

JBS S.A.

Corporate Taxpayer's ID (CNPJ/MF): 02.916.265/0001-60

Company Registry (NIRE): 35.300.330.587

Authorized Capital Publicly-Held Company.

**EXCERPT FROM THE MINUTES OF THE BOARD OF DIRECTORS' MEETING
HELD ON FEBRUARY 23, 2017**

Date, Time and Venue: February 23, 2017, at 10:00 a.m., at JBS S.A.'s headquarters, located at Avenida Marginal Direita do Tietê, 500, Bloco I, 3º Andar, Vila Jaguara, CEP 05118-100, in the City of São Paulo, State of São Paulo ("Company").

Call Notice: The call notice was sent via e-mail to all members of the Board of Directors, pursuant to Article 18 of the Company's Bylaws.

Attendance: All members of the Company's Board of Directors were present, representing sufficient quorum to install the Board of Directors' Meeting.

Mr. **Khalil Kaddissi**, member of the Company's Management, also attended the meeting.

Presiding Board: **Joesley Mendonça Batista**, Chairman; **Daniel Pereira de Almeida Araujo**, Secretary.

Agenda:

For information purposes: presentations on:

- (i) the Company's related parties; and
- (ii) corporate governance of the Company's subsidiaries and proposals to improve the Company's Bylaws.

For resolution purposes: resolve on:

- (i) the creation of the Company's Related Parties Committee pursuant to Article 19, XXX, of the Company's Bylaws ("Related Parties Committee");
- (ii) the approval of the draft of the Internal Regulations of the Company's Related Parties Committee ("Regulations");
- (iii) the approval of the draft of the Company's Policy for Transactions with Related Parties ("Policy");

- (iv) the renewal of the limit of scope of the Company's Executive Board to exercise the acts provided for in Article 19 of the Company's Bylaws;
- (v) the operation between related parties, with the execution of a contract between the Company and **Flora Produtos de Higiene e Limpeza S.A.**, referring to the production of the "Francis" soap bar ("Flora Contract");
- (vi) the approval of the merger by the Company of **Friboi Trade Exportação e Importação Ltda.**, company headquartered at Avenida Brigadeiro Faria Lima, 2391, conjunto 121, 12° andar, Edifício Jaguarí, Sala 02, Jardim Paulistano, CEP 01452-000, in the City of São Paulo, State of São Paulo ("Friboi Trade"); and
- (vii) the convening of the Company's Extraordinary General Meeting.

Resolutions:

For information purposes: Mr. **Khalil Kaddissi**, the Company's Legal Director, made presentations on:

- (i) the Company's related parties, addressing analyzes of best market practices and updated legislation on the matter; and
- (ii) the governance of the Company's subsidiaries and proposals to improve the Company's Bylaws, addressing analyzes of best market practices and updated legislation on the matter.

Following the presentations, the members of the Board of Directors raised questions about the issues, which were fully clarified by Mr. **Khalil Kaddissi**.

For resolution purposes: After the events above, the members of the Board of Directors unanimously resolved to:

- (i) approve the creation of the Company's Related Parties Committee, composed as follows: Messrs. (1) **Sérgio Roberto Waldrich** (independent member of the Company's Board of Directors); (2) **Paulo Sérgio Dortas** (independent member of the Company's Audit Committee); (3) **Eliseo Santiago Perez Fernandez** (the Company's Director of Administration and Control); (4) **rotating member** (member of the Company's management and business area involved in negotiating the contract with the related party to be selected at each of the Committee's meetings) (members) and Mr. **Daniel Pereira de Almeida Araujo** (secretary);
- (ii) approve the Regulations, in accordance with Appendix I to these minutes;
- (iii) approve the Policy, in accordance with Appendix II to these minutes;

