with reelection permitted, and will continue until each successor is elected.

Article 32. The Board of Executive Officers shall hold meetings whenever the interest of the Company shall so require and their decisions shall be made by simple majority of votes, requiring one-half of the number of the elected members to form a quorum, with the Chief Executive Officer, in addition to his/her own vote, providing the casting vote.

Article 33. The Board of Executive Officers shall perform the acts necessary for the regular operation of the Company and for the management of its business, and shall be authorized to open and close branches, offices or other premises and facilities in any location in Brazil or abroad, subject to the guidelines provided by the Board of Directors.

§ 1 Actions which may affect third parties shall be signed by two executive officers, jointly, or by one executive officer and one attorney-in-fact, or by two attorneys-in-fact, with specific powers.

§ 2 The Company, acting by two of its executive officers, may appoint attorneys-in-fact, specifying in the power of attorney the purpose thereof, the powers granted and the term of the power of attorney, which shall not exceed one year, unless the power of attorney is granted with ad judicia powers, in which case it may be valid for an indefinite term.

§ 3 The Board of Executive Officers may, in exceptional cases, authorize the Company to be represented by one sole executive officer or one sole attorney-in-fact appointed for such purpose, and shall specify the purpose and limit of the powers granted in the minutes of the meeting.

Article 34. The Chief Executive Officer shall:

a) direct, instruct and coordinate the activities of the Company;

b) call and preside over the meetings of the Board of Executive Officers; and

c) represent the Company in court, either as plaintiff or defendant.

Article 35. The executive officer exercising the duties of Investor Relations Officer shall provide information to investors, the CVM and the stock exchange or over-the-counter market on which the Company's securities are traded, as well as maintain the registration of the Company updated in conformity with the CVM's applicable regulations and to meet the other requirements contained in such regulations, in addition to exercising the duties assigned to him/her by the Board of Directors.

Article 36. The executive officers without a specific designation, in addition to their statutory duties, shall perform those duties which may be assigned to them by the Board of Directors.

Article 37. The executive officers shall substitute each other, subject to the following conditions:

a) in case of the occasional absence and unavailability of the Chief Executive Officer for a period of up to sixty (60) days, the Chairman of the Board of Directors shall nominate a substitute for him/her from among the members of the Board of Executive Officers, and the substitute executive officer shall temporarily exercise the duties of Chief Executive Officer until the latter returns to his/her office or the next following meeting of the Board of Directors, whichever occurs first; and

b) in case of vacancy in the office of an executive officer, he/she may be replaced, until the following meeting of the Board of Directors, by another executive officer appointed by the Chief Executive Officer.

CHAPTER VII
Committees

Article 38. The Company shall have the following support committees to the Board of Directors:

(a) Audit Committee; and

(b) Compensation Committee.

§ 1 The Board of Directors may establish additional committees for assisting it in the management of the Company, which may have restricted and specific purposes, a limited term, and may appoint their respective members.

§ 2 The same obligations and restrictions imposed by law, by these Bylaws and by the New Market Regulation on the directors and executive officers of the Company shall apply to the members of the Audit Committee, Compensation Committee and other additional committees that may be established by the Board of Directors for assistance in the management of the Company.

Section I – Audit Committee

Article 39. Subject to the provisions in Articles 41 and 43, the Audit Committee shall be comprised of three (3) members, at least two (2) of which shall be external and independent members (“External Members”).

§ 1 The members of the Audit Committee shall be elected by the Board of Directors and meet all the requirements applicable to the Independent Directors, as set forth in Article 18 of these Bylaws.

§ 2 The External Members of the Audit Committee shall:

(a) not be a member of the Board of Directors of the Company or of its controlled companies; and

(b) have knowledge or experience in auditing, controls, accounting, taxation or rules applicable to publicly-held companies, in so far as they refer to the adequate preparation of their financial statements.

Article 40. The members of the Audit Committee shall be elected by the Board of Directors for a term of office of one (1) year, with reelection being permitted for successive terms.

§ 1 During their term of office, the members of the Audit Committee may not be replaced except for the following reasons:

(a) death or resignation;

(b) unjustified absence from three (3) consecutive meetings or six (6) alternate meetings per year; or

(c) a substantiated decision of the Board of Directors.

§ 2 In the event of a vacancy in the Audit Committee, the Board of Directors shall elect a person to complete the term of office of the replaced member.

§ 3 The Audit Committee shall:

(a) propose to the Board of Directors the nomination of the independent auditors as well as their replacement;

(b) review the management report and the financial statements of the Company and of its controlled companies, and provide the recommendations it deems necessary to the Board of Directors;

(c) review the quarterly financial information and the periodic financial statements prepared by the Company;

(d) assess the effectiveness and sufficiency of the internal control structure and of the internal and independent audit processes of the Company and of its controlled companies, including in relation to the provisions set forth in the Sarbanes-Oxley Act, submitting the recommendations it deems necessary for the improvement of policies, practices and procedures;

(e) provide its opinion, upon request of the Board of Directors, with respect to the proposals of the management bodies, to be submitted to the Shareholders' Meetings, relating to changes to the

capital stock, issuance of debentures or warrants, capital budgets, dividend distribution, transformation, merger, amalgamation or spin-off; and

(f) provide its opinion on the matters submitted to it by the Board of Directors, as well as on those matters it determines to be relevant.

§ 4 The Audit Committee shall approve, by majority vote of its members, a proposal for Internal Bylaws regulating the matters relating to its operation, to be approved by the Board of Directors.

Article 41. In the event the Statutory Audit Council is established as set forth in Law 6,404/76 and in Article 43 below, the Statutory Audit Council shall operate as the Audit Committee exercising all the duties provided for in these Bylaws as required of the Audit Committee, and with respect to its members, subject to all the requirements and limitations provided for by law.

Sole Paragraph. The Audit Committee will not operate in any fiscal year when a Statutory Audit Council is installed.

Section II – Compensation Committee

Article 42. The Compensation Committee shall be comprised of three (3) members of the Board of Directors, two (2) of which shall be Independent Directors.

Sole Paragraph. The Compensation Committee shall:

(a) propose to the Board of Directors the compensation to be paid to the directors and executive officers and senior employees of the Company and its controlled companies, to the members of the committees and of other governing bodies assisting the Board of Directors, pursuant to the proposal received from the Chief Executive Officer, and periodically revise the parameters and guidelines and, as a result, the compensation policy and other benefits of the Company and its controlled companies;

(b) propose to the Board of Directors, pursuant to the proposal received from the Chief Executive Officer, the overall compensation of the directors and executive officers of the Company, which shall be submitted to the Shareholders' Meeting;

(c) ensure that the Company prepares itself adequately for the succession of its directors, executive officers and other key employees, particularly the Chief Executive Officer and the principal executive officers; and

(d) carry out diligence and supervise the steps taken to ensure that the Company adopts a model of competence and leadership, attraction, retention and motivation in line with its strategic plans.

CHAPTER VIII
Statutory Audit Council (Conselho Fiscal)

Article 43. The Company shall have a Statutory Audit Council, comprised of three (3) members and an equal number of alternate members, with such duties, powers and compensation as provided for by law. The Statutory Audit Council shall have a term of office of one (1) year, with reelection being permitted, and shall operate on a non-permanent basis, being installed by the Shareholders' Meeting, as provided for by law.

§ 1 Once the Statutory Audit Council has been installed, the commencement of the term of its members shall be conditioned on their prior execution of the Instrument of Consent of the Statutory Audit Council Members referred to in the New Market Regulation and of the Disclosure and Trading Policy adopted by the Company.

§ 2 The Statutory Audit Council shall hold regular meetings once every quarter, and extraordinary meetings whenever necessary, and shall keep minutes of such meetings in the Company's records.

§ 3 The same obligations and restrictions imposed by law, these Bylaws and the New Market Regulation on the directors and executive officers of the Company shall apply to the members of the Statutory Audit Council.

CHAPTER IX
Tender Offers

Section I – Sale of a Controlling Interest

Article 44. The consummation of a direct or indirect Sale of the Controlling Interest, either in a single transaction, or in a series of successive transactions, shall be conditioned upon the buyer making a tender offer, either as a condition precedent or condition subsequent, for shares held by the remaining shareholders, subject to the conditions and terms set forth under applicable laws, these Bylaws and the New Market Regulation, in order to provide shareholders equal treatment to the Selling Controlling Shareholder.

§ 1 The Selling Controlling Shareholder may not transfer the ownership of its shares, nor may the Company register any transfer of shares until the purchaser of the controlling interest, or those which may acquire Shareholder Control, have signed the Instrument of Consent of the Controlling Shareholders, as provided for in the New Market Regulation.

§ 2 No shareholders' agreement setting forth provisions with respect to the exercise of Shareholder Control of the Company may be registered at the Company's headquarters without the

signatories thereof having executed the Instrument of Consent of the Controlling Shareholder referred to in the Paragraph above.

§ 3 After the closing of the tender offer mentioned in the introductory paragraph of this article, the purchaser of the controlling interest shall be required to take all steps to have at least twenty-five percent (25%) of the shares of the Company constitute the Free Float within the following six (6) months.

§ 4 In event of disposal of the controlling interest of a legal entity having Shareholder Control of the Company, the Selling Controlling Shareholder shall disclose to BM&FBOVESPA the value attributed to the Company in connection with such disposal and attach evidentiary documentation.

Article 45. The tender offer referred to in Article 44 above shall be made in the event of an assignment of rights for consideration to subscribe for shares and other securities and rights relating to securities convertible into shares, which may result in the Sale of the Controlling Interest of the Company.

Section II – Acquisition of Relevant Interest

Article 46. Any person, regardless of whether he/she is a shareholder, which, on his/her own account or through Joint Action with another person ("Purchaser of a Relevant Interest"), acquires or becomes the holder of Company shares, through a single transaction or a series of successive transactions, representing twenty percent (20%) or more of its capital stock ("Relevant Interest"), shall be required to make a tender offer for the acquisition of the shares held by the remaining shareholders at a price equal to the highest value per share paid by him/her in the preceding six (6) months, adjusted pursuant to the SELIC Rate.

§1 The Purchaser of a Relevant Interest shall not be required to make the tender offer provided for in this Article, in case he/she shall timely and cumulatively: (a) notify the Company of his/her intent to exercise the right provided for in this Paragraph within forty-eight (48) hours from the time he/she becomes owner of the Relevant Interest; and (b) sell, on a stock exchange, the number of shares of capital stock of the Company that exceeds the Relevant Interest, within thirty (30) days from the date of the notice mentioned in item (a) of this Paragraph.

§2 For purposes of calculating the limit of twenty percent (20%) set forth in the introductory paragraph of this Article, treasury shares held by the Company shall be excluded.

§3 The offer referred to in this Article shall not be required in the event any shareholder, or shareholders joined by a voting agreement registered with the Company, or shareholders who have a controlling relationship or are under common control are holders of more than one-half of the capital stock at the time of the acquisition of the Relevant Interest, excluding, for effects of such calculation, treasury shares held by the Company.

§4 The obligation to carry out the offer provided for in the introductory paragraph of this Article shall not apply in the event the obligation to carry out the offer provided for in Article 44 applies.

Section III – Indemnity Obligations

Article 47. In the event an offer is made pursuant to Articles 44 and 46 of these Bylaws, the offeror shall be bound to pay, under the terms indicated below, an amount equivalent to the difference between the tender offer price and the value per share that he/she may have acquired on a stock exchange in the six (6) months preceding the date of the acquisition of the Shareholder Control or the Relevant Interest, as the case may be, adjusted pursuant to the SELIC Rate until the payment date. Such amount shall be distributed by BMF&FBOVESPA pursuant to its regulation among all persons which have sold their shares of the Company on the trading session in which the offeror made the acquisition in proportion to their respective daily net sale balance.

Section IV – Deregistration as Publicly-Held Company and
Withdrawal from the New Market

Article 48. In the event the shareholders present at a Shareholders' Meeting approve:

(a) the Company's deregistration as a publicly-held company, either the Company, or the shareholders or Group of Shareholders which hold the Shareholder Control of the Company, shall carry out a tender offer for the acquisition of the shares held by the remaining shareholders, for a price based on, at minimum, the economic value of the Company, which will be calculated by an appraisal report prepared under the terms of Paragraphs 1 to 3 of this Article, subject to the applicable laws and regulations; or

(b) the Company's withdrawal from the New Market, in order for its shares to be registered outside the New Market or as a result of a corporate reorganization in which the shares of the surviving company are not admitted to trading on the New Market within one hundred twenty (120) days from the date of the Shareholders' Meeting approving such transaction, the shareholders or Group of Shareholders holding the Shareholder Control of the Company shall carry out a tender offer to acquire the shares held by the remaining shareholders, for a price based on, at minimum, the economic value of the Company, to be calculated in an appraisal report prepared under the terms of Paragraphs 1 to 3 of this Article, subject to applicable laws and regulations.

§ 1 The appraisal reports referred to in the introductory paragraphs of this Article shall be prepared by an institution or specialized company, with proven experience and independence with respect to the decision making power of the Company, its directors and executive officers and the Controlling Shareholder, in addition to meeting the requirements of Paragraph 1 of Article 8 of Law no. 6,404/76 and are subject to the same liability provided for in Paragraph 6 of the same Article.

§ 2 The selection of the institution or specialized company responsible for determining the economic value of the Company shall be made at the Shareholders' Meeting from a list of three

alternatives submitted by the Board of Directors, the selection of which shall be made by a majority vote of the shareholders representing the Free Float present at such Shareholders' Meeting, not counting blank votes, which, if convened on first call, shall have the attendance of shareholders representing, at least, twenty percent (20%) of the entire Free Float s, or which, if convened on second call, shall have the attendance of any number of shareholders representing the Free Float.

§ 3 The offeror shall pay the costs of preparation of the appraisal report.

Article 49. In the event there is no Controlling Shareholder and it is decided that the Company shall withdraw from the New Market in order to register its securities for trading outside the New Market, or as a result of a corporate reorganization the surviving company's securities are no longer admitted for trading in the New Market within one hundred twenty (120) days from the date of the Shareholders' Meeting approving such transaction, or, further, in the event of the deregistration of the Company as a publicly-held company, such withdrawals shall be conditioned on a tender offer being held under the same conditions provided for in Article 48 above.

§1 The Shareholders' Meeting shall determine the persons responsible for carrying out the tender offer among those present at the Shareholders' Meeting, who shall expressly undertake the obligation to carry out the offer.

§2 In the absence of having identified persons responsible for carrying out the tender offer, in case of a corporate reorganization in which the securities of the company resulting from such reorganization are not admitted for trading in the New Market, the shareholders having voted in favor of the corporate reorganization shall carry out the referred offer.

Article 50. The Company's withdrawal from the New Market as a result of any breach of the New Market Regulation requirements is subject to a tender offer for the shares, at a price based on, at minimum, the economic value of the Company, which will be calculated by an appraisal report prepared pursuant to Article 48 of these Bylaws, subject to applicable laws and regulations.

§ 1 The Controlling Shareholder shall carry out the tender offer referred to in the introductory paragraph of this Article.

§ 2 In the event there is no Controlling Shareholder and the Company withdraws from the New Market as a result of any breach of the New Market Regulation requirements due to decisions taken at a Shareholders´ Meeting, the tender offer shall be carried out by the Shareholders who voted in favor of the resolution that resulted in such breach.

§ 3 In the event there is no Controlling Shareholder and the Company withdraws from the New Market as set out in the introductory paragraph of this Article as a result of a management action or fact, the management of the Company shall call a Shareholders' Meeting pursuant to the Article 123 of Law 6,404/76, for the purpose of taking the necessary decisions to remedy the breach of the

obligations provided for in the New Market Regulation or, as the case may be, approve the withdrawal from the New Market.

§ 4 In the event the Shareholders' Meeting referred to in paragraph 3 above approves the withdrawal of the Company from the New Market, the Shareholders' Meeting shall determine the persons responsible for carrying out the tender offer referred to in the introductory paragraph of this Article, who, while present at the meeting, shall expressly undertake the obligation to carry out the offer.

Article 51. A single tender offer may be made for more than one of the purposes provided for in this Chapter, in the New Market Regulation, in Law no. 6,404/76 or in the regulations issued by the CVM, provided that the procedures used in the tender offer are compatible with all requirements of each different tender offer, the tender offer offerees do not suffer any damages and the authorization of the CVM is obtained, when required by applicable law.

Article 52. To the extent the rights provided for in these Bylaws to shareholders with respect to tender offers are affected, the rules set forth by the New Market Regulation will prevail over the provisions herein.

CHAPTER X
Arbitration Court

Article 53. The Company, its shareholders, directors and executive officers and members of the Statutory Audit Council are required to submit to arbitration at the Market Arbitration Tribunal, any and all disputes or controversies arising between them, either related to or resulting from the application, validity, effectiveness, interpretation, violation and their effects, of the provisions set forth in Law 6,404/76, in the Bylaws, in the rules enacted by the CVM, as well as other rules applicable to capital markets in general, in addition to those set forth in the New Market Regulation, in the Arbitration Regulation, in the Sanctions Regulation and in New Market Participation Agreement.