(iv) ratify and fix the following scope of values of the Company's Executive Board to exercise the acts provided for in items (XVII), (XX), (XXI), (XXII), and (XXIV) of Article 19 of the Company's Bylaws: (XVII) The equivalent of US\$750,000,000.00 (seven hundred and fifty million U.S. dollars), per operation, for issuing any credit instruments for raising funds, whether bonds, notes, commercial papers, or others commonly used in the market, for the members of the Company's Board of Executive Officers and its subsidiaries in Brazil and abroad; (XX) (a) the equivalent of R\$1,000,000.00 (one million reais), for industrial plant lease, and (b) the equivalent of US\$200,000,000.00 (two hundred million U.S. dollars), for acquisition or disposal of equity interest, corporate partnerships or strategic alliances with third parties, for the members of the Company's Board of Executive Officers and its subsidiaries in Brazil and abroad; (XXI) The equivalent of US\$200,000,000.00 (two hundred million U.S. dollars) per operation, for the acquisition or disposal of items of the permanent assets and properties, for the members of the Company's Board of Executive Officers and its subsidiaries in Brazil and abroad; (XXII) (a) The equivalent of US\$750,000,000.00 (seven hundred and fifty million U.S. dollars) per operation, for creation of mortgages and rendering of guarantees, sureties, and securities to own liabilities or any of the Company's subsidiary in Brazil and abroad; and (b) the equivalent of R\$1,000,000.00 (one million reais), per year, for creation of mortgages and rendering of guarantees, sureties, and securities to own liabilities and the Company's tendering of sureties in lease agreements on behalf of its employees and/or employees of affiliate companies (pursuant to definition contained in the Regulation of the Income Tax) during the employment agreement's duration, for the members of the Company's Board of Executive Officers and its subsidiaries in Brazil and abroad; and (XXIV) the equivalent of US\$750,000,000.00 (seven hundred and fifty million U.S. dollars), per operation, for contracting indebtedness as loans or issuance of bonds or assumption of debt, or any other legal transaction affecting the Company's capital structure, for the members of the Company's Board of Executive Officers and its subsidiaries in Brazil and abroad;

The Company's Board of Directors ratifies all acts exercised by the Company's Executive Board and/or attorneys, which have been carried out within the limits of the scope thereof, as described above, from January 1, 2017 to the date of this meeting;

(v) approve the execution of the Flora Contract, considering that the operation is within the usual parameters of the market. Mr. **Joesley Mendonça Batista** abstained from deliberating in this resolution as he holds the position of Chief Executive Officer at Flora Produtos de Higiene e Limpeza S.A.;

(vi) finally, the members of the Board of Directors discussed the merger of Friboi Trade. To that end, Mr. **Florisvaldo Caetano de Oliveira**, member of the Company's Fiscal Council, was invited to attend the Board of Directors' Meeting. Following a presentation on the subject, the members of the Board of Directors were unanimously in favor of the approval, by the Company's shareholders: (a) of the ratification of the hiring, by the Company's Management, of **APSYS Consultoria Empresarial Ltda.**, headquartered at Rua da Assembleia, 35, 12º andar, in the City of Rio de Janeiro, State of Rio de Janeiro, enrolled under corporate taxpayer's ID (CNPJ/MF) No. 27.281.922/0001-70, for the preparation of the appraisal report of Friboi Trade's shareholders' equity, to be drawn up based on

specific balance sheet, in which assets and rights shall be valued at book value, in accordance the applicable legislation ("Appraisal Report"); (b) of the Appraisal Report; and (c) of the merger by the Company of Friboi Trade, pursuant to the Protocol and Justification of Incorporation of Friboi Trade Exportação e Importação Ltda. by JBS S.A.; and

(vii) approve the convening of the Company's Extraordinary General Meeting to resolve on item (vi) above.

Additionally, the members of the Board of Directors decided to record in the minutes the clarification that Mr. **Norberto Fatio** was elected as an independent member of the Company's Board of Directors on February 8, 2017, in place of Mr. **Marcio Percival Alves Pinto**, who resigned from the position of independent member of the Board of Directors on January 24, 2017.

Minutes in Summary Format: The Board of Directors authorized the drawing up of these minutes in summary format and the publication of the same omitting their signatures, pursuant to Article 130, paragraphs 1 and 2 of the Brazilian Corporate Law.

Closure: There being no further business to discuss, the Chairman offered the floor to anyone who intended to speak, as no one did, the meeting was adjourned for the time necessary to draw up these minutes, which were then read, approved and signed by all attending Board members.

Attending Board members: **Joesley Mendonça Batista; Wesley Mendonça Batista; José Batista Sobrinho; Humberto Junqueira de Farias; Tarek Mohamed Noshy Nasr Mohamed Farahat; Sérgio Roberto Waldrich; Claudia Silva Araujo de Azeredo Santos; Mauricio Luis Luchetti and Norberto Fatio.**

This is a free English translation of the minutes of the Board of Directors' Meeting drawn up in the Company's records.