CHAPTER XI
Fiscal Year

Article 54. The fiscal year begins on January 1st and ends on December 31st of each year.

Article 55. After the balance sheet and the other financial statements are prepared, and after the deduction of accrued losses, the provision for income tax and, if applicable, the provision for directors' and executive officers' annual profit sharing, adjusted net profit shall be allocated as follows:

a) Five percent (5%) to the legal reserve, up to the limit of twenty percent (20%) of the capital stock;

b) fifty percent (50%) for payment of the mandatory dividend to the shareholders, deducted by semiannual or interim dividends that may have already been distributed; and

c) by proposal of the managing bodies, up to forty-five percent (45%) for creating an investment reserve, aimed at protecting the integrity of the Company´s assets and to supplement its capital stock, in order to allow new investments to be made, up to the limit of one hundred percent (100%) of the capital stock, provided that the balance of such reserve, when combined with other profit reserve balances, except for the unrealized profit reserve and the contingency reserves, shall not exceed one hundred percent (100%) of the capital stock and, once such limit is reached, the shareholders' meeting shall determine the allocation of the surplus through an increase of the capital stock or in the distribution of dividends; and

d) the balance will be allocated according to the resolution adopted at the Shareholders' Meeting, which will take into account the Board of Directors' proposal.

§ 1 The Company may, in addition to the annual balance sheet, prepare semiannual or interim balance sheets at any time, and the Board of Directors may, ad referendum of the Shareholders' Meeting, declare interim dividends to the account of retained earnings or profit reserves recorded in its latest annual or semiannual balance sheets.

§ 2 Dividends not claimed within three (3) years from the date they were made available to the shareholders shall be forfeited to the Company.

CHAPTER XII
Miscellaneous

Article 56. The Company shall be liquidated as provided for by law, and the Shareholders´ Meeting shall decide the method of liquidation, appoint the liquidator and elect the Statutory Audit Council to operate during the liquidation process.

Article 57. The minutes of the Shareholders' Meetings, as well as the minutes of meetings of the Board of Directors and of the Board of Executive Officers, shall be mechanically issued, in separate pages, and signed by the attendees, for subsequent bookbinding. In the event they contain resolutions affecting third parties, they shall be filed with the Commerce Registry Office and published.

CHAPTER XIII
Definitions

Article 58. For the purposes of these Bylaws, the terms below shall have the following meanings:

“Arbitration Regulation” means the Market Arbitration Chamber Regulation;

“BM&FBOVESPA” has the meaning provided for in the Sole Paragraph of Article 1 of these Bylaws.

“Bylaws” means the bylaws of Ultrapar Participações S.A.;

“Chairman” means the chairman of the Board of Directors;

“Company” means Ultrapar Participações S.A.;

“Controlling Interest” means the block of shares entitling, either directly or indirectly, their respective holders the individual and/or shared exercise of the Shareholder Control of the Company;

“Controlling Shareholder” means the shareholder or Group of Shareholders exercising the Shareholder Control of the Company;

“CVM” means the Brazilian Securities and Exchange Commission – CVM;

“Disclosure and Trading Policy” means the policy adopted by the Company setting forth the rules for disclosure of relevant information of the Company to the public and the use of such information by the Company itself;

“External Members” has the meaning provided for in Paragraph 2 of Article 39 of these Bylaws;

“Free Float” means all the shares issued by the Company, except for the shares held by the Controlling Shareholder, by persons related thereto, by directors and executive officers of the Company and treasury shares;

“Group of Shareholders” means the group of persons: (i) bound by contracts or agreements of any nature, including shareholders’ agreements, either directly or by means of controlled or controlling companies or companies under common control; or (ii) among which there is a controlling relationship; or (iii) that are under common control; or (iv) that act in the representation of a common interest. Examples of persons representing a common interest include: (a) a person holding, directly or indirectly, an equity interest equal to or greater than fifteen percent (15%) of the capital stock of another person; and (b) two persons having a third investor in common that holds, directly or indirectly, an equity interest equal to or greater than fifteen percent (15%) in the capital stock of each of the two persons. Any joint ventures, funds or investment clubs, foundations, associations, trusts, condominiums, cooperatives, securities portfolios, universality of rights, or any other forms of organization or enterprise, organized in Brazil or outside Brazil, shall

be deemed members of one Group of Shareholders whenever two or more such entities: (y) are managed by one single legal entity or related parties of one single legal entity; or (z) have most of their directors and executive officers in common, but in the case of investment funds with a common manager, only such entities in which the determination of the vote to be held at a Shareholders' Meetings, as determined by the respective statutes, is in the manager's sole discretion, shall be deemed as part of the Group of Shareholders;

"Independent Directors" has the meaning provided for in Article 18 of these Bylaws;

"Instrument of Consent of the Controlling Shareholders" means the instrument by which the new Controlling Shareholders undertake personal liability for abiding by and acting in conformity with the New Market Participation Agreement, the New Market Regulation and the Arbitration Regulation;

"Instrument of Consent of the Directors and Executive Officers" means the instrument under which the new directors and executive officers of the Company assume personal liability to abide by and to act in conformity with the New Market Participation Agreement, the New Market Regulation and the Arbitration Regulation;

"Instrument of Consent of the Statutory Audit Council Members" means the instrument under which the members of the Statutory Audit Council of the Company, when established, undertake personal liability for abiding by and acting in conformity with the Arbitration Regulation;

"Joint Action" means the action of persons, including a Group of Shareholders, cooperating to acquire a Relevant Interest, pursuant the terms of Article 46 of these Bylaws;

"New Market" means the Novo Mercado segment of the BM&FBOVESPA;

"New Market Participation Agreement" means the agreement entered into between, on the one hand, BMF&BOVESPA and, on the other hand, the Company, the directors and executive officers and, in case there is one, the Controlling Shareholder, containing obligations relating to the listing of the Company on the New Market;

"New Market Regulation" has the meaning provided for in the Sole Paragraph of Article 1 of these Bylaws;

"Purchaser of a Relevant Interest" has the meaning provided for in Article 46 of these Bylaws;

"Relevant Interest" has the meaning provided for in Article 46 of these Bylaws;

"Sale of Controlling Interest" means the transfer to a third party, for compensation, of the Controlling Interest;

“Sanctions Regulation” means the Regulation for Pecuniary Sanctions of the New Market, as amended, which regulates the sanctions applicable to partial or total noncompliance with the New Market Regulation;

“SELIC Rate” means the rate calculated in the Special Custody and Liquidation System of the Brazilian Central Bank;

“Selling Controlling Shareholder” means the Controlling Shareholder when it is Selling the Controlling Interest of the Company;

“Shareholder Control” means the power effectively used to direct the corporate activities and guide the operation of the Company’s governing bodies, either directly or indirectly, in practice or by law. A person or group of persons will be presumed to have control if they are bound by a shareholders’ agreement or under common control holding shares that have granted them the absolute majority of votes of the shareholders who attended the last three Shareholders’ Meetings of the Company, regardless of whether they hold title to shares that grant them the absolute majority of the Company´s total voting shares; and

“Vice-Chairman” means the vice-chairman of the Board of Directors.

ANNEX II

(Pursuant to Annex 14 of CVM Instruction 481/09)

Capital increase1

1. Inform the amount of capital increase and the new capital stock.

Upon completion of the Merger of Shares, 12,021,100 shares will be issued and the capital stock of the Company will be amended from R$ 3,696,772,957.32 to R$ 3,838,686,104.00; therefore, an increase of R$ 141,913,146.68.

2. Inform if the increase will be performed through: (a) the conversion of debentures into shares; (b) the exercise of the subscription right or subscription warrants; (c) capitalization of profits or reserves; or (d) subscription of new shares.

The capital increase results from the merger of shares issued by Extrafarma by the Company and the subscription of new shares by Extrafarma managers, on behalf of its shareholders, pursuant to paragraph 2 of Article 252 of the Brazilian Corporate Law.

3. Explain in details the reasons for the capital increase and the legal and economic consequences thereof.

The capital increase results from the absorption of all shares issued by Extrafarma by the Company, due to the Merger of Shares, pursuant to Article 252 of the Brazilian Corporate Law.

As a legal consequence of the Merger of Shares, Extrafarma will become a wholly-owned subsidiary of Ultrapar.

With respect to the economic consequences, the managements of the Companies believe that the Merger of Shares shall enable Ultrapar to enter the significant, growing Brazilian retail pharmacy sector, with strong potential for growth and consolidation, in association with Extrafarma, one of the leaders in its regions. Extrafarma has over 50 years of activity in pharmaceutical distribution and counts on renowned professionals in the sector.

The Merger of Shares shall enable the acceleration of Extrafarma's expansion plan, through (i) increased investment capacity, (ii) access for drugstore openings in Ipiranga's service stations and Ultragaz's resellers, and (iii) the strengthening of Extrafarma's experienced retail pharmacy management team, by implementing Ultrapar's recognized mechanisms of corporate governance,

1 In addition to the capital increase described in the Annex II, the Merger of Shares also provides for the issuance of subscription warrants that, if exercised, may lead to the issuance of up to 4,007,031 shares in the future, pursuant to the Protocol and Justification and Annex III of this Management Proposal.

incentives, and alignment of interests. These mechanisms are also expected to contribute to an efficient integration of the operations and to the development of business models increasingly attractive to Extrafarma's, Ipiranga's and Ultragaz's consumers, thus increasing the businesses' differentiation potential.

Thus, the combination of assets, talents and competences of the Companies will bring economic benefits to the Companies, their shareholders and consumers.

4. Provide a copy of the fiscal council report, if applicable.

A copy of the Fiscal Council report is attached to this Annex II.

5. In case of capital increase upon subscription of shares:

a. Describe the use of proceeds

No resources will be contributed, only the absorption of all shares issued by Extrafarma by the Company, as already referred to and with the financial consequences described in item 3 above.

b. Inform the number of shares issued for each type and class.

12,021,100 new common, nominative book-entry shares with no par value will be issued.

c. Describe the rights, advantages and restrictions attributed to the shares to be issued.

The shares to be issued by the Company as a result of the Merger of Shares shall have the same rights attributed to the outstanding shares of the Company, traded at BM&FBOVESPA under the code "UGPA3", and the holders thereof shall be entitled to all benefits, including dividends and capital remuneration that may be declared by the Company after the effective issuance.

The shares to be issued by the Company as a result of the Merger of Shares shall be subject to the following trading restrictions:

(a) 767,060 shares to be delivered to each of the current Extrafarma's shareholders shall be free to be traded immediately after the approval of the Merger of Shares at the Extraordinary Shareholders' Meetings of the Companies ("ESMs"); and

(b) 190,048 New Shares to be delivered to each of the current Extrafarma's shareholders shall be released to be traded as of the date of the 1st, 2nd, 3rd, 4th and 5th anniversaries of the date of the approval of the Merger of Shares by the ESMs.

d. Inform if the subscription will be public or private.

The subscription will be private.

e. In case of a private subscription, inform if the related parties, as defined by the accounting rules referred to herein, will subscribe shares in the capital increase, specifying the respective amounts, if already known.

The subscription shall not be performed by related parties.

f. Inform the issuance price of new shares or the reasons by which the establishment thereof must be attributed to the Board of Directors, in cases of public distribution.

The price of issuance of the new shares is of R$ R$ 56.16583 per share, equivalent to a total amount of R$ 675,175,059.01.

g. Inform the par value of the shares issued or, in case of shares with no par value, the portion of the issuance price that shall be allocated to capital reserve.

The portion that shall be allocated to capital reserve is of R$ 533,261,912.33. The amount of the capital reserve provided above may be adjusted as a result of the rules set forth in Technical Standard No. 15 (CPC 15 (R1)), of the Accounting Pronouncements Committee (Comitê de Pronunciamentos Técnicos), approved by CVM Resolution No. 665, dated as of August 4, 2011.

h. Provide the managers' opinion on the effects of the capital increase, especially with respect to the dilution caused by such increase.

The capital increase resulting from the Merger of Shares and the immediate dilution of shareholders will be of 2.2%, excluding the shares currently held in treasury. However, as referred to above, the managers believe that the combination of assets, talents and competences of the Companies will bring economic benefits to the Companies, their shareholders and consumers in general.

i. Inform the criterion for the calculation of the issuance price and justify, in details, the economic aspects on which such criterion was chosen.

The issuance price was calculated based on the average price of the common shares of Ultrapar in the last ten (10) trading sessions of BM&FBOVESPA immediately prior to the disclosure of the Material Notice dated September 30, 2013, corresponding to R$ 56.16583 per share.

j. If the issuance price has been established with premium or at a discount in relation to the market value, identify the reason for premium or discount and explain how it was determined.

Not applicable.

k. Provide a copy of all reports and studies on which the establishment of the issuance price was based.

Not applicable.

l. Inform the prices for each type and class of shares of the Company in the markets where they are traded, identifying:

i. Minimum, average and maximum prices for each year, over the last three (3) years.

	Minimum (R$)	Average (R$)	Maximum (R$)
2010	19.50	22.75	27.11
2011	23.54	28.13	32.50
2012	32.01	42.20	49.00

ii. Minimum, average and maximum prices for each quarter, over the last two (2) years.

	Minimum (R$)	Average (R$)	Maximum (R$)
1Q11	24.54	26.36	27.49
2Q11	25.75	27.55	28.57
3Q11	23.54	27.54	29.67
4Q11	29.24	31.13	32.50
1Q12	32.01	37.07	40.70
2Q12	39.15	41.89	45.35
3Q12	43.15	45.82	49.00
4Q12	41.50	44.04	46.29
1Q13	45.28	48.84	52.69
2Q13	49.23	52.83	55.80
3Q13	51.36	54.05	57.70

iii. Minimum, average and maximum prices for each month, over the last six (6) months.

	Minimum (R$)	Average (R$)	Maximum (R$)
June 2013	49.23	51.67	53.80
July 2013	51.90	53.43	54.32
August 2013	51.36	53.38	55.64
September 2013	52.26	55.42	57.70
October 2013	57.09	58.72	60.20
November 2013	56.90	58.36	59.92

iv. Average price over the last ninety days.

	Average (R$)
Last 90 days (between 09.20.2013 and 12.18.2013)	57.70

m. Inform the issuance price of shares in capital increases over the last three (3) years.

There was no capital increase in the last 3 years.

n. Provide the percentage of potential dilution resulting from the issuance.

The dilution will be of 2.2%, excluding the shares currently held in treasury.

o. Inform the terms, conditions and form of subscription and payment of issued shares.

The issued shares shall be subscribed and paid up by Extrafarma managers, on behalf of its shareholders, pursuant to paragraph 2 of Article 252 of the Brazilian Corporate Law.

p. Inform if shareholders will be entitled to preemptive rights to subscribe for new shares and provide the details of the terms and conditions which such right is subject to.

Pursuant to paragraph 1 of Article 252 of the Brazilian Corporate Law, Ultrapar's shareholders shall not be entitled to preemptive rights for subscription of the capital increase.

q. Inform the management proposal for treatment of potential unsubscribed shares.

Not applicable.

r. Describe, in details, the procedures that will be adopted in case of estimated partial approval of the capital increase.

Not applicable.

s. If the issuance price of shares is performed in assets, in whole or in part:

i. Provide the full description of the assets.

2,240,000 common, nominative shares with no par value issued by Extrafarma to be merged into Ultrapar due to the Merger of Shares, pursuant to Article 252 of the Brazilian Corporate Law.

ii. Provide the clarification regarding the relation between the assets absorbed by the Company and its corporate purpose.

The shares issued by Extrafarma will be merged into the Company pursuant to the Protocol and Justification so that Extrafarma will become a wholly-owned subsidiary of Ultrapar, enabling Ultrapar to enter the significant retail pharmacy sector, with strong potential for growth and consolidation.

iii. Provide a copy of the Appraisal Report of the assets, if available.

The Appraisal Report is available to the shareholders at the Company's headquarters, in the Company's website (www.ultra.com.br) as well as in BM&FBOVESPA's website (www.bmfbovespa.com.br) and in CVM's website (www.cvm.gov.br), according to the terms of the Brazilian Corporate Law, CVM Instruction 319/99 and CVM Instruction 481/09.

6. In case of capital increase upon capitalization of profits and reserves:

a. Inform if it shall result in the change of par value of the shares, if any, or the distribution of new shares among shareholders.

Not applicable.

b. Inform if the capitalization of profits or reserves will be performed with or without changing the number of shares, for companies with shares with no par value.

Not applicable.

c. In case of distribution of new shares:

i. Inform the number of shares issued for each type and class.

Not applicable.

ii. Inform the percentage to be received by the shareholders in shares.

Not applicable.

iii. Describe the rights, advantages and restrictions attributed to the shares to be issued.

Not applicable.

iv. Inform the acquisition cost, in reais, per share, to be attributed so that shareholders are able to comply with Article 10 of Law 9,249, dated as of December 26, 1995.

Not applicable.

v. Inform the treatment of fractions, as the case may be.

Not applicable.

d. Inform the term set forth in paragraph 3 of Article 169 of Law 6,404, of 1976.

Not applicable.

e. Inform and provide information and documents set forth in item 5 above, if applicable.

Not applicable.

7. In case of capital increase due to conversion of debentures into shares or exercise of subscription warrants

a. Inform the number of shares issued for each type and class.

Not applicable.

b. Describe the rights, advantages and restrictions attributed to shares to be issued.

Not applicable.

ANNEX III

(Pursuant to Annex 15 of CVM Instruction 481/09)

Issuance of Subscription Warrants

1. In case of issuance of subscription warrants:

a. Inform the number of warrants to be issued.

If the Merger of Shares is approved by the shareholders of the Company, 14 subscription warrants shall be issued as of such date, seven (7) of which of Subscription Warrants – Working Capital and seven (7) of which of Subscription Warrants – Indemnification, as defined below, in the book-entry nominative form ("Subscription Warrants").

b. Explain, in details, the reasons for the issuance and the consequences thereof.

The issuance of Subscription Warrants is justified under the context of the negotiation between Ultrapar and Extrafarma and their shareholders, as part of the price offered, to be retained for at least six years as a guarantee by Extrafarma's shareholders to the Company to cover (i) the potential adjustment due to the variation of working capital and net debt of Extrafarma existing on the date of approval of the Merger of Shares at the Extraordinary Shareholders' Meetings of the Companies ("Subscription Warrants – Working Capital") and (ii) the payment related to Loss(es) subject to indemnification by Extrafarma shareholders to Ultrapar, as detailed below ("Subscription Warrants – Indemnification").

The Subscription Warrants shall be issued by the Company by virtue of the Merger of Shares and shall be delivered to Extrafarma shareholders, pursuant to the Protocol and Justification. Each of the Subscription Warrants – Working Capital shall have the subscription right of up to one hundred and fourteen thousand, four hundred and eighty seven (114,487) common, nominative book-entry shares with no par value issued by Ultrapar, subject to potential adjustment due to the variation of working capital and the net debt of Extrafarma existing on the date of the approval of the Merger of Shares by the ESMs, in relation to the working capital and the net debt of Extrafarma as of December 31, 2012. Each of the Subscription Warrants - Indemnification shall have the subscription right of up to four hundred and fifty seven thousand, nine hundred and forty six (457,946) common, nominative book-entry shares with no par value issued by Ultrapar, subject to a potential adjustment due to verification of Loss(es) subject to indemnification by Extrafarma shareholders to Ultrapar, resulting from (a) fraud, omission, errors, inaccuracies, misstatements or breach of the representation and warranties given by Extrafarma, Extrafarma shareholders to Ultrapar; (b) facts, acts and/or omission of Extrafarma or by Extrafarma shareholders prior to the date of the approval of the Merger of Shares by the

ESMs; or (c) breach of the obligations assumed by Extrafarma shareholders and/or by Extrafarma in the Association Agreement. It will be understood that the term “Losses” means all and any intentions and/or liabilities, losses, penalties, damages, fines, judgments, notices, injury, liens (including attachment, seizure or any type of impounding), costs and expenses (including attorneys’ fees) after the final and unappealable judicial or arbitration decisions, as well as undisputed administrative or judicial decision or the notice of Loss sent by one party to the other which was not disputed.

c. Inform the issuance price and the exercise price of the warrant.

Considering that it is a merger of shares and that Subscription Warrants are included in the exchange ratio of shares issued by Extrafarma for shares issued by Ultrapar, a specific issuance price was not ascribed to the Subscription Warrants (pursuant to the Article 77 of the Law No. 6,404/76). The exercise price of the Subscription Warrants shall correspond to the market value of the shares issued by Ultrapar at the time of the exercise of the Subscription Warrants and there will be no additional payment by the holders of the Subscription Warrants since, upon the approval of the Merger of Shares, the holders of the Subscription Warrants will contribute all of the shares of Extrafarma to Ultrapar’s equity.

d. Inform the criterion for establishment of the issuance price and exercise price and justify, in details, the economic aspects on which such criterion was chosen.

Please, see item (c) above.

e. Provide the managers’ opinion on the effects of the capital increase, especially with respect to the dilution caused by such increase.

The issuance of Subscription Warrants will be favorable to the Company and its shareholders within the context of the guarantees provided by Extrafarma’s shareholders. It must also be considered that the shares the Subscription Warrants will potentially be granted are part of the exchange ratio of the shares issued by Extrafarma for the shares issued by Ultrapar in the Merger of Shares. The maximum dilution to which Ultrapar shareholders shall be subject upon the full exercise of the Subscription Warrants is of 0,7% (calculated by the maximum amount of shares to be potentially issued upon the total amount of shares issued by the Company after the approval of the Merger of Shares, excluding the shares currently held in treasury).

f. Provide a copy of all reports and studies on which the establishment of the issuance price was based.

Not applicable.

g. Inform the terms and conditions which the exercise of the warrant is subject to.

The exercise of the Subscription Warrants – Working Capital is subject to the verification of potential adjustment due to the variation of working capital and the net debt of Extrafarma as of the date of the approval of the Merger of Shares by the ESMs, in relation to the working capital and the net debt of Extrafarma as of December 31, 2012. The Subscription Warrant – Working Capital may be exercised by its holders within five (5) business days after the "Calculation Date," which is the date corresponding to ten (10) business days after (i) the preparation of Extrafarma's balance sheet as of the date of the approval of the Merger of Shares by the ESMs; and (ii) the verification of net debt and working capital of Extrafarma existing on the date of the approval of the Merger of Shares by the ESMs, proportionally to the remaining shares after the adjustment aforementioned. The shares issued due to the exercise of the Subscription Warrants – Working Capital shall be subject to trading restrictions up to the sixth (6th) anniversary of the date of the approval of the Merger of Shares by the ESMs.

The exercise of the Subscription Warrants – Indemnification, is subject to potential adjustment due to verification of Loss(es) subject to indemnification by Extrafarma shareholders to Ultrapar, resulting from (a) fraud, omission, errors, inaccuracies, misstatements or breach of the representation and warranties given by Extrafarma, Extrafarma's shareholders to Ultrapar; (b) facts, acts and/or omission of Extrafarma or by Extrafarma's shareholders prior to the date of the approval of the Merger of Shares by the ESMs; or (c) breach of the obligations assumed by Extrafarma's shareholders and/or by Extrafarma in the Association Agreement. It will be understood that the term "Losses" means all and any intentions and/or liabilities, losses, penalties, damages, fines, judgments, notices, injury, liens (including attachment, seizure or any type of impounding), costs and expenses (including attorneys' fees) after the final and unappealable judicial or arbitration decisions, as well as undisputed administrative or judicial decision or the notice of Loss sent by one party to the other which was not disputed. The Subscription Warrant – Indemnification may be exercised, in whole or in part, by its holders (i) within five (5) business days after the 6th anniversary of date of the approval of the Merger of Shares by the ESMs ("Confirmation Date"), proportionally to the remaining shares after adjustments for potential Losses to be indemnified by Extrafarma's shareholders to Ultrapar that has been accrued until such date; and (ii) after the Confirmation Date, whenever occurs the termination of all and any potential Loss that, before the Confirmation Date, has been identified by the Companies and by Extrafarma's shareholders as a result of notice or filing of administrative or judicial proceeding or extrajudicial notice, but that has not been effectively accrued prior to such date.

The Subscription Warrants may not be traded or transferred by its holders or otherwise be subject to liens or promise of trading, transfer or liens, except under the succession plan of Extrafarma's shareholders.

h. Inform if shareholders will be entitled to preemptive rights to subscribe for new warrants and provide the details of the terms and conditions which such right is subject to.

Considering that the Subscription Warrants will be issued under the exchange ratio of the shares issued by Extrafarma for the shares issued by Ultrapar in the Merger of Shares, the shareholders of the Company will not be entitled to preemptive rights in the subscription of Subscription Warrants.

i. Inform if the subscription will be public or private.

Private.

j. Inform the matters which may be established by the Board of Directors.

The issuance of Subscription Warrants shall be approved at the Shareholders' Meeting of the Company, and the capital increase resulting from the future exercise of Subscription Warrants may be approved by the Board of Directors of the Company, within the limits of the authorized capital set forth in the Company's Bylaws.

k. Inform the secondary market in which warrants will be traded, as the case may be.

Not applicable.

l. Described the rights, advantages and restrictions of shares resulting from the exercise of subscription warrants.

The Subscription Warrants are securities other than the shares issued by the Company, and they solely entitle their holders to, under the conditions approved at the Shareholders' Meeting of the Company, the right to subscribe shares issued by Company, upon compliance with the conditions set forth in the certificates of the Subscription Warrants.

The ownership of Subscription Warrants, by itself, does not assure any right to dividends, interests attributable to shareholders' equity and other shareholders' rights; that is, only after the exercise of the Subscription Warrants, that will result in the issuance of shares of the Company, the holders thereof will be entitled to enjoy the shareholders' rights.

The shares of the Company, when issued, shall have the same rights attributed to the outstanding shares issued by Company in the respective date, and the holders thereof shall be entitled to all benefits, including dividends and capital compensations that may be declared by the Company after issued thereof.

m. Provide the percentage of potential dilution resulting from the issuance.

If the Subscription Warrants are fully subscribed and converted into shares, the potential dilution resulting from the issuance (calculated by the maximum number of shares to be potentially issued on the total number of shares issued by the Company after the approval of the Merger of Shares, excluding the shares currently held in treasury) is of 0.7%.

ANNEX IV

(Pursuant to Annex 21 of CVM Instruction 481/09)

Information related to the Company's appraisers

1. List the appraisers recommended by the management.

Ernst & Young Assessoria Empresarial Ltda., headquartered in the City of São Paulo, State of São Paulo, at Av. Presidente Juscelino Kubitschek, 1.830, Torre 2, 4th floor, enrolled with the CNPJ/MF under No. 59.527.788/0001-31 ("EY").

2. Describe the qualification of recommended appraisers.

„ Sérgio B. D. de Almeida (sergio.almeida@br.ey.com) – Partner

Group leader of Valuation of EY Brazil, responsible for implementing financial projects for clients in the middle market and global clients.

He manages and supervises the operations of a team of approximately 100 professionals in four markets (São Paulo, Rio de Janeiro, Belo Horizonte and Recife). He has experience in business valuations for tax purposes, mergers and acquisitions, financial analysis and operational strategies, economic viability of projects, valuation of intangible assets and advising on corporate restructuring processes involving Brazilian Securities Commission (Comissão de Valores Mobiliários), National Agency of Electric Agency (ANEEL), among other regulatory entities. The Partner Sérgio Almeida has been part of the group of Valuation & Business Modeling of EY Brazil for 11 years ago.

Master of Business Administration EAESP / FGV (School of Business Administration of São Paulo /Fundação Getúlio Vargas), holder of the Finance Executive MBA in (IBMEC / SP - Brazilian Institute of Capital Markets), and is graduated in Business Administration for the State University of Rio de Janeiro (UERJ - State University of Rio de Janeiro).

Participated in several training specializations, such as Association of American Appraisers (ASA) 1, 2, 3 and 4, Private Equity Valuation Reviews by ASA, Advanced Business Certificate Management (Harvard Business Publishing 2010), and Americas Partner and Principals Meeting (Atlanta 2010), Americas New Partner and Principals Meeting (Boca Raton 2009) and Conference and Training Section in Washington (V & BM Senior Manager 2005).

„ Andréa de Brito Fuga (andrea.fuga@br.ey.com) – Independent Revising Partner

Group leader Valuation of EY Brazil, responsible for implementing financial projects for clients in the middle market and global clients. Partner at the Capital Group Transformation in the area of EY Transaction Advisory Services, has extensive experience in economic valuations and processes of mergers and acquisitions of companies.

Leads projects of economic valuations conducted in order to support accounting records, tax, corporate restructurings, public offerings and trading companies. Coordinates, as a specialist, review of economic valuations used in financial reports, related to the fair value of investments, biological and intangible assets as well as asset impairment analyzes. Prepared several studies of feasibility analysis, financial modeling and construction of the business plan, involving ongoing businesses and greenfields. She also participated in consulting projects related to capital structure and maximizing value to shareholders, and the processes of litigation related to themes of economic valuations or M&A. Coordinated advisory processes in M&A, including the search for potential investors, preparation of Information Memoranda, initial contacts and subsequent negotiation of price and terms of transaction agreements. Among her clients, the sectors of consuming product, sugarcane, forestry, food and beverage, and services may be evidenced. Developed and taught several training related to economic valuations of companies and assets. Throughout her career, Andrea has developed experience in financial institutions and companies global consulting and auditing.

Degree in Public Administration, by Fundação Getúlio Vargas (SP, Brazil). She holds an MBA in Finance and Strategy by Simon Graduate School of Business at the University of Rochester (NY).

„ Felipe Miglioli (felipe.miglioli@br.ey.com) - Senior Executive Manager

Senior Executive Manager of the practice of Valuation & Business Modelling (V&BM) group of Transaction Advisory Services of EY.

He has focused on projects of economic and financial valuation of companies for mergers and acquisitions, joint ventures, feasibility analysis of new projects corporate restructuring processes involving the Brazilian Securities Commission (Comissão de Valores Mobiliários) and valuation of intangible assets for accounting purposes (IFRS and USGAAP).

Among his clients: pharmaceutical, retail and consumer, healthcare, services, Oil & Gas, Media industries, among other goods may be evidenced.

He has experience on M&A in the following industries: retail, real estate, education, technology.
Bachelor of Business Administration from Mackenzie University and a Finance Executive MBA from Insper - Institute of Education and Research.

Participation in specialization courses in business valuation, valuation of intangible assets and Private Equity Valuation Reviews conducted by the American Society of Appraisers (ASA) and International Institute of Business Valuers (IIBV).

„ Daniel de Oliveira Fernandes (@daniel.o.fernandes br.ey.com) - Manager

Practice Manager of Valuation & Business Modelling (V & BM) of the group Transaction Advisory Services of EY.

He has focused on projects for economic and financial valuation of companies for mergers and acquisitions, analysis of the economic viability of projects, processes of administrative and financial restructuring.

Bachelor of Business Administration by Fundação Getúlio Vargas (FGV - EAESP) and MBA in Economic and Financial Management from FGV.

Participation in specialization courses in business valuation performed by Apimec, American Society of Appraisers (ASA) and International Institute of Business Valuers (IIBV).

Credentials

EY has provided services to clients from many sectors, thus attesting technical ability. We highlight the following main services: Economic and Financial Assessment, Privatization, Asset Valuation, Financial Advisory, Mergers & Acquisitions and Real Estate advisory.

3. Provide a copy of the work and compensation proposals from recommended appraisers.

See summary attached (Annex A).

4. Describe any existing relation over the last three (3) years between the recommended appraisers and parties related to the Company, such as defined by the accounting rules which refer to this matter.

- due diligence for the acquisition of the chemical businesses in Uruguay;
- PIS and Cofins taxes recovery analysis;
- due diligence for the association with Extrafarma.

Annex A

In connection with the preparation of the Valuation Report, we entered into an Engagement Letter with Ernst & Young Assessoria Empresarial Ltda. (“EY”), dated October 28, 2013 (the "Engagement Letter"), which sets forth, among other things, the scope, timing and contractual bases related to the work performed by EY. Pursuant to the Engagement Letter, we were required to pay an aggregate fixed fee of R$109,000 to EY. We also made certain representations and warranties for the benefit of EY in the Valuation Report, substantially to the effect that the historic information provided to EY was consistent with the audited financial statements of Extrafarma and that we are not aware of material developments subsequent to the date of such financial statements not informed to EY. We also agreed, among other things, to indemnify and hold EY and its employees harmless for any losses and claims arising out of any untrue statement, omissions or mistakes in the materials or information provided by us to EY.

PROTOCOL AND JUSTIFICATION OF INCORPORAÇÃO DE AÇÕES (MERGER OF SHARES) ISSUED BY IMIFARMA PRODUTOS FARMACÊUTICOS E COSMÉTICOS S.A. BY ULTRAPAR PARTICIPAÇÕES S.A.

PROTOCOL AND JUSTIFICATION OF INCORPORAÇÃO DE AÇÕES (MERGER OF SHARES) ISSUED BY IMIFARMA PRODUTOS FARMACÊUTICOS E COSMÉTICOS S.A. BY ULTRAPAR PARTICIPAÇÕES S.A.

ENTERED INTO THE MANAGERS OF

IMIFARMA PRODUTOS FARMACÊUTICOS E COSMÉTICOS S.A.