São Paulo, February 23, 2017.

Daniel Pereira de Almeida de Araujo
Secretary

Appendix I

Internal Regulations of the Company's Related Parties Committee

Chapter I – Definition

Article 1. The present Internal Regulations of the Related Parties Committee (“Regulations”), elaborated in accordance with the Bylaws of JBS S.A. (“Company”), and the Related Parties Policy, establish procedures for the functioning of the duties and responsibilities of the Related Parties Committee, permanently installed by resolution of the Board of Directors (“Board”).

Chapter II – Objectives of the Related Parties Committee

Article 2. The Related Parties Committee, as an advisory body, has technical functions that aim to make the Board's performance more efficient, strengthening strategic discussions with informed recommendations, and assisting in the performance of the Board's legal and statutory functions.

Paragraph 1. The Related Parties Committee aims to ensure that the transactions of the Company and its subsidiaries and affiliates, involving related parties (“Related Parties”, as defined below) are performed taking into account, firstly, the best interest of the Company, under normal market conditions, negotiated independently, through a transparent and ethical process, in accordance with the current legislation and on terms not less favorable to the Company than a transaction held with third parties that are not considered Related Parties, under the same circumstances or in similar scenarios.

Paragraph 2. The following individuals or legal entities are considered the Company's Related Parties:

- a) those that directly or indirectly, through one or more intermediaries: i) control, are controlled by, or are under common control of the Company; or ii) hold an interest allowing it to exercise significant influence on the Company;
- b) those affiliated to the Company, pursuant to Law No. 6,404/76, as amended (“Brazilian Corporate Law”);
- c) those considered as key individuals, that is, who hold management positions at the Company, its subsidiaries or its controllers;
- d) those who, in relation to any individuals referred to in items “a” or “c”: i) spouses or partners; ii) direct relatives (such as parents, grandparents, great-grandparents, children, grandchildren, etc) or indirect relatives (such as stepfathers, stepmothers, stepchildren in-laws, etc); and ii) os relatives up to the second degree, direct (such as siblings, etc) or indirect (such as in-laws, etc);

e) those controlled by any individuals referred to in items “c” or “d”;

f) those referred to in items “c” or “d” holding more than 10% (ten percent) of the capital stock;
and

g) any entity that maintains a post-employment benefit plan for the Company's employees.

Paragraph 3. The term “Transactions” includes, among others: (a) the acquisition and sale of goods, properties and other assets; (b) provision or receipt of services; (c) leases; (d) transfers of assets, rights and liabilities; (e) rendering of guarantees, sureties, and securities; (f) assumption of commitments; (g) settlement of liabilities; and (h) lending concession of properties or furniture of any kind.

Paragraph 4. Due to the financial consolidation of all direct and indirect subsidiaries in the Company's consolidated results, the following are not included in the term “Transactions”: (a) loans and/or advances made in the normal course of business involving the Company and its subsidiaries without the corporate participation of third parties; and (b) transactions involving the purchase and sale of products in the normal course of business involving the Company and its subsidiaries without the corporate participation of third parties.

Paragraph 5. Transactions with Related Parties are characterized by the transfer of resources, services or liabilities between Related Parties, regardless of whether or not there is a value allocated to the transaction.

Article 3. The Related Parties Committee shall follow and respect the objectives for which it was created, remaining dedicated to the matters that are related to it, avoiding to deal with matters that are not related to its objectives or discuss matters related to another of the Company's committee or management body.

Paragraph 1. The recommendations of the Related Parties Committee are not binding, as only the Board can take decisions.

Chapter III – Responsibilities

Article 4. The Related Parties Committee is responsible to:

a. Elaborate the Internal Regulations that guide its operation, submitting it and its amendments to the approval of the Board of Directors;

- b.** Analyze, monitor and recommend to the Board the approval of the Transaction with Related Parties Policy (“Policy”), as well as proposals for the revision of this Policy, both through a proposal prepared by the Company's Board of Executive Officers;
- c.** Analyze, monitor and recommend the selection process of suppliers and service providers, or any form of contracting or assumption of liabilities, debts or obligations of the Company and its subsidiaries related to contracts involving Related Parties, ensuring that market conditions are observed, as provided for in the Policy;
- d.** Act independently and propose solutions whenever there is divergence between the Company and any of the Related Parties in any operation, business, contract or transaction;
- e.** Prepare a summary annual report, to be presented with the Annual Management Report, containing a description of its activities, results and conclusions and recommendations made; and
- f.** Establish complementary operational rules for its performance, which must be approved by the Board of Directors.