AND

ULTRAPAR PARTICIPAÇÕES S.A.

_____

DATED AS OF DECEMBER 17, 2013

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1

By this private instrument, the undersigned managers of:

Imifarma Produtos Farmacêuticos e Cosméticos S.A., a closely-held corporation (sociedade anônima fechada) headquartered in the City of Belém, State of Pará, at Travessa Quintino Bocaiúva, 381, CEP 66053-240, enrolled with the Brazilian Corporate Taxpayers' Registry of the Ministry of Finance ("CNPJ/MF") under Nr. 04.899.316/0001-18 ("Extrafarma"), as the company which shares shall be merged; and

Ultrapar Participações S.A., a publicly-traded company (companhia aberta) headquartered in the City of São Paulo, State of São Paulo, at Avenida Brigadeiro Luís Antônio, Nr. 1.343, 9th floor, Bela Vista, CEP 01317-910, enrolled with the CNPJ/MF under Nr. 33.256.439/0001-39, ("Ultrapar" and, together with Extrafarma, the "Companies"), as merging company;

WHEREAS:

(i) On September 30, 2013, the Companies and the shareholders holding all shares of Extrafarma's capital entered into an association agreement and other covenants ("Association Agreement"), by means of which they agreed to integrate the activities of the Companies, after certain conditions precedent were complied with, through the incorporações de ações (merger of all shares) issued by Extrafarma by Ultrapar ("Merger of Shares");

(ii) The Board of Family Center (Conselho de Núcleos Familiares) and the Board of Directors of Extrafarma, at meetings held on December 17, 2013, approved the terms and conditions for the implementation of the Merger of Shares;

(iii) The Fiscal Council and the Board of Directors of Ultrapar, at meetings held on December 11, 2013, approved the terms and conditions for the implementation of the Merger of Shares; and

(iv) The managements of the Companies believe that the Merger of Shares shall enable the strengthening of both Companies and of their growth perspectives, through (a) Ultrapar's entry into the significant, growing Brazilian retail pharmacy sector, creating new opportunities for value generation to Ultrapar; and (b) the enhanced scale for the expansion of Extrafarma, to be boosted by increased investment capacity, by the widespread presence of Ipiranga's service stations and Ultragaz's resellers, and by the implementation of Ultrapar's corporate governance and incentive systems, to the best interest of the Companies' shareholders;

THE PARTIES DECIDE to enter into, pursuant to Articles 224, 225 and 252 of Law Nr. 6,404/76, as amended ("Brazilian Corporate Law"), this Protocol and Justification of Merger of Shares of Imifarma Produtos Farmacêuticos e Cosméticos S.A. by Ultrapar Participações S.A. ("Protocol and Justification"), which will be subject to the approval, at Extraordinary Shareholders' Meetings, of Extrafarma and Ultrapar shareholders, under the following terms and conditions:

1. Reasons for and Justification of the Merger of Shares.

1.1. As described in the preamble hereto, the purpose of the Merger of Shares is the integration of Extrafarma's and Ultrapar's activities, strengthening both Companies and their growth perspectives.

1.2. The managements of the Companies believe that the Merger of Shares shall enable Ultrapar to enter the significant retail pharmacy sector, with strong potential for growth and consolidation, in association with Extrafarma, one of the leaders in its region, that has over fifty (50) years of activities in pharmaceutical distribution and renowned and recognized professionals in the sector.

1.3. The managements of the Companies also believe that the Merger of Shares shall enable the acceleration of Extrafarma's expansion plan, through (i) increased investment capacity, (ii) access for drugstore openings in Ipiranga's service stations and Ultragaz's resellers, (iii) the strengthening of Extrafarma's experienced retail pharmacy management team, by implementing Ultrapar's recognized mechanisms of corporate governance, incentives, and alignment of interests. We believe the combination of assets, talents and competences of the Companies will bring economic benefits to the Companies, their shareholders and consumers.

2. Exchange Ratio, Securities to be attributed to Extrafarma's Shareholders and Securities' Rights.

2.1. The exchange ratio was freely negotiated and agreed upon between the Companies, which are independent parties, and it reflects the respective assessments of the Companies and the nature of their activities included in a group of economic, operating and financial assumptions, and was established based on (i) the average price of common shares of Ultrapar over the last ten (10) BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias ("BM&FBOVESPA") sessions immediately prior to the execution of the Association Agreement, and (ii) the price per share of Extrafarma offered by Ultrapar, deemed to be fair and equitable by the Companies' management bodies.

2.2. In line with the foregoing, each of the seven (7) Extrafarma's shareholders shall receive, in exchange for the three hundred and twenty thousand (320,000) shares issued by Extrafarma held by each of them:

(a) one million, seven hundred and seventeen thousand and three hundred (1,717,300) common, nominative book-entry shares with no par value issued by Ultrapar, resulting in the total issuance, by Ultrapar, of twelve million, twenty one thousand and one hundred (12,021,100) new common, nominative book-entry shares with no par value ("New Shares");

(b) one (1) subscription warrant ("Subscription Warrants – Working Capital") with subscription right of up to one hundred and fourteen thousand, four hundred and eighty seven (114,487) common, nominative book-entry shares with no par value issued by Ultrapar ("Warrant Shares - Working Capital"), which may result in the total subscription, by Ultrapar, of up to eight hundred and one thousand, four hundred and nine (801,409) Warrant Shares – Working Capital, as potential adjustment due to the variation of working capital and the net debt of Extrafarma as of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma, in relation to the working capital and the net debt of Extrafarma as of December 31, 2012; and

(c) one (1) subscription warrant ("Subscription Warrants – Indemnification" and, together with the Subscription Warrants – Working Capital, the "Subscription Warrants") with subscription right of up to four hundred and fifty seven thousand, nine hundred and forty six (457,946) common, nominative book-entry shares with no par value issued by Ultrapar ("Warrant Shares – Indemnification" and, together with the Warrant Shares – Working Capital, the "Warrant Shares"), which may result in the total issuance, by Ultrapar, of up to three million, two hundred and five thousand, six hundred and twenty two (3,205,622) Warrant Shares – Indemnification, as potential adjustment due to the occurrence of Loss(es) subject to indemnification by Extrafarma shareholders to Ultrapar; the term "Losses" means all and any intentions and/or liabilities, losses, penalties, damages, fines, judgments, notices, injury, liens (including attachment, seizure or any type of impounding), costs and expenses (including attorneys' fees) after the final and unappealable judicial or arbitration decisions, as well as undisputed administrative or judicial decision or the notice of Loss sent by one party to the other which was not disputed.

2.2.1. Pursuant to this item 2.2, in case the Merger of Shares is approved, Ultrapar may issue up to sixteen million, twenty eight thousand, one hundred and thirty one (16,028,131) common, nominative book-entry shares with no par value, representing up to 2.9% of shares issued by Ultrapar, considering the issuance of the New Shares as of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma and the issuance of Warrant Shares – Working Capital and

Warrant Shares – Indemnification, as the Subscription Warrants – Working Capital and the Subscription Warrants – Indemnification are exercised.

2.3. The New Shares and the Warrant Shares shall have the same rights attributed to the outstanding Ultrapar's shares, traded at BM&FBOVESPA under the code "UGPA3", and Extrafarma's shareholders shall fully enjoy of all benefits, including dividends and capital compensation which may be declared by Ultrapar after the date of actual issuance of New Shares and Warrant Shares by Ultrapar.

2.4. In the event of bonus, split or reserve split (grupamento) of common shares issued by Ultrapar after the date hereof, the number of New Shares and Warrant Shares will be increased or reduced proportionally to such bonus, split or reserve split, as the case may be.

2.5. The New Shares shall be subject to the following trading restrictions:

(a) seven hundred and sixty seven thousand and sixty (767,060) New Shares to be delivered to each of the Extrafarma's shareholders shall be free to be traded immediately after the approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma;

(b) one hundred and ninety thousand and forty eight (190,048) New Shares to be delivered to each of the Extrafarma's shareholders shall be released to be traded as of the date of the first (1st) anniversary of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma;

(c) one hundred and ninety thousand and forty eight (190,048) New Shares to be delivered to each of the Extrafarma's shareholders shall be released to be traded as of the date of the second (2nd) anniversary of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma;

(d) one hundred and ninety thousand and forty eight (190,048) New Shares to be delivered to each of the Extrafarma's shareholders shall be released to be traded as of the date of the third (3rd) anniversary of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma;

(e) one hundred and ninety thousand and forty eight (190,048) New Shares to be delivered to each of the Extrafarma's shareholders shall be released to be traded as of the date of the fourth (4th) anniversary of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma; and

(f) one hundred and ninety thousand and forty eight (190,048) New Shares to be delivered to each of the Extrafarma's shareholders shall be released to be traded as of the date of the fifth (5th) anniversary of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma.

2.5.1. Trading restriction of the New Shares includes restriction to liens, transfer of any form, execution of any agreement or promise in relation to the New Shares within the established period.

2.6. Subscription Warrants – Working Capital. Each of the seven (7) Subscription Warrants – Working Capital to be issued by Ultrapar as of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma shall be exercisable within five (5) business days after the "Calculation Date", which is the date corresponding to ten (10) business days after the preparation of Extrafarma balance sheet as of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma and verification of net debt and working capital of Extrafarma as of such date, proportionally to the remaining Warrant Shares – Working Capital after the adjustment set forth in item 2.2(b) hereof. The Warrant Shares – Working Capital issued due to the exercise of the Subscription Warrants – Working Capital shall be subject to trading restrictions up to the sixth (6th) anniversary of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma.

2.6.1. In the event the adjustment set forth in item 2.2(b) is favorable to Ultrapar and the respective value thereof is higher than the market value of Warrant Shares – Working Capital based on the weighted average price of shares issued by Ultrapar over the last five (5) BM&FBOVESPA sessions immediately prior to the Calculation Date, Extrafarma's shareholders may not exercise the respective Subscription Warrants – Working Capital and shall pay to Ultrapar the amount for such adjustment exceeding the market value of Warrant Shares – Working Capital referred to above, in Brazilian reais, within up to five (5) business days from the Calculation Date. If such adjustment is favorable to Extrafarma's shareholders, Ultrapar shall proportionally reimburse each of Extrafarma's shareholders in Brazilian reais, within up to five (5) business days from the Calculation Date.

2.7. Subscription Warrants – Indemnification. Each of the seven (7) Subscription Warrants – Indemnification to be issued by Ultrapar as of the approval date of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma shall be exercisable, in whole or in part, (i) in the fifth (5th) business days after the sixth (6th) anniversary of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma ("Confirmation Date"), proportionally to the remaining Warrant Shares – Indemnification after adjustments for potential Losses to be indemnified by Extrafarma's shareholders to Ultrapar; and (ii) after such date, whenever all and any Loss identified as notice or filing of administrative or

judicial proceeding or extrajudicial notice not resulting in a Loss and mandatorily filed prior to the Confirmation Date occurs.

2.8. The Subscription Warrants may not be traded or transferred by Extrafarma's shareholders or otherwise be subject to liens or promise of trading, transfer or liens, except under the succession plan of Extrafarma's shareholders, pursuant to the certificates of Subscription Warrants to be issued by Ultrapar as of the date of approval of the Merger of Shares by the Extraordinary Shareholders' Meeting of Extrafarma and Ultrapar, according to Article 79 of the Brazilian Corporate Law.

2.9. The tables below compare the political and equity advantages of shares held by Extrafarma and Ultrapar shareholders, respectively, before and after the Merger of Shares:

Rights of Extrafarma Shares before the Merger of Shares	Rights of Extrafarma Shares after the Merger of Shares
One vote per share	One vote per share
Minimum mandatory dividends of 25% of adjusted net income	Minimum mandatory dividends of 25% of adjusted net income

Rights of Ultrapar Shares before the Merger of Shares	Rights of Ultrapar Shares after the Merger of Shares
One vote per share	One vote per share
Minimum mandatory dividends of 50% of adjusted net income	Minimum mandatory dividends of 50% of adjusted net income

3. Appraisal of Extrafarma Shares.

3.1. Ultrapar managers appointed Ernst & Young Assessoria Empresarial Ltda., headquartered in the City of São Paulo, State of São Paulo, at Av. Presidente Juscelino Kubitschek, 1.830, Tower 2, 4th floor, enrolled with CNPJ/MF under Nr. 59.527.788/0001-31 ("Appraisal Firm"), as the specialized company responsible for the appraisal of shares issued by Extrafarma to be merged by Ultrapar as a result of the transaction described herein. The appointment described herein shall be ratified by Ultrapar's shareholders by the Extraordinary Shareholders' Meeting of Ultrapar resolving on the Merger of Shares.

3.2. The Appraisal Firm prepared the economic-financial valuation report of shares issued by Extrafarma as of June 30, 2013 ("Base-Date"), by means of the future profitability method,

based on discounted cash flows. As a result of such appraisal, considering all information and documents requested to the management of the Companies, as well as information available to the general public and the appraiser own information, as required to perform the appraisal, the Appraisal Firm delivered to Ultrapar the respective appraisal report ("Appraisal Report").

3.3. The Appraisal Firm and its professionals responsible for the appraisal have represented (i) not to be interested, directly or indirectly, in the Companies or in the Merger of Shares, as well as that there is no material circumstance, in connection with the Appraisal Firm, that may result in conflict of interest; and (ii) that no shareholder or manager of the Companies has (a) instructed, limited, impaired or performed any acts which has compromised or may compromise access to, the use of or the awareness of information, assets, documents or work methodologies that are material for the quality of its respective conclusions, (b) restricted, in any way, its ability to establish the conclusions provided in an independent form, or (c) established the methods used for the preparation of the Appraisal Report.

3.4. Equity variations in Extrafarma between the Base-Date and the date in which the Merger of Shares is effective shall be accounted for by Ultrapar as equity in earnings (losses) of affiliates.

4. Composition of Companies' Capital.

4.1. As of the date hereof, Extrafarma's capital is of two million, two hundred and forty thousand reais (R$ 2,240,000.00), fully subscribed and paid up, represented by two million, two hundred and forty thousand (2,240,000) nominative common shares in the amount of one real (R$ 1.00) each. Extrafarma's capital will not be changed as a result of the Merger of Shares.

4.2. As of the date hereof, Ultrapar's capital is of three billion, six hundred and ninety six million, seven hundred and seventy two thousand, nine hundred and fifty seven reais and thirty two cents (R$ 3,696,772,957.32), divided into five hundred and forty four million, three hundred and eighty three thousand, nine hundred and ninety six (544,383,996) common, nominative book-entry shares with no par value.

4.3. In the event the Merger of Shares is approved, Ultrapar's shareholders' equity will be increased by six hundred and seventy five million, one hundred and seventy five thousand, fifty nine reais and one cent (R$675,175,059.01) with the issuance of New Shares, so that (a) one hundred and forty one million, nine hundred and thirteen thousand, one hundred and forty six reais and sixty eight cents (R$141,913,146.68) of which shall be allocated to capital and (b) five hundred and thirty three million, two hundred and sixty one thousand, nine hundred and twelve reais and thirty three cents (R$533,261,912.33) shall be allocated to the capital reserve. The amount of capital reserve provided for in item (b) above may be adjusted by virtue of the rules set forth in Technical Standard Nr. 15 (CPC 15 (R1)), of the Accounting Pronouncements Committee (Comitê

de Pronunciamentos Técnicos), approved by CVM Resolution Nr. 665, dated as of August 4, 2011. After the Merger of Shares, Ultrapar capital will be of three billion, eight hundred and thirty eight million, six hundred and eighty six thousand, one hundred and four reais (R$3,838,686,104.00), divided into five hundred and fifty six million, four hundred and five thousand and ninety six (556,405,096) common, nominative book-entry shares with no par value.

4.4. As a consequence of the Merger of Shares, all shares issued by Extrafarma will be owned by Ultrapar, and Extrafarma will be a wholly-owned subsidiary of Ultrapar.

5. Changes to the Bylaws.

5.1. If the Merger of Shares is approved, the wording of the caput of Article 5 of Ultrapar Bylaws will be amended in order to reflect the capital increase referred to in item 4.3 hereof, and shall be effective with the following wording:

“Article 5 - The subscribed and paid-in capital stock is three billion, eight hundred and thirty eight million, six hundred and eighty six thousand, one hundred and four reais (R$3,838,686,104.00), represented by five hundred and fifty six million, four hundred and five thousand and ninety six (556,405,096) nominative common shares, with no par value, and with no issuance of preferred shares or founder’s shares permitted.

Paragraph 1 - All of the Company shares are in book-entry form and held in a deposit account with a financial institution authorized by the Brazilian Securities and Exchange Commission – CVM, in the name of their holders, without certificates issued.

Paragraph 2 - The transfer and record cost, as well as the cost of the services relating to the book-entry shares, may be charged directly to the shareholder by the bookkeeping institution, as set forth in the stock bookkeeping agreement.”

6. Corporate Acts and Right to Withdraw.

6.1. The following corporate acts shall be performed for the Merger of Shares to be effective:

(a) Extraordinary Shareholders’ Meeting of Extrafarma to, among other subjects, approve (i) the Merger of Shares under the terms and conditions of this Protocol and Justification; and (ii) the practice, by Extrafarma managers, of acts required for the implementation of the Merger of Shares, including the subscription of shares under Ultrapar capital increase, and the effective transfer of all common shares held by Extrafarma’s shareholders to Ultrapar; and

(b) Extraordinary Shareholders' Meeting of Ultrapar to, among other matters, (i) approve the Merger of Shares under the terms and conditions of this Protocol and Justification; (ii) analyze and ratify the appointment of the Appraisal Firm as the firm responsible for the appraisal of shares issued by Extrafarma to be merged into Ultrapar's equity, as well as the preparation of the respective Appraisal Report; (iii) approve the Appraisal Report; (iv) approve Ultrapar capital increase with the issuance of New Shares; (v) approve the issuance of the Subscription Warrants; and (vi) approve the amendment to Article 5 of Ultrapar Bylaws, by virtue of the capital increase.

6.2. Ultrapar's and Extrafarma's shareholders dissenting or refraining from the resolution of the Merger of Shares, or who fail to attend the relevant Extraordinary Shareholders' Meeting, shall not have the right to withdraw, considering that (i) all Extrafarma's shareholders have already committed upon the execution of the Association Agreement to the vote favorable to the Merger of Shares under the terms and conditions set forth herein, so there will be no Extrafarma shareholder dissenting from such resolution; and (ii) the shares issued by Ultrapar, as verified as of the date hereof, have liquidity and are distributed in the market, pursuant to Article 252, paragraph 1, combined with Article 137, item II, both from the Brazilian Corporate Law.

7. General Provisions.

7.1. Dependent Businesses. This Protocol and Justification is entered into under the association between Ultrapar and Extrafarma, according to information disclosed by Ultrapar in the material notice dated as of September 30, 2013. The events described herein, as well as other related matters submitted to the shareholders of the Companies at the Extraordinary Shareholders' Meeting resolving on this Protocol and Justification and the Merger of Shares are mutually dependent legal businesses, and the Companies provide for the one legal business is not intended to be effective if the other legal businesses are not also effective.

7.2. Equity Interests. Ultrapar has no equity interests in Extrafarma and Extrafarma has no equity interests in Ultrapar, and they are not subject to the regime provided for in Article 264 of the Brazilian Corporate Law.

7.3. No Succession. Upon effectiveness of the Merger of Shares, Ultrapar shall not absorb the assets, rights, obligations and liabilities of Extrafarma, the legal identity of which shall be preserved, with no succession.

7.4. Documents. This Protocol and Justification, the Appraisal Report and all other documents and information required by CVM Instruction Nr. 319, dated as of December 3, 1999, and CVM Instruction Nr. 481, dated as of December 17, 2009, are (will be) available in the websites of CVM

(www.cvm.gov.br) and of BM&FBOVESPA (www.bmfbovespa.com.br), as well as in the headquarters of the Companies and in the website of Ultrapar (http://www.ultra.com.br).

7.5. Submission to Authorities. The Merger of Shares was submitted to the Brazilian Antitrust Authority (Conselho Administrativo de Defesa Econômico – CADE), pursuant to applicable laws, and it was approved by it on October 25, 2013, pursuant decision Nr. 1,082.

7.6. Goodwill. In case Ultrapar has goodwill in the Merger of Shares, it may potentially amortize it on a fiscal basis, as the case may be, subject to the terms and condition of applicable rules issued by CVM and according to the Brazilian tax laws. The condition for potential use of goodwill by Ultrapar will be later analyzed by Ultrapar.

7.7. Costs. The costs and expenses that may be incurred for the effectiveness of the Merger of Shares are estimated to be of five million reais(R$5,000,000.00), approximately four million, and three hundred thousand reais(R$4,300,000.00) of which to costs related to the engagement of legal, accounting and financial advisors and seven hundred thousand reais(R$700,000.00) of which to costs with publications and other things.

7.8. Law. This Protocol and Justification shall be governed by and construed in accordance with Brazilian laws.

7.9. Arbitration. Any litigations or controversies arising from or related to this Protocol and Justification and the Merger of Shares, including with respect to the existence, validity, compliance, interpretation and termination thereof, shall be informed in writing by one party to the other(s), who shall use their best efforts in order to amicable settle them by means of direct good faith negotiations within no longer than ten (10) business days counted from the date of receipt of the communication referred to herein. Upon no agreement, such litigation or controversy (“Dispute”) will be finally settled by means of arbitration, administered by the Arbitration and Mediation Center of Brazil-Canada Commerce Chamber (“CAM-CCBC”) and in accordance with its Arbitration Rules (“CCBC Rules”) and Law Nr. 9,307/96.

7.9.1. The arbitration court shall be comprised of three (3) arbitrators fluent in Portuguese language, verbally and in writing, one of which shall be appointed by the plaintiff(s), one of which shall be appointed by the defendant(s) and the third of which shall be appointed by the first two arbitrators, and being understood that the third arbitrator shall be the president of the arbitration court. If the two first arbitrators appointed fail to reach an agreement with respect to the appointment of the third arbitrator or if any party fails to appoint its arbitrator within the period established in CCBC Rules, such arbitrator shall be appointed by CAM-CCBC.

7.9.2. If the Dispute involved amounts to less than one million reais (R$ 1,000,000.00), the arbitration court shall be comprised of one (1) single arbitrator mutually appointed by the Companies or, upon lack of agreement, by CAM-CCBC.

7.9.3. The arbitration shall be carried out in the City of São Paulo, State of São Paulo, Brazil, where the arbitration award shall be rendered and shall be conducted under secrecy and in Portuguese language. The arbitration court shall not settle the litigation based on equity rules.

7.9.4. Any decision rendered by the arbitration court shall be deemed binding upon, final and unappealable by the Companies.

7.9.5. The execution of the arbitration report may be pleaded to any competent courts, provided that the arbitration award shall be rendered within Brazilian territory and shall be final and unappealable, binding upon between the Companies and its successors, on any account. Solely for purposes of any correction measure or provisional measure, preventive, provisory or permanent, the Companies elect the courts of the Judicial District of São Paulo, State of São Paulo. As from the constitution of the Arbitration Court, all provisional urgency measures shall be pleaded directly to the Arbitration Court, which is hereby authorized to maintain, revoke or change such measures previously required to the Judiciary Branch.

7.9.6. In the event this Protocol and Justification or any of the clauses hereof are deemed, by any court, to be invalid, illegal or unenforceable, the validity, legality or enforceability of this arbitration clause shall not be affected or jeopardized.

7.9.7. Except for the attorneys' fees, which shall be borne by each of the Companies individually, all other arbitration costs and expenses shall be borne by any of the Companies or both of the Companies, according to the determination of the arbitration court.

7.10. Irrevocable Basis. This Protocol and Justification is irrevocable and irreversible, and the obligations assumed by the Companies herein are also binding upon their successors on any account.

7.11. Entire Agreement. The potential statement by any court of nullity or ineffectiveness of any of the covenants included herein shall not jeopardize the validity and effectiveness of the other covenants, which shall be fully complied with, and the Companies undertake to use their best efforts in order to validly adjust such covenant to obtain the same effects of the null or ineffective covenant.

7.12. Amendments. This Protocol and Justification may only be changed or amended by means of written instrument signed by the Companies.

7.13. Novation. The lack or delay of any of the Companies for the exercise of any of their rights herein shall not be deemed as waiver or novation and shall not affect the subsequent exercise of such right. Any waiver shall be effective only if specifically granted and in writing.

7.14. Assignment. The assignment of any of the rights and obligation agreed upon herein is not permitted without the prior and express written consent of each of the Companies.

7.15. Capacity. Each of the Companies signs this Protocol and Justification and represents: (i) to be aware of the obligations arising out of this instrument and the applicable laws hereto; (ii) that it was assisted by attorneys and that, by virtue of its daily activities in management of its respective company, it fully understands all terms and conditions herein; and (iii) not to be subject to any economic or financial exceptional need and fully assumes the charges and risks inherent to this instrument.

7.16. Execution Instrument. This Protocol and Justification, executed in the presence of two (2) witnesses, shall constitute an extrajudicial execution instrument according to civil procedural laws (Article 585, II, of the Brazilian Code of Civil Procedure), for all legal purposes.

7.17. Specific Performance. The Companies hereby acknowledge that (i) this Protocol and Justification constitutes an extrajudicial execution instrument for all purposes and effects of Article 632 et. seq. of the Brazilian Code of Civil Procedure; and (ii) the evidence of receipt of notice, accompanied by the documents on which it was based, shall be sufficient in order to support the specific performance of the obligation. The affirmative and negative obligations provided for herein shall be complied with within three (3) business days counted from receipt of notice which constitutes the respective Company to be in default, provided that the creditor Company may take the necessary measures (i) for the specific performance or injunction; or (ii) to obtain the equivalent practical result, by means of measures referred to in paragraph 5 of Article 461 of the Brazilian Code of Civil Procedure.

IN WITNESS WHEREOF, the Parties execute this Protocol and Justification in six (6) counterparts, same in content and form and for a single purpose, with the two undersigned witnesses identified below.

December 17, 2013.

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Signature Page to the Protocol and Justification of Merger of Shares issued by Imifarma Produtos Farmacêuticos e Cosméticos S.A. by Ultrapar Participações S.A. entered into as of December 17, 2013.

_____

ULTRAPAR PARTICIPAÇÕES S.A.

By: By:
Title: Title:

_____

IMIFARMA PRODUTOS FARMACÊUTICOS E COSMÉTICOS S.A.

By:
Title:

Witnesses:

1. _____ 2. _____
Name: Name:
ID: ID:
CPF/MF: CPF/MF:

MATERIAL NOTICE

ULTRAPAR PARTICIPAÇÕES S.A.
Publicly Traded Company
CNPJ Nr. 33.256.439/0001-39
NIRE 35.300.109.724

MATERIAL NOTICE

MERGER OF SHARES OF EXTRAFARMA BY ULTRAPAR

São Paulo, December 19, 2013 – Ultrapar Participações S.A. ("Ultrapar"), in compliance with the provisions of Article 157, paragraph 4, of Law Nr. 6,404/76 ("Brazilian Corporate Law") and the Brazilian Securities Commission (Comissão de Valores Mobiliários, or "CVM") Instruction Nr. 358, dated as of January 3, 2002 and Nr. 319, dated as of December 3, 1999, hereby informs that it shall submit to its shareholders and the shareholders of Imifarma Produtos Farmacêuticos e Cosméticos S.A., which operates under the brand Extrafarma ("Extrafarma" and, together with Ultrapar, the "Companies"), at the Extraordinary Shareholders' Meetings of the Companies ("ESMs") called to be held on January 31, 2014, the proposal of incorporação de ações (merger of all shares) issued by Extrafarma by Ultrapar ("Merger of Shares"), pursuant to the provisions set forth in Article 252 of the Brazilian Corporate Law, according to the following terms and conditions.

1. Reasons for and Justification of the Merger of Shares.

As described in the material notice disclosed by Ultrapar on September 30, 2013, the purpose of the Merger of Shares is the integration of Extrafarma and Ultrapar activities, enabling Ultrapar's entry into Brazil's significant retail pharmacy sector, with strong growth and consolidation potential, in association with Extrafarma, one of the market leaders in the region. Extrafarma has over fifty years in pharmaceutical distribution and has renowned and recognized professionals in the sector.

The Merger of Shares shall also enable the acceleration of Extrafarma's expansion plan, through (i) increased investment capacity, (ii) access for drugstore openings in Ipiranga's service stations and Ultragaz's resellers, (iii) the strengthening of Extrafarma's experienced retail pharmacy management team, by implementing Ultrapar's recognized mechanisms of corporate governance, incentives, and alignment of interests. These mechanisms are also expected to contribute to an efficient integration of the operations and to the development of business models increasingly attractive Extrafarma's, Ipiranga's and Ultragaz's consumers, thus increasing these businesses' differentiation potential.

The managements of the Companies believe that the combination of their assets, talents and competences will bring economic benefits to the Companies, their shareholders and consumers.

2. Corporate and Negotiation Acts Performed.

On September 30, 2013, the Companies and the shareholders holding all shares of Extrafarma's capital stock entered into an association agreement and other covenants ("Association Agreement"), by means of which they agreed to integrate the Companies' activities, after certain conditions precedent are complied with, through the Merger of Shares.

The Board of Family Center (Conselho de Núcleos Familiares) and the Board of Directors of Extrafarma, at meetings held on December 17, 2013, approved the terms and conditions for the implementation of the Merger of Shares, according to the Protocol and Justification of Merger of Shares entered into by the managers of the Companies ("Protocol and Justification").

The Board of Directors and the Fiscal Council of Ultrapar, at meetings held on December 11, 2013, also approved the terms and conditions for the implementation of the Merger of Shares, according to the Protocol and Justification.

3. Exchange Ratio, Securities to be attributed to Extrafarma Shareholders and Securities' Rights.

a. Exchange Ratio

The exchange ratio (i) was freely negotiated and agreed upon between the Companies, which are independent parties; (ii) reflects the respective assessments of the Companies and the nature of their activities included in a group of economic, operating and financial assumptions; and (iii) was established based on (a) the average price of common shares of Ultrapar over the last ten (10) BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias ("BM&FBOVESPA") sessions immediately prior to the execution of the Association Agreement and (b) the price per share of Extrafarma offered by Ultrapar, deemed to be fair and equitable by the Companies' management bodies.

b. Securities to be attributed

Each of the seven (7) Extrafarma's shareholders shall receive, in exchange for the three hundred and twenty thousand (320,000) shares issued by Extrafarma held by each of them:

(i) 1,717,300 common, nominative book-entry shares with no par value issued by Ultrapar, resulting in the total issuance, by Ultrapar, of 12,021,100 new common, nominative book-entry shares with no par value ("New Shares");

(ii) 1 subscription warrant ("Subscription Warrants – Working Capital") with subscription right of up to 114,487 common, nominative book-entry shares with no par value issued by Ultrapar ("Warrant Shares - Working Capital"), which may result in the total subscription, by Ultrapar, of up to 801,409 Warrant Shares – Working Capital, as potentially adjustment due to the variation of working capital and the net debt of Extrafarma as of the date of the approval of

the Merger of Shares by the ESMs, in relation to the working capital and the net debt of Extrafarma as of December 31, 2012; and

(iii) 1 subscription warrant ("Subscription Warrants – Indemnification" and, together with the Subscription Warrants – Working Capital, the "Subscription Warrants") with subscription right of up to 457,946 common, nominative book-entry shares with no par value issued by Ultrapar ("Warrant Shares – Indemnification" and, together with the Warrant Shares – Working Capital, the "Warrant Shares"), which may result in the total issuance, by Ultrapar, of up to 3,205,622 Warrant Shares – Indemnification, as potential adjustment due to the occurrence of Loss(es) subject to indemnification by Extrafarma shareholders to Ultrapar resulting from (a) fraud, omission, errors, inaccuracies, misstatements or breach of the representation and warranties given by Extrafarma, Extrafarma shareholders to Ultrapar; (b) facts, acts and/or omission of Extrafarma or by Extrafarma shareholders prior to the date of the approval of the Merger of Shares by the ESMs; or (c) breach of the obligations assumed by Extrafarma shareholders and/or by Extrafarma in the Association Agreement. It will be understood that the term "Losses" means all and any intentions and/or liabilities, losses, penalties, damages, fines, judgments, notices, injury, liens (including attachment, seizure or any type of impounding), costs and expenses (including attorneys' fees) after the final and unappealable judicial or arbitration decisions, as well as undisputed administrative or judicial decision or the notice of Loss sent by one party to the other which was not disputed.

Pursuant to the Protocol and Justification, in case the Merger of Shares is approved, Ultrapar may issue up to 16,028,131 common, nominative book-entry shares with no par value, representing up to 2.9% of shares issued by Ultrapar, considering the issuance of the New Shares as of the date of the approval of the Merger of Shares by the ESMs and the issuance of Warrant Shares – Working Capital and Warrant Shares – Indemnification, as the Subscription Warrants – Working Capital and the Subscription Warrants – Indemnification are totally exercised.

The New Shares and the Warrant Shares shall have the same rights attributed to the outstanding Ultrapar's shares, traded at BM&FBOVESPA under the code "UGPA3", and Extrafarma's shareholders shall fully enjoy of all benefits, including dividends and capital compensation which may be declared by Ultrapar after the date of actual issuance of New Shares and Warrant Shares by Ultrapar.