Chapter IV – Composition, Term and Requirements

Article 5. The Board of Directors may elect or dismiss members of the Related Parties Committee at any time.

Term

Article 6. The members of the Related Parties Committee shall be appointed by the Board of Directors and shall have a maximum term of up to 2 (two) years, which may be renewed for an equal period of time.

Composition

Article 7. The Related Parties Committee shall be composed of at least 4 (four) members, to be appointed by the Board of Directors, and shall consist of 2 (two) independent members (one independent member of the Board of Directors and one independent member of the Audit Committee) and 2 (two) members of the Company's management (one being the Company's Statutory Director of Administration and Control and one member of the Company's business area involved in negotiating the contract with the related party to be chosen at each of the Related Parties Committee's meeting).

Requirements

Article 8. Only individuals with technical qualifications for the indicated position may be elected to compose the Related Parties Committee. After the members appointment, each one must sign the term of confidentiality and administrative responsibility, as well as a term obliging them to declare a situation of conflict of interest whenever it occurs.

Paragraph 1. In addition to the above specified requirements, the members of the Related Parties Committee shall meet the requirements of Article 147 of the Brazilian Corporate Law.

Paragraph 2. The members of the Company's Fiscal Council are prohibited to participate in any of the advisory bodies to the Board of Directors, as provided for in Article 162, paragraph 2 of the Brazilian Corporate Law.

Chapter V – Duties of the Members of the Related Parties Committee

Article 9. The members of the Related Parties Committee shall exercise their functions respecting the same duties and responsibilities attributed to the Company's officers in Articles 153 to 159 of the Brazilian Corporate Law. It is also the duty of each member:

- a. Attend the Committee's meetings in an active and diligent manner, preparing in advance with the examination of the documents made available to them;
- b. Act with maximum independence and objectivity, aiming at the Company's best interest so that the Related Parties Committee is able to achieve its purpose;
- c. Maintain the confidentiality of sensitive and/or undisclosed information to which they have access due to position held, being responsible for maintaining the confidentiality by third parties providing them advice;;
- d. Comply with and respect the Related Parties Policy, the Code of Conduct and other Codes and Policies of the Company and to make the best efforts for the development and adoption of the best practices of Corporate Governance by the Company;
- e. Declare themselves previously prevented from any discussion and/or deliberation of matters in which they have a private or conflicting interest with the Company, abstaining from participating in discussions and voting;
- f. Keep the coordinator of the Related Parties Committee informed of any proceedings and/or administrative or judicial inquiries that they are part of and that could result in the Company's image loss, its controllers, subsidiaries and/or affiliates;
- g. Before the meeting from which he/she will be prevented from attending, he/she shall justify his/her absence at that meeting; and

- h. Comply with the deliberations of the Board.

Chapter VI – Coordinator and Vice Coordinator

Article 10. At the same meeting in which the Board appoints the members of the Related Parties Committee, it shall also elect from among the independent members its respective coordinator (“Coordinator”).

Article 11. At the first meeting of the Related Parties Committee to be held after the election of its members by the Board, they will elect, among its other members, the Vice Coordinator.

Duties of the Coordinator

Article 12. The Coordinator has the following duties:

- a. Propose the annual calendar of meetings at the beginning of each year;
- b. Propose the annual governance agenda at the beginning of each year;
- c. Convene ordinary meetings, as defined in the annual governance agenda, and extraordinary meetings, when (i) necessary, as provided in the Policy, or (ii) demanded by the Board;
- d. Coordinate the Committee’s meetings and activities ensuring their effectiveness and good performance;
- e. Report to the Board, on a quarterly basis, the work performed by the Committee, by means of a theme to be set out in the Board’s agenda;
- f. Represent the Committee at meetings of any other of the Company’s governing body, when necessary;
- g. Contribute to the efficiency of the activities and to the evaluation of the Committee;
- h. Prepare and propose for the deliberation of the Committee a summary report of activities performed during the year, pursuant to the Sole Paragraph of Article 34 of these Regulations; and
- i. Comply with and enforce the Company's Related Parties Policy and these Internal Regulations of the Related Parties Committee.