In the event of bonus, split or reserve split (grupamento) of common shares issued by Ultrapar after the date of the Protocol and Justification, the number of New Shares and Warrant Shares will be increased or reduced proportionally to such bonus, split or reserve split, as the case may be.

The New Shares shall be subject to trading restrictions for the period of 5 years counted from the date of the approval of the Merger of Shares by the ESMs, according to the following terms:

(a) 767,060 New Shares to be delivered to each of the current Extrafarma's shareholders shall be free to be traded immediately after the approval of the Merger of Shares by the ESMs; and

(b) 190,048 New Shares to be delivered to each of the current Extrafarma's shareholders shall be released to be traded as of the date of the 1st, 2nd, 3rd, 4th and 5th anniversaries of the date of approval of the Merger of Shares by the ESMs.

Trading restriction of the New Shares includes restriction to liens, transfer of any form, execution of any agreement or promise in relation to the New Shares within the established period.

Each of the 7 Subscription Warrants – Working Capital to be issued by Ultrapar as of the date of approval of the Merger of Shares by the ESMs shall be exercisable within 5 business days after the "Calculation Date", in the proportion of the Subscription Warrants – Working Capital remaining after the referred adjustments. The Calculation Date which is the date corresponding to 10 business days after (i) the preparation of Extrafarma's balance sheet as of the date of approval of the Merger of Shares by the ESMs and (ii) the verification of net debt and working capital of Extrafarma existing as of the date of the approval of the Merger of Shares by the ESMs. The Warrant Shares – Working Capital issued due to the exercise of the Subscription Warrants – Working Capital shall be subject to trading restrictions up to the 6th anniversary of the date of approval of the Merger of Shares by the ESMs. In the event the adjustment set forth above is favorable to Ultrapar and the respective value thereof is higher than the market value of Warrant Shares – Working Capital based on the weighted average price of shares issued by Ultrapar over the last 5 BM&FBOVESPA sessions immediately prior to the Calculation Date, Extrafarma's shareholders may not exercise the respective Subscription Warrants – Working Capital and shall pay to Ultrapar the amount for such adjustment exceeding the market value of Warrant Shares – Working Capital referred to above, in Brazilian reais, within up to 5 business days from the Calculation Date. If such adjustment is favorable to Extrafarma shareholders, Ultrapar shall proportionally reimburse each of Extrafarma's shareholders in Brazilian reais, within up to 5 business days from the Calculation Date.

Each of the 7 Subscription Warrants – Indemnification to be issued by Ultrapar as of the date of the ESMs shall be exercisable, in whole or in part, (i) in the 5th business day after the 6th anniversary of the date of approval of the Merger of Shares by the ESMs ("Confirmation Date"), proportionally to the remaining Warrant Shares – Indemnification after adjustments for potential Losses to be indemnified by Extrafarma's shareholders to Ultrapar that has occurred until such date; and (ii) after the Confirmation Date, whenever all and any Loss, that prior to the Confirmation Date has been identified by the Companies and by Extrafarma's shareholders by means of notice or by filing of administrative or judicial proceeding or extrajudicial notice, but that has not effectively occurred until such date.

The Subscription Warrants may not be traded or transferred by Extrafarma's shareholders or otherwise be subject to liens or promise of trading, transfer or liens, except

under the succession plan of Extrafarma's shareholders.

c. Rights of the securities

The political and equity advantages of the shares issued by Extrafarma and Ultrapar, described below, will not be amended as a consequence of the Merger of Shares:

Rights of Extrafarma shares	Rights of Ultrapar shares
One vote per share.	One vote per share.
Minimum mandatory dividends of 25% of adjusted net income.	Minimum mandatory dividends of 50% of adjusted net income.
Right of capital reimbursement in case of liquidation of the company, without preemptive right.	Right of capital reimbursement in case of liquidation of the company, without preemptive right.
Tag-along rights not applicable	Tag-along rights at 100% of the sale price of the shares held by members of the controlling shareholders or group of shareholders.
Right to participate in mandatory tender offer, not applicable.	Right to participate in mandatory tender offer to 100% of the company's shareholders in the event a shareholder, or a group of shareholders acting in concert, acquire or become holders of 20% of the company's shares, excluding treasury shares, by the highest price per share paid by the buyer in the previous six months, adjusted by the Selic rate.

4. Appraisal Criterion of Extrafarma Shares.

For the purposes of the capital increase of Ultrapar, as a consequence of the Merger of Shares, pursuant to the Article 226 and in accordance with the Article 8, both from the Brazilian Corporate Law, Extrafarma's shares to be merged by Ultrapar were appraised by Ernst & Young Assessoria Empresarial Ltda., headquartered in the City of São Paulo, State of São Paulo, at Av. Presidente Juscelino Kubitschek, 1.830, Tower 2, 4th floor, enrolled with Brazilian Corporate Taxpayers' Registry of Ministry of Finance ("CNPJ/MF") under Nr. 59.527.788/0001-31 ("Appraisal Firm"), which prepared the economic-financial valuation report of shares issued by Extrafarma as of June 30, 2013 ("Base-Date"), by means of the future profitability method, based on discounted cash flows. As a result of such appraisal, considering all information and documents requested to the management of the Companies, as well as information available to the general public and the appraiser own information, as required to perform the appraisal, the Appraisal Firm issued the appraisal report ("Appraisal Report"). The appointment of the Appraisal Firm is subject to ratification by Ultrapar shareholders at the Extraordinary

Shareholders' Meeting resolving on the Merger of Shares.

The Appraisal Firm and its professionals responsible for the appraisal have represented (i) not to be interested, directly or indirectly, in the Companies or in the Merger of Shares, as well as that there is no material circumstance, in connection with the Appraisal Firm, that may result in conflict of interest; and (ii) that no shareholder or manager of the Companies has (a) instructed, limited, impaired or performed any acts which has compromised or may compromise access to, the use of or the awareness of important information, assets, documents or work methodologies that are material for the quality of its respective conclusions, (b) restricted, in any way, its ability to establish the conclusions provided in an independent form, or (c) established the methods used for the preparation of the Appraisal Report.

Equity variations in Extrafarma between the Base-Date and the date in which the Merger of Shares is effective shall be accounted for by Ultrapar as a result of equity in earnings (losses) of affiliates.

5. Composition of Companies' Capital.

As of the date hereof, Extrafarma's capital is of R$ 2,240,000.00, fully subscribed and paid up, represented by 2,240,000 nominative common shares in the amount of R$ 1.00 each. Extrafarma's capital will not suffer any changes after the Merger of Shares.

As of the date hereof, Ultrapar capital is of R$ 3,696,772,957.32, divided into 544,383,996 common, nominative book-entry shares with no par value. In the event the Merger of Shares is approved, Ultrapar shareholders' equity will be increased by R$ 675,175,059.01 with the issuance of 12,021,100 new shares, so that (i) R$ 141,913,146.68 of which shall be allocated to capital stock and (ii) R$ 533,261,912.33 shall be allocated to capital. After the Merger of Shares, Ultrapar capital will be of R$ 3,838,686,104.00, divided into 556,405,096 common, nominative book-entry shares with no par value. The amount of capital reserve provided for in item (ii) above may be adjusted by virtue of the rules set forth in Technical Standard Nr. 15 (CPC 15 (R1)), of the Accounting Pronouncements Committee (Comitê de Pronunciamentos Técnicos), approved by CVM Resolution Nr. 665, dated as of August 4, 2011. In addition, the Merger of Shares also provides for the issuance of subscription warrants that, if exercised, may lead to the issuance of up to 4,007,031 shares in the future, pursuant to the Protocol and Justification.

As a consequence of the Merger of Shares, all shares issued by Extrafarma will be owned by Ultrapar, and Extrafarma will be a wholly-owned subsidiary of Ultrapar.

6. Right to Withdraw.

Ultrapar's and Extrafarma's shareholders dissenting or refraining from the resolution of the Merger of Shares, or who fail to attend the relevant Extraordinary Shareholders' Meeting, shall not have the right to withdraw, provided that (i) all Extrafarma's shareholders have already committed upon the execution of the Association Agreement to the vote favorable to the Merger of Shares under the terms and conditions set forth in the Protocol and Justification,

so there will be no Extrafarma shareholder dissenting from such resolution; and (ii) the shares issued by Ultrapar, as verified as of the date hereof, have liquidity and are distributed in the market, pursuant to Article 252, paragraph 1, combined with Article 137, item II, both from the Brazilian Corporate Law.

7. Other Information.

Ultrapar has no ownership interests in Extrafarma and Extrafarma has no ownership interests in Ultrapar; therefore, they are not subject to the regime provided for in Article 264 of the Brazilian Corporate Law.

Upon effectiveness of the Merger of Shares, Ultrapar shall not absorb the assets, rights, obligations and liabilities of Extrafarma, the legal identity of which shall be preserved, with no succession.

Banco Morgan Stanley S.A. was hired by the management of Ultrapar to prepare a fairness opinion, issuing the opinion that the price for the Merger of Shares is fair to Ultrapar in a financial point of view ("Fairness Opinion"). Such opinion was disclosed to the shareholders according to the terms established below.

The Protocol and Justification, the Appraisal Report, the Fairness Opinion and all other documents and information required by CVM Instruction Nr. 319, dated as of December 3, 1999, and CVM Instruction Nr. 481, dated as of December 17, 2009, are available in the websites of CVM (www.cvm.gov.br) and BM&FBOVESPA (www.bmfbovespa.com.br), as well as in the headquarters of the Companies and in the website of Ultrapar (http://www.ultra.com.br).

The Merger of Shares was submitted to the Brazilian Antitrust Authority (Conselho Administrativo de Defesa Econômico – CADE), pursuant to applicable laws, and it was approved by it on October 25, 2013, pursuant to the decision Nr. 1,082.

In case Ultrapar has goodwill in the Merger of Shares ("Goodwill"), it may amortize it on a fiscal basis, as the case may be, subject to the terms and conditions of applicable rules issued by CVM and according to the Brazilian tax laws. The conditions for potential use of Goodwill by Ultrapar will be later analyzed by the management of Ultrapar.

The costs and expenses that may be incurred for the effectiveness of the Merger of Shares are estimated to be of R$ 5,000,000.00, approximately R$ 4,300,000.00 of which to costs related to the engagement of legal, accounting and financial advisors and R$ 700,000.00 of which to costs with publications and other things.

São Paulo, December 19, 2013.

André Covre
Chief Financial Officer and Investors Relations Officer
Ultrapar Participações S.A.

ECONOMIC-FINANCIAL VALUATION REPORT OF IMIFARMA PRODUTOS FARMACÊUTICOS E COSMÉTICOS S.A., PREPARED BY ERNST & YOUNG ASSESSORIA EMPRESARIAL LTDA.

Item 9

Ultrapar Participacoes S.A.

Economic-Financial Valuation Report of Imifarma Produtos Farmaceuticos e Cosmeticos S.A., as of June 30, 2013

December 06, 2013

Reliance Restricted

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Ernst & Young Assessoria Empresarial Ltda.
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Reliance Restricted

Sao Paulo, 06 December 2013

To Ultrapar Participacoes S.A. Board of Directors

Ultrapar Participacoes S.A.
Av. Brigadeiro Luis Antonio, 1343
Sao Paulo -- SP

Dear Sirs,

As agreed in our Engagement Letter, Ernst & Young Assessoria Empresarial Ltda. ("EY") is pleased to present this economic financial valuation report of Imifarma Produtos Farmaceuticos e Cosmeticos S.A ("Company" or "Extrafarma"), as of June 30, 2013.

This report's purpose is to provide the management ("Management") and shareholders of Ultrapar Participacoes S.A. ("Ultrapar") with an estimate of the economic financial value of Extrafarma, in order to support the Company value at the Ultrapar Shareholders' Meeting, in accordance with the requirements of Articles 8 and 252 of the Corporate Law and Article 5 of Normative Instruction CVM 319.

EY allows the disclosure of this economic and financial valuation report to any person who requests it due to legal or regulatory requirements or determination related to this possible transaction, in which case the report shall be disclosed in its entirety.

It is important to highlight that no audit procedures have been applied to the information provided by the Management. In addition, our recommendations and calculations presented in this report are based on industry market expectations and on the macroeconomic conditions prevailing as at the reference date of this report. These expectations and conditions can be different in the future and consequently impact the assessed Company's operations.

Our review was based on the best available information and estimates. EY had access to all information and performed all the necessary analyses that it deemed necessary, and we consider that the information and analyses used in the preparation of this report are consistent. However, as any projection is subject to risks and uncertainties, actual results may present differences when compared to the projections.

We appreciate the opportunity to collaborate with Ultrapar and the attention of its executives and employees during the execution of this work.

This report is an English version of the Portuguese report "Laudo de Avaliacao Economico Financeira da Imifarma Produtos Farmaceuticos e Cosmeticos S.A." dated December 6, 2013. In case of any doubt, the report in Portuguese must be considered the official one.

Sincerely,

/s/ Sergio B. Dutra de Almeida	/s/ Andria de Brito Fuga
Sergio B. Dutra de Almeida	Andria de Brito Fuga
Partner	Partner – Independent Reviewer

Felipe Miglioli
Executive Senior Manager

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Summary

Terms and Definitions

BACEN	Banco Central do Brasil (Central Bank of Brazil)
BR GAAP	Brazilian Generally Accepted Accounting Principles
BRL or R$	Brazilian Currency (Real)
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditures
CAPM	Capital Asset Pricing Model
Client	Ultrapar Participacoes S.A.
Company	Imifarma Produtos Farmaceuticos e Cosmeticos S.A.
COPOM	Comite de Politicas Monetarias (Brazilian Monetary Policy Committee)
CPC	Comite de Pronunciamentos Contabeis (Committee of Accounting Pronouncements)
CPI	U.S. Consumer Price Index
CSLL or CS	Contribuicao Social Sobre o Lucro liquido (Social Contribution on Net Profit)
CVM	ComisSao de Valores Mobiliarios (Brazilian Securities Commission)
DCF	Discounted Cash Flow
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EBT	Earnings Before Taxes
EV	Enterprise Value
EY	Ernst & Young Assessoria Empresarial Ltda.
GDP	Gross Domestic Product
GS	Gross Sales
IBGE	Instituto Brasileiro de Geografia e Estat[]stica (Brazilian Institute of Geography and
IGP-M	Indice Geral de Precos -- Mercado (Brazilian General Price Index -- Market)
IPCA	Indice de Precos ao Consumidor Amplo (Brazilian Official Index Price)

IRPJ or IR	Imposto de Renda de Pessoa Juridica (Income Tax)
LTM	Last Twelve Months
Management	Refers to Ultrapar management, when not specified
NFY	Next Fiscal Year
NOPAT	Net Operational Profit After Tax
NS	Net Sales
Reference Date	June 30, 2013
Report	This report dated December 06, 2013
Selic	Sistema Especial de Liquida[][]o e Cust[]dia (Brazilian Base Interest Rate)
USD or US$	American Currency (US Dollar)
WACC	Weighted Average Cost of Capital

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1. Executive Summary

1.1 General Considerations

This report's purpose is to provide the Management and shareholders of Ultrapar with an estimate of the economic financial value of Extrafarma, to support the Company value at the Ultrapar Shareholders' General Meeting, in accordance with the requirements of Articles 8 and 252 of the Corporation Law and Article 5 of the Normative Instruction CVM 319. To reach this purpose, certain procedures were applied, always based on historical facts and economic and market perspectives prevailing as of June 30, 2013.

EY prepared an economic financial valuation of 100% of Extrafarma shareholders' equity, as of June 30, 2013, based on the Discounted Cash Flow (DCF) methodology, adjusted for non-operating assets and liabilities of Extrafarma on the reference date.

The information presented in this valuation report was based on Extrafarma's audited financial statements, which were further corroborated with management information related to Extrafarma, provided by its management, information available to the general public, and further, on analyses performed by EY, as well as its experience in the sector.

Neither Extrafarma's nor Ultrapar's shareholders or management (i) directed, limited, difficulted or practiced any acts that have or may have compromised access, use or knowledge of information, assets, documents or work methodologies relevant to the quality of the respective conclusions, (ii) restricted in any way, our ability to determine the conclusions presented independently, and (iii) determined the methodologies used by our team for the preparation of Extrafarma's valuation.

Furthermore, it is important to mention that neither EY, nor any partner and / or professional who participated in this project have any interest, direct or indirect, in Extrafarma or Ultrapar. The estimated fees for the execution of this work are not based on and not related to the values herein reported.

This report and its conclusions are not recommendations of EY with respect to the acceptance by the shareholders of Extrafarma or Ultrapar of the proposal that Ultrapar will present or recommendations to Extrafarma or Ultrapar shareholders relating to the exchange proposal that will be presented to them. Each shareholder must reach his/her own conclusions about the appropriateness and acceptance of offers.

1. Executive Summary

General Considerations about the use and distribution of this valuation report

This document and the opinions and conclusions contained herein are for the use of Ultrapar. Thus, Ultrapar and its related parties may not distribute this document to other parties, except under the following conditions:

[] EY should be notified regarding any distribution of this valuation report, which should be previously approved, unless for the purpose of regulatory or legal requirements;

[] This valuation report should not be distributed in parts;

[] EY authorizes the dissemination and display of this valuation report to Ultrapar managers and shareholders, to its assistants, to the Brazilian Securities Commission (CVM), to the Sao Paulo Stock Exchange (BM & FBovespa), to the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE), being Ultrapar's responsibility to make it available on its website and on the CVM website for purposes of requirements of current regulations.

1. Executive Summary

1.2 Valuation Summary

Purpose and scope of work

Considering the context of our work, its objective is to provide an estimate of the economic- financial value of Extrafarma, to support the Company value at the Ultrapar Shareholders' Meeting, in accordance with the requirements of Articles 8 and 252 of the Corporation Law and Article 5 of Normative Instruction CVM 319.

For the calculation of Extrafarma's estimated economic-financial value, the following procedures were considered:

[] Interviews with Ultrapar and Extrafarma management, to clearly understand the nature and history of the business, including historical financial performance, future growth prospects, business plans, estimates of future performance, assumptions and fundamentals for these estimates, as well as factors that may affect the Company planning;

[] Analyses of industry, competition and economic environment in which the Company operates, as well as the position which it occupies in the market and the performance registered in comparison to competitors or similar businesses, to identify future prospects for growth and profitability;

[] Inclusion of adjustments to the historical financial statements for certain non-operating or non-recurring expenses that may be considered irrelevant by an investor when analyzing the permanent expenses of the Company's operation;

[] Verification that factors that may affect the business in the future were properly considered, and evaluation of the global internal consistency of the assumptions and hypotheses established;

[] Projection of the Company's financial statements (Income Statement and Cash Flows) based on the information extracted from the financial statements provided by the Company, experiences acquired during meetings and discussions with Ultrapar and Extrafarma management, public information, EY experience in the sector in which the Company operates and market analyses, that EY considers consistent, relevant and appropriate;

[] Estimated value through the Discounted Cash Flow (DCF) methodology;

[] Discount rate calculation that reflects the Company's and its industry's risks used to estimate the net present value of the cash flows and perpetuity;

[] The scope of this work does not include any type of audit procedures; however this work is based, among other information, on audited financial statements of the Company and the due diligence reports prepared by EY regarding the Company.

1. Executive Summary

General Assumptions

[] Reference date: June 30, 2013;

[] Value of Standard(1): the Extrafarma estimated economic-financial value was based on the concept/value of standard by which the participation in a company can be negotiated between interested parties, knowledgeable of the business and independent one from another, with the absence of factors that pressure the transaction settlement or that characterize a compulsory transaction;

[]
Methodology: Income Approach -- Discounted Cash Flow;

[] Projected Period: 9 years and 6 months, from July 1, 2013 to December 31, 2022 and perpetuity;

[] Currency: Free Cash Flows were projected in Brazilian Reais (BRL) in nominal terms (considering the impact of inflation);

[] Discount rate: 12.0% in Brazilian Reais (BRL) in nominal terms according to WACC methodology(2). It is noteworthy that for sensibility purposes of Extrafarma's economic financial value, a variation of +/- 0.2% was considered in the WACC calculation;

[] Adjustments: Non-operating Assets and Liabilities were not considered in the cash flow projections and were treated separately and added/subtracted from the present value of the cash flows and perpetuity, impacting Extrafarma's equity value;

[] Specific assumptions: the projections are based on the information extracted from the financial statements provided by the Company, experiences acquired during meetings and discussions with Ultrapar and Extrafarma management, public information, EY experience in the sector in which the Company operates and market analyses, that EY considers consistent, relevant and appropriate;

[] Perpetuity discount rate: a real growth rate of 0.5% was projected, based on the long- term vegetative population growth rate (IBGE), plus long-term inflation of 5.2% (IPCA).

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(1) Source: CPC.
(2) See Appendix C.

[GRAPHIC OMITTED]

The values obtained by DCF method are relevant in the following context of the planned transaction:

[] The profitability assumptions and value are in line with the historical data and the market where the Company operates and are consistent with financial indicators(4) of the peer companies;

[] The drivers for valuation are consistent with the Company's size and long-term expected growth, on a stand-alone basis;

[] The DCF methodology is the one that best reflects the value of the investment, based on future profitability (the Income Approach).

This estimated value does not consider possible contingencies, insufficient, or active or unexpected assets or liabilities that are not registered in Company's balance sheet. As a result, the presented results do not consider their effect, in case it exists.

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(3) Peer companies' multiples were based on the market values of the selected companies as of June 30, 2013. Estimated sales and EBITDA of these companies were based on information from industry analysts (BB Banco de Investimento, Bradesco S.A., BTG Pactual, Espirito Santo). Source: Capital IQ.

(4) See Exhibit C.

2. Appraiser's Information

2. Appraiser's Information

2.1 EY

History

This report was prepared by EY, a company linked to EY Global Network, one of the global leading audit, consultancy and business advisory company, resulting from the merger of accounting and advisory offices that have emerged in the United States in early 1900s.

The history of EY began in the early of twentieth century in the United States. In 1906, the Scotsman, Arthur Young, opened in Chicago an accounting firm in charge of British companies business, creating the Arthur Young & Co. Meanwhile, in Cleveland, a small accounting office named Ernst & Ernst, founded by brothers AC and Theodore Ernst in 1903, was already operating. In the following years, both accounting firms acquired other accounting offices and opened new branches.

In 1979, the international relation initiated by A. C. Ernst culminated in the merger with the British firm Whinney Murray & Co., creating a global company, Ernst & Whinney.

In 1989 , Ernst & Whinney merged with Arthur Young , creating Ernst & Young, the company that current operates in over 140 countries and has 175 thousands employees.

In Brazil, EY has about five thousand employees.

TAS -- Transaction Advisory Services

EY's department of Transaction Advisory Services (TAS) provides services and financial solutions related to Mergers and Acquisitions, Project Finance, Real Estate, Advisory Services, Financial Strategy, Transactions Support (Due Diligence), Fixed and Intangible assets appraisals, Valuation and Business Modelling services.

EY's Valuation and Business Modelling unit of the TAS department was responsible for the economic and financial valuation of Extrafarma.

2. Appraiser's Information

2.2 The EY Quality Process

The reviewing process in EY is insightful and consists of several steps, in which qualified professionals of all hierarchical levels, that participated and did not participate in the work, are engaged.

Specifically in the Valuation & Business Modeling unit, responsible for Extrafarma economic and financial valuation, all the businesses models / spreadsheets and valuation report go through reviewing process that is initiated by the Manager responsible for the project. After the Manager approval, all the information is reviewed again by a Senior Manager. Then, there is an independent review of a Partner. The last step of the process refers to the review and approval of the Partner responsible for the project.

2. Appraiser's Information

2.3 The team responsible for the Valuation

Our approach considers that the human element is fundamental to reach the established goals. Thus, we seek to create a team with experience in the industry that Extrafarma operates.

The project was led by professionals with experience in the TAS departments of Business Valuation, Financial Advisory and Corporate Finance at EY.

Our team leader was Mr. Sergio B. D. de Almeida, the partner responsible for the Valuation & Business Modeling unit in the TAS department at EY that coordinated the project as a whole.

The independent review was performed by Mrs. Andria de Brito Fuga, Partner also responsible for the Valuation & Business Modeling unit in the TAS department at EY.

The responsible for implementing the services was Mr. Felipe Miglioli, Executive Senior Manager of the Valuation & Business Modeling unit in the TAS department at EY.

[] Sergio B. D. de Almeida (sergio.almeida@br.ey.com) -- Partner

EY Valuation team leader, he is responsible for executing financial projects for middle market and global clients.

He manages and supervises a team of approximately 100 professionals in four markets (Sao Paulo, Rio de Janeiro, Belo Horizonte and Recife). He has experience in business valuations for tax purposes, mergers and acquisitions, strategic, financial and operating analysis, economic feasibility projects, intangible assets valuation and advising on corporate restructuring processes involving CVM (Brazilian Securities Commission), ANEEL (National Agency of Electric Energy), among other supervising entities. The Partner Sergio Almeida has been working for EY Valuation & Business Modeling group for 15 years.

He has a Master of Business Administration from EAESP / FGV (School of Business Administration of Sao Paulo / Funda[][]o Get[]lio Vargas), a title of Executive MBA in Finance (IBMEC / SP - Brazilian Institute of Capital Markets), and he is graduated in Business Administration from Universidade Estadual do Rio de Janeiro (UERJ).

He participated in several specialization training programs, such as American Society of Appraisers (ASA) 1, 2, 3 and 4, Private Equity Valuation Reviews by ASA, Advanced Management Business Certificate (Harvard Business Publishing 2010), and Americas Partner and Principals Meeting (Atlanta 2010), Americas New Partner and Principals Meeting (Boca Raton 2009) and Conference and Training Section in Washington (V & BM Manager Senior 2005).

2. Appraiser's Information

[] Andria de Brito Fuga (andrea.fuga @br.ey.com) -- Partner Independent Reviewer

EY Valuation team leader, she is responsible for executing financial projects for middle market and global clients.

Partner of the Capital Transformation group in the Transaction Advisory Services unit at EY, she has an extensive experience in economic valuations and companies' mergers and acquisitions processes.

She leads projects of economic valuations with the purpose to support accounting records, tax proceedings, corporate restructurings, public offerings and companies' transactions.

Specialist coordinator of the review of economic valuations used in financial reports related to the fair value of investments, biological and intangible assets as well as assets impairment tests.

Elaborated several studies of feasibility analysis, financial modeling and business plan, involving ongoing and greenfield businesses.

She also participated in consulting projects related to capital structure and maximizing shareholder equity value, and litigation processes related to economic valuations or M & A.

Coordinated processes in M & A advisory services, including the search for potential investors preparation of Information Memoranda, previous contacts and subsequent negotiation of price, terms and transaction agreements.

The main clients are consumer products, sugarcane, forestry, food and beverage, and services sectors.

Developed and led several trainings related to economic valuations of companies and assets.

Throughout her career, Andrea has developed experience in financial institutions and global consulting and audit companies.

Graduated in Public Administration from Funda[][]o Get[]lio Vargas (SP, Brazil), Andrea holds an MBA in Finance and Strategy from Simon Graduate School of Business at the University of Rochester (NY).

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2. Appraiser's Information

[] Felipe Miglioli (felipe.miglioli@br.ey.com) -- Executive Senior Manager

Executive Senior Manager of Valuation & Business Modelling practice (V & BM) of the Transaction Advisory Services at EY.

He is focused on companies economic and financial valuation projects for mergers and acquisitions, joint ventures, feasibility analysis of new projects, corporate restructuring processes involving the CVM and valuation of intangible assets for accounting purposes (IFRS and U.S. GAAP).

The main clients are pharmaceutical, retail and consumer goods, healthcare, services, oil & gas sectors, media industry, among others.

Felipe has M & A experience in the following industries: retail, real estate, education, technology.

Graduated in Business Administration from Universidade Presbiteriana Mackenzie, he has an Executive MBA in Finance from Insper - Institute of Education and Research.

Felipe also participated in specialization courses of business valuation, valuation of intangible assets and Private Equity Valuation Reviews by the American Society of Appraisers (ASA) and International Institute of Business Valuers (IIBV) .

[] Daniel de Oliveira Fernandes (daniel.o.fernandes@br.ey.com) -- Manager

Manager of Valuation & Business Modelling (V & BM) practice of the Transaction Advisory Services group at EY.

He is focused on companies economic and financial valuation projects for mergers and acquisitions, analysis of economic viability projects, processes of administrative and financial restructuring.

Graduated in Business Administration from Funda[][]o Get[]lio Vargas (FGV-EAESP), he has an MBA in Economic and Financial Management from FGV.

Daniel participated in specialized business valuation courses performed by Apimec, American Society of Appraisers (ASA) and International Institute of Business Valuers (IIBV).

2. Appraiser's Information

2.4 Credentials

The TAS department at EY provided services to clients from various sectors, confirming its technical capability.

As our main services provided, we highlight the following: Economic and Financial Valuation, Privatization, Equity valuation, Financial Advisory, Mergers & Acquisitions and Real Estate Advisory.

Among some of the companies we provided services is important to mention:

Client	Industry	Service Provided	Year
Ache Laboratorios Farmaceuticos	Pharmaceutical	Economic-Financial Valuation	2003
Ambev	Beverage	Several Economic-Financial Valuations	2013
Botic[]rio	Consumer Products	Economic-Finacial Advisory	2013
Bunge	Several	Several Economic-Financial Valuations	2013
Daiichi Sankyo Brasil Farmac[]utica	Pharmaceutical	Economic-Financial Valuation	2011
Dixie Toga	Packing	Economic-Financial Valuation for Public Offering for Shares Acquisition	2010
Eurofarma	Pharmaceutical	Economic-Financial Valuation	2011
Galderma Pharma S. A.	Pharmaceutical	Economic-Financial Valuation	2013
Gereral Mills	Food	Economic-Financial Valuation	2012
General Eletric do Brasil	Several	Several Economic-Financial Valuations	2013
International Paper	Pulp and Paper	Several Economic-Financial Valuations	2012
Johnson & Johnson	Pharmaceutical	Economic-Financial Valuation	2013
Merck	Pharmaceutical	Economic-Financial Valuation	2013
Procter & Gamble	Several	Several Economic-Financial Valuations	2012
Votorantim Cimentos	Cement	Several Economic-Financial Valuations	2013
Yara Fertilizantes	Fertilizers	Economic-Financial Valuation for Public Offering for Shares Acquisition	2011

3. Macroeconomic Overview

[GRAPHIC OMITTED]

Economic Analysis

The key information regarding the international and the Brazilian macroeconomic environment are presented below. The analysis below refers to the reference-date of this report, and has been prepared based on information from the Central Bank of Brazil (BACEN), Focus Report, Getulio Vargas Foundation (FGV), Global Insight and JP Morgan.

Brazilian Economy(5)

Economic Activity
In the first quarter of 2013, the economic activity showed a 0.6% growth, resulting from a robust growth of the agricultural sector, increased absorption of capital goods and continuous growth of families' consumption. For 2013, the financial indicators suggest that the expansion trend will continue, so that the market expectations for GDP growth are 2.4% in 2013 and 3.0% in 2014.

Inflation
The official inflation index, IPCA (Consumer Price Index) closed 2012 at 5.8% and the last twelve months ended June 2013 closed at 6.7% . According to market expectations, IPCA is projected at 5.9% in 2013 and 5.8% in 2014, within the range of two percentage points above the 4.5% target set by the Brazilian Committee of Monetary Policy (COPOM). The Brazilian General Price Index -- Market (IGP-M), calculated by FGV ended 2012 at 7.8% . The analysts' expectations for this index are 4.9% in 2013 and 5.3% in 2014.

Monetary Policy
In the May 28 and 29 meeting, COPOM took into account the macroeconomic situation and the Brazilian inflation perspectives, and decided to raise the Selic rate to 8.0% per year, 0.5 percentage points above the previous level. COPOM considered the high level of prices that had shown resistance in previous months, and therefore, deemed necessary to implement initiatives aimend to change the scenario.

Country Specific Risk (6)
The index explains the difference in daily performance of the U.S and emerging countries debt securities and it is an indicator of the financial health of the relevant country. The index ended the June at 237 basis points, which indicates a difference of 2.4% between the performance of Brazilian bonds and the U.S. securities. The monthly average was 229 basis points.

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(5) Market expectations refer to Focus Report (June 28, 2013).
(6) Source: Embi+ calculated by JP Morgan.

4. Market Analysis

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4. Market Analysis

[GRAPHIC OMITTED]

Overview(7)

The pharmacy sector presented a compound annual growth rate (CAGR) of 5.7% between 2007 and 2011. The Americas and Europe represent 2012 3.2% the largest markets, with 42.1% and 30.5% of the global market respectively.

[GRAPHIC OMITTED]

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(7) Source: Marketline, Global Drug Retail 05/2012.
(8) Source: Medical Expenditure Panel Survey -- NACDS Industry Profile

4. Market Analysis

[GRAPHIC OMITTED]

In 2012, when analyzing the pharmaceutical market, the generics segment contributed to 19% of drug sales in Brazil. OTC accounted for 28%, and branded drugs represented 53% considering reference and other branded drugs.

For 2013, the major chains continued the consolidation trend in the market through the strategy of opening new stores, and the three main companies in the market are expected to open 320 new stores.

Reference / Branded drugs

Despite the growing demand for generic drugs, there is still potential for sales expansion of reference / branded drugs. One reason is the high level of investments in reasearch by multinational industries in Brazil, and greater consumer confidence on well-known brands.

The expiration of patents in the forthcoming years can cause the demand for patented drugs to switch to generic equivalents.