Duties of the Vice Coordinator

Article 13. As well as replacing the Coordinator in his/her temporary absences and in the eventual vacancy of the position, the Committee's Vice Coordinator is responsible to assist him/her in the execution of his/her duties, when requested.

Chapter VII – Secretariat of Governance

Article 14. The Company will designate a Secretariat of Governance for the meetings of the Related Parties Committee, which will have the following duties:

- a. Monitor the matters to be included in each meeting's agenda, considering the annual agenda of governance, the requests of members of the Related Parties Committee or of the Board and any pending issues;
- b. Arrange for the sending of call notices, agenda and possible materials of support of each meeting to the members of the Related Parties Committee and ensure compliance with deadlines for sending and requesting information;
- c. Secretary the meetings, record the discussions and decisions, prepare the minutes and, after review of the Coordinator and approval of the other members, collect their signatures and register it on the respective book, keeping it under their custody;
- d. Provide copies of the minutes of the meetings, any reports to the Board and other documents of interest to the members of the Related Parties Committee;
- e. Elaborate, manage and collect signatures on the attendance list of the meetings of the Related Parties Committee;
- f. Organize and provide technical and logistical support to all activities performed by the governing bodies; and
- g. Assist the Coordinator of the Related Parties Committee in his/her duties.

Chapter VIII – Definitive Vacancy

Article 15. In the event of a permanent vacancy (resignation, dismissal and permanent impediment) of a member of the Committee, a meeting of the Board shall be convened to appoint a new member, respecting the Committee's composition rules set forth in these Regulations and in all of the Company's corporate documents (Bylaws and Shareholders' Agreements, when applicable), within 60 (sixty) days from the occurrence of the vacancy.

Article 16. A member of the Committee shall be automatically dismissed in case of resignation, definitive impediment or absence without justification in 3 (three) consecutive meetings.

Paragraph 1. The resignation of the position shall be made through written communication to the Coordinator, informing the reasons, becoming effective upon receipt.

Paragraph 2. In the event of vacancy for the position of Coordinator, the coordination shall be exercised by the Vice Coordinator or, in the event of vacancy of the positions of Coordinator and Vice Coordinator, the coordination shall be exercised by an interim coordinator appointed by a majority of the members of the Committee until the election of the new Coordinator. The Board shall elect a new Coordinator within 60 (sixty) days from the occurrence of the vacancy.

Chapter IX – Meetings and Operating Standards

Calendar

Article 17. The Related Parties Committee will be permanent, but will only meet extraordinarily, whenever necessary to discuss issues related to the Committee, as provided in these Regulations and Policy.

Call Notice

Article 18. Extraordinary meetings shall be convened, in writing, by the Coordinator, at least 1 (one) business day in advance, by electronic mail (email). The call notices shall indicate the date, time, place and agenda of the meeting.

Call Notice Waiver

Article 19. Extraordinary meetings will be held, regardless of the call notice, if all members of the Committee are present, in person or electronically (via teleconference, videoconference or email) according to convenience and opportunity.

Agenda

Article 20. The inclusion of matters on the agenda will depend on the approval of a majority of the members of the respective Committee.

Support material

Article 21. With the same minimum advance notice, as indicated in Article 18 of these Regulations, all material relating to the matters of the agenda of the Committee's meeting shall be sent, so that each member can properly understand these matters and prepare for the discussions.

Paragraph 1. If the members of the Committee do not receive the documents in due time, as indicated in Article 21 of these Regulations, any member may require to discuss an specific item at the next meeting. The decision whether or not to keep this item on the agenda will depend on the approval of the majority of the members attending the meeting.

Paragraph 2. Extraordinary matters submitted to the Committee's recommendation shall be designated according to the demand in the minutes of the Board's meeting.

Place of Meetings

Article 22. The meetings held in person shall be held at the Company's premises, and in special and duly justified cases, the Coordinator may call the meeting in a different place, provided that the cost of such change is in accordance with the budget and the location In the notice of convocation.

Installation Quorum

Article 23. The Committee's meetings shall only be held with the presence of a majority of the members, being allowed to attend in person or electronically (via teleconference, videoconference or email), pursuant to the provisions of Article 24 of these Regulations. If necessary, the meeting will be moved to a new date to be suggested by the Committee's Coordinator and agreed with all members.

Non-Presencial Attandance and Meetings

Article 24. As proposed by the Coordinator and subject to infrastructure availability, to be organized by the Company, members of the Committee may participate either in person or electronically (via teleconference, videoconference or email). In such a case, the resolutions shall be valid for all legal purposes and incorporated in the minutes of the respective meeting, provided that the member attending via electronic means receives, signs and retransmits the minutes of the meeting until the next business day of the meeting, or approve the minutes by email.

Sole Paragraph. The members of the Committee who participates via electronic means must expressly commit themselves and take the necessary measures to prevent third parties, to their knowledge, from attending the meeting.

Guests

Article 25. The Committee may invite Advisors, Executive Officers or employees of the Company to attend the meeting of the Committee in which the participation of the guest is necessary to assist in the Committee's activities. Such guests will attend the meeting only during the period in which the matter related to them is being evaluated, not participating in the recommendations issued by the Committee nor implying in their integration into the Committee.

Sole Paragraph. The participation of any guest at Committee's meetings shall be approved by the Committee prior to the holding of such meeting.

Article 26. The Committee may, within the scope of its attributions, use the service of specialists, which will not exempt it from its responsibilities to the Company. The hiring of external experts to support the activities of the Committee, recommended by the majority of its members, should be requested to the Board, which will deliberate and establish the criteria and conditions of the hiring.

Voting

Article 27. Each member of the Committee shall be entitled to 1 (one) vote. The casting vote will be assigned to the Coordinator in the case of a tie vote.

Deliberation Quorum

Article 28. The recommendations of the Committee shall be taken by a majority of votes of the members and the transactions with Related Parties shall only be considered approved by the Committee if the 2 (two) independent members have expressed their votes in favor, and in any of these cases, the votes of any members with interests conflicting with the Company should be excluded.

Conflict of interests

Article 29. The recommendations of the members of the Committee shall be taken considering the interests of the Company, therefore, the members shall be independent in relation to the matter under discussion. Any member who is not independent of the matter under discussion shall express his/her conflict of interest or private interest in a timely manner, and another member may express it if he/she does not do so.

Paragraph 1. Regardless of whether or not there is a conflict of interest, members of the Committee may not participate in a deliberation involving a relative or company of which he/she is, directly or indirectly, a partner, a shareholder, an administrator or an employee or service provider.

Paragraph 2. Members are prohibited from intervening in any transaction in which they have an interest in conflict with that of the Company, as well as in the recommendation regarding the conflict of interest made by the other members of the Committee, making them aware of their impediment and recording the nature and extent of their interest in the minutes.

Article 30. All matters deliberated by the Board that involve situations of potential conflict of interest should be submitted for analysis and recommendation of the Related Parties Committee, not

exempting the possibility of being submitted for analysis and recommendation of the other Committees, if it relates to the competencies of these Committees.

Minutes of Meetings and Reports

Article 31. The meetings should be transcribed in the minutes in a brief and clear manner, and should include, besides the most relevant points of the discussions, the list of attending members and possible guests, recommendations issued, possible conflicts of interest, requested actions, responsibilities and deadlines.

Paragraph 1. The minutes shall be read, approved and signed at the end of the meeting or at the beginning of the subsequent meeting. If necessary, the matters recorded in the minutes may be referred to the areas responsible for taking the measures recommended or requested by the Committee.

Paragraph 2. Any dissidence and the reasons therefor should be included in any reports and/or proposals.

Meetings suspension

Article 32. Meetings shall be suspended or closed when circumstances require, at the request of any member and with the approval of a majority of the members of the Committee.

Sole Paragraph. In case of suspension of the meeting, the Coordinator or, in his/her absence, the Vice Coordinator or the member indicated for the coordination, shall set the date, time and place for its continuation, being waived the need for a new call notice.

Chapter X – Interaction with the Other Company’s Bodies

Article 33. When necessary, as indicated by the Company's management, the Coordinator shall represent the Committee at meetings of any other of the Company’s governing body.

Article 34. The Coordinator shall report to the Board the recommendations and activities performed by the Committee. The minutes of meetings, studies, presentations and other documents used during meetings should also submitted to the Board.

Sole Paragraph. Annually, during the preparation of the Management Report, the Committee shall elaborate and submit to the Board a written report summarizing its activities during the year ended, as well as any relevant recommendations it may have submitted.

Article 35. The Company may make available to the members of the Committee, if requested, excerpts of the minutes of the General Meetings, meetings of the Board, Audit