However, the lack of advanced technology to produce generics of complex drugs tends to maintain a moderate growth in sales of branded / reference medicines.

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(9)Branded medicines have the same active ingredient of the Reference medicines, which, in turn, are still patented.

4. Market Analysis

The forecast is that the market for branded drugs will present a nominal CAGR of 10.9% (10) in Brazil until 2018.

Generic drugs

The global market for generic drugs grows at approximately 10.8% (11) per year and accounts for more than US$ 150 billion turnover. Worldwide, the United States stand out with sales of generic drugs of US$ 56 billion per year.

According to IMS Health, in Brazil, generic drugs account for 19% in terms of sales without discount (list price).

In countries like France, Germany and the United Kingdom, where the generic market is more mature, the participation of these drugs is 42%, 66%, and 60% by volume, respectively. In the United States, such participation is approximately 80%.

Generic drugs in Brazil are, officially, at least 35% cheaper than branded drugs. Actualy, they are on average 50% cheaper to the final consumer. The price of generics allows and increased number of consumers to obtain access to medicines.

Such fact, coupled with the Brazilian government programs, such as "Aqui tem Farm[]cia Popular" (which aims to give the population access to medicines for common diseases), and the expiration of patents for reference drugs, all contribute to a favorable scenario to the generics market in Brazil.

The forecast is that the generic drugs market presents a nominal CAGR of 18.3% (12) in the country until 2018.

Over the counter / Prescription free medicines (OTC)

OTC are medicines that can be bought without prescription. They are produced and distributed with the intention of being used by the population on its own initiative, for treatment of symptoms and easily identifiable diseases.

In 2012, "ANVISA" published the "RDC" or DRC (Board Resolution) 41, which allows OTC drugs to be exposed on the shelves of pharmacies and changed the regulation of 2009, which determined that these drugs should be accommodated behind the counter, as a way to avoid the irrational self-medication. The new resolution favored the OTC market, which should continue to grow in the coming years, following the growth in the overall pharmaceutical market.

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(10) Source: IMS Health
(11) Source: http://www.progenericos.org.br/index.php/mercado, 2012
(12) Source: IMS Health

4. Market Analysis

The OTC drugs currently represent approximately 28% of the total pharmaceutical market, according to IMS Health. The expectation is a nominal CAGR of 13.3% (13) until 2018. Healthcare Products ("HPC") The personal care and cosmetics represent a considerable share of total sales of pharmacies. This market presented an average growth of 12.1% (14) between 2007 and 2011. In comparison, the American and Canadian markets presented a CAGR of 1.1% and 2.9% respectively in the same period.

The expectation is that the Brazilian market continues to grow, through an increase in income and change in the distribution of these products from supermarkets to pharmacies channel. The expectation is for continued growth, as seen in the recent years.

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(13) Source: IMS Health
(14) Source: ABIHPEC

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5. Company Overview

5.1 Extrafarma Business Description

[GRAPHIC OMITTED]

Extrafarma

Operating since 1960, Extrafarma is one of the largest pharmaceutical distribution groups in the North and Northeast of Brazil. In the 90's, the group entered the retail segment, which in June 2013 was composed of 178 stores in this region (diagram on the left), besides a distribution center in Bel[]m, in the state of Par[].

Extrafarma's stores are distributed as follows: Para (47%), Ceara (24%), Maranhao (24%), Amapa (4%), Piaui (1%).

The Company offers its customers services such as home delivery and 24 hours services, as well as the partnership with the federal government's program "Aqui tem Farmacia Popular". The group is pioneer in customer relationship programs in its region and has a solid database with over 2.5 million active customers. All stores have standardized exterior appearance, organized interior ambiance, and a mix of products adapted to the Branded needs of each locality.

Extrafarma is amongst the 10 largest 41.4% (15) drugstore chains in Brazil, both in terms of sales and Generics number of stores. The Company reported gross sales of over BRL 800 million in 2012. The forecast for 2013 is sales estimated at approximately BRL 1.1 billion, OTC and Others 85% referring to retail sales (through owned stores) and 15% corresponding to wholesale segment (distribution of medicines for small chains, independent stores, clinics and hospitals).HPC

The product mix consists of branded, generics and over-the-counter ("OTC", free prescription drugs), healthcare products and cosmetics ("HPC"), and convenience products.

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(15) Source: Abrafarma, 2012.

5. Company Overview

5.2 Historical Financial Information

[GRAPHIC OMITTED]

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(16) Reference year 2012.
(17) Exhibit C.

5. Company Overview

5.3 Projected Financial Information

[GRAPHIC OMITTED]

Extrafarma's Gross Sales (GS) derive from sales through the channels (1) Retail and (2)
Wholesale: Between 1 and 2 Sales Wholesale Gross Sales years

1. Retail: represents approximately 85.0% of Extrafarmas's tot l sale on the reference date, composed of the sale of13% branded, generics and OTC drugs, HPC and convenience products (water, light beverage, cookies, mobile recharge services, Between 2 and 3 among others).

The projection of the retail's sales, considered the sales years from the existing stores on the reference date, as well as Extrafarma's expansion plan, which considers the opening of new stores until 2017, according to the assumptions describ More d below: than 3 years

[] Existing stores: as of the reference date, Extrafarma (Mature) had 178 stores, of which 59 were classified as under maturation (less than 4 years of operation), and 119 as mature. They were projected under the following assumptions:

[] Under maturation stores: were projected to reach maturity in year 4 of the respective operations, following the maturity curve shown in the side table.

The maturity curve followed the current characteristics of Extrafarma's stores and it is in accordance to the maturity profile of the market analyzed(19). Based on this, after reaching maturity, the average annual sales of the stores were projected on BRL 5.5 million(20).

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(18) The analysis of sales' evolution measured by same store sales (SSS) is commonly used on retail segment. It shows the sales growth through comparable stores, with operations during two complete consecutive periods. When the operation of a store is interrupted, or if a store begins its operation in the middle of the year, it is not considered in the calculation of SSS.
(19) The benchmark was based on public information available about peer companies, which operate in the same sector of Extrafarma in Brazil.
(20) Reference value in 2013. This value was yearly adjusted by 0.5p. p. (long-term population growth) above inflation (IPCA) projected by the Central Bank of Brazil during the projected years.

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5. Company Overview

[GRAPHIC OMITTED]

It is expected growth in all categories of products in the retail channel, with emphasis on generic 41.2% drugs, due to the expiring 41.4% patents scheduled for 41.5% the coming years(22) and 4 the 1 increased access for the end consumer. Based on this, the trend is that the generic category increases its share in the retail's sales mix, as shown in the graph beside.

2. Wholesale 2014 : represents approximately 2015 15.0% of the sales on2016 the reference date and refers to drugs distribution to small chains, independent stores, hospitals and clinics.

The sales growth assumption Branded for the wholesale segment wasGenerics based on the evolution of GDP plus the projected inflation by the Central Bank of Brazil. Throughout the projected period, after the maturation of this market, it is believed that the growth should converge to 0.5 p.p. of real growth above the inflation rate, in accordance to the retail segment.

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(21) This expansion was based on the stand-alone operation at the reference date, without considering the potential growth plan with Ultrapar.
(22) As market expectations released in the report Pharmaceutical Market for Latin America and Brazil published by IMS Health on July 2, 2013.

5. Company Overview

[GRAPHIC OMITTED]

5. Company Overview

[GRAPHIC OMITTED]

It is important to note that the fixed portions of the operating expenses for the retail channel were projected per store, according to the expansion plan previously presented, reflecting the increase in the structure to support the organic growth projected for Extrafarma for the next years, as shown in the table beside.

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(23) The real growth varied from 2.0 p.p. in 2013, based on the labor market conditions observed at the reference date of the Valuation, which varied according to the normalization curve during the explicit forecasted period, reaching 0.5 pp in 2022.

5. Company Overview

Brazil, and the (ii) real growth(24), in order to reflect the conditions in the regional labor market;

[] General and Administrative Expenses: refer to utilities and services, maintenance, outsourced services and other expenses. Considered 100.0% and adjusted by the expected inflation ("IPCA") for the period forecasted by the Central Bank of Brazil;

[] Occupational Expenses: represented by the cost of rent, condominium, property tax, and funds for advertisement, considered 100.0% fixed and adjusted for the expected inflation ("IGP-M") for the period forecasted by the Central Bank of Brazil.

3. Corporate Expenses: mainly composed of indirect expenses of Extrafarma's operation, projected based on their respective share of fixed and variable expenses observed in the historical period, considering the expansion of the Company's corporate structure to support the projected growth of the business. Based on this, the Corporate Expenses are composed by:

[] Personnel Expenses: considered 75.0% fixed, this portion was adjusted by inflation ("IPCA") and real growth(25) and 25.0% variable; following the evolution of the total sales of the business;

[] General and Administrative Expenses: considered 75.0% fixed, adjusted by inflation ("IPCA") and 25% variable;

[] Occupational Expenses: represented by the cost of rent, condominium, property tax and funds for advertisement. Considered 100.0% fixed and adjusted by inflation ("IGP-M").

It is important to mention that the increase in corporate expenses reflects the expected increase on Extrafarma's structure in order to support the business growth in the next years, emphasizing the following aspects:

[] A new operations structure will be created to support the business growth;

[] As a result of the expansion plan, which includes the increase of 232 new stores in the next years, it was considered the opening of two(26) new distribution centers in the Northeast region of Brazil, with impacts on growth of corporate personnel expenses, utilities and maintenance.

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(24) As previously described, projected personnel expenses considered variation of 2.0 p.p. above inflation in 2013, which was normalized to 0.5 p.p. above inflation in 2022.

(25) As previously described earlier, projected personnel expenses considered variation of 2.0 p.p. above inflation in 2013, which was normalized to 0.5 p.p. above inflation in 2022.

(26) Based on the operational characteristics of Extrafarma and as a result of the expansion plan projected, it was considered a new distribution center for every 100 new stores.

5. Company Overview

[GRAPHIC OMITTED]

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(27) As a percentage of gross sales.

5. Company Overview
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(28) Exhibit A.

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5. Company Overview

[GRAPHIC OMITTED]

[] Maintenance CAPEX: considered the reinvestment of 100% of depreciation, in order to maintain the level of fixed assets over the years.

Moreover, in order to support the business growth over the long term, for the purposes of calculating the perpetuity, the level of CAPEX projected was based on the parameter(31) of selected peer companies, which are at a more advanced stage of maturity compared to
Extrafarma.

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29 Exhibit A.
30 Value at reference date, adjusted by IGP-M over the years.
31 Based on the level of Capex of CVS Caremark Corporation and Walgreen Co., which represented, on average, 1,8% of net sales of these companies over the last 3 years. Exhibit C.

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6. Extrafarma Valuation

6.1 Valuation Methodology Overview

For this economic-financial valuation, the Income Approach(32) was adopted, through the Discounted Cash Flow (DCF) method. According to the DCF method, the value of a business is equal to the present value of the expected cash flows available to the owners of the capital or debt of the business. In the valuation of a company, the value drivers are developed by discounting free cash flows available for distribution to their present value at the rate that represents the return required by the market and the risks inherent to a specific investment.

The DCF approach is considered the most relevant for assessing businesses or companies, as it contemplates the ability of a company to generate cash inflows and outflows, and providing financing and investment conditions to their operations. More specifically, cash inflows include profits, increase of debt, sale of assets and decrease in net working capital. Cash outflows include payment of the principal of its debt, investment in assets and working capital.

The DCF analysis here presented refers to operating cash flow, also known as free cash flow for the company. Therefore, for the DCF calculation the debt was excluded (ie, payment of interest was excluded of the estimated future expenses, and payment of debt was excluded from the calculation of cash flows). The proposal to exclude interest payments and debt from the calculation of cash flows is to provide an indication of the operational value (EV) of the business, which includes the value of debt and equity.

Thus, the sum of the present values of the free cash flows of the company and the perpetuity(33) value indicates the value of operations, which are still added or reduced by non-operating assets and liabilities and net debt in order to obtain the total capital value of the company.

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32 Appendix B for details on the main approaches for valuation..
33 For main parameters for the calculation of perpetuity see, 6.2. Discounted Cash Flow (DCF) Implementation".

6. Extrafarma Valuation

6.2 Discounted Cash Flow (DCF) Implementation

Main parameters

Discounted free cash flow(34)

Extrafarma's cash flow was calculated according to the assumptions that were adopted in the projections of income statement, working capital and CAPEX previously presented in this report, as well as other parameters presented below.

Discount Rate(35)

The projected free cash flows were discounted by the weighted average cost of capital (WACC) in Reais (BRL), in nominal terms, i.e., considering the effect of inflation.

The WACC was calculated based on information from selected(36) market players, and was estimated at 12.0% p.a.(37).

Long-term growth rate and calculation of perpetuity value

For the calculation of the perpetuity value, it was considered a percentage of growth (g) of 5.7% p.a. equivalent to the long-term vegetative population growth estimated by IBGE (0.5% p.a.) plus the expected long-term inflation (5.2% p.a.) forecasted by the Central Bank of Brazil. The percentage of 5.7% p.a. (g) was subtracted from the discount rate of 12.0% (k), to obtain the capitalization rate of 6.3% . This capitalization rate was used to estimate the perpetuity value, based on the constant growth model, as shown below:

[GRAPHIC OMITTED]

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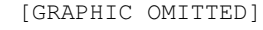
34 Exhibit A. 35 Appendix C. 36 Appendix D. 37 Exhibit B.

6. Extrafarma Valuation



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7. Conclusion

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The results obtained by the DCF method are relevant in the following context of the planned transaction:

[] The profitability and value assumptions are in line with the historical data and the market where the Company operates and are consistent with the financial indicators(39) of the peer companies;

[] The valuation drivers are consistent with the Company's size and expected long-term growth, on a stand-alone basis;

[] The DCF methodology is the one that best reflects the value of an investment based on future profitability (the Income Approach).

This estimated value does not consider possible contingencies, insufficient or unexpected assets or liabilities that are not registered on the Company's balance sheet. As such, the presented results do not consider their effects, if any.

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(38) Peer companies' multiples were based on the market values of the selected companies as of June 30, 2013. Estimated sales and EBITDA of these companies were based on information from market analysts (BB Banco de Investimento, Bradesco S.A., BTG Pactual, Espirito Santo). Source: Capital IQ.

(39) See Exhibit C.

8. Appendix

8. Appendix

A. Statement of Limiting Conditions

1 In order to achieve this report's goal of economic-financial valuation, certain procedures were applied, always based on historical facts, economic and market conditions and prospects and Extrafarma's strategy prevailing at the reference date. The values presented in this report are obtained from analyses of historical (financial and managerial) data as well as projections of future events;

2 Comments and analyses presented in this report were developed by EY professionals with information provided by Ultrapar and Extrafarma, as well as from external sources, when appropriate;

3 EY, as well as its partners and / or professionals who have participated in the elaboration of this work have no interest, direct or indirect, in Ultrapar and Extrafarma and / or in the intended transcation, as well as attest that there are no relevant circumstances that may characterize conflict of interest with Ultrapar, Extrafarma and / or the services herein contracted, thus characterizing their independence. The estimated fees for the execution of this work are not based on and not related to the values herein reported;

4 None of Extrafarma and / or Ultrapar shareholders or managers (i) directed, limited, difficulted or practiced any acts that have or may have compromised access, use or knowledge of information, assets, documents or work methodologies relevant to the quality of their respective conclusions, (ii) restricted in any way, our ability to determine the conclusions presented independently, and (iii) determined the methods we used in the preparation of Extrafarma's valuation;

5 This work does not have as scope any type of audit procedure, but is based on audited financial statements of the Company and on the due diligence reports prepared by EY;

6 The projections are based on information extracted from financial statements provided by the Company, experiences acquired in meetings and discussions with the management of Extrafarma and Ultrapar, public information, the experience of EY in the industry in which the Company operates and market analyses, that EY believes are consistent, relevant and appropriate;

7 No investigations on securities owned by the Company, or checks among the existence of liens or encumbrances have been made;

8 EY has no responsibility to update this report for events and circumstances occurring after the reference date;

9 It is not part of our work to provide spreadsheets and / or financial models that supported our analyses;

8. Appendix

10 Our valuation is based on elements that are reasonably expected, therefore, does not take into account possible extraordinary and unforeseeable events (new regulation for the businesses, changes in tax laws, natural disasters, political and social events, nationalizations, etc.) ;

11 Our valuation was based on the best available information and estimates. However, as any projection encompasses risk and uncertainties, real results may show a difference when compared to projections;

12 Our analyses treat Extrafarma and Ultrapar operations as independent (stand-alone) and therefore do not include operating or fiscal benefits or losses, incremental value and/or costs, if any, that Extrafarma and Ultrafarma may have from the completion of the transaction, if consummated, or any other operation. The valuation also does not take into account any operating and financial gains or losses that may occur after the completion of the transaction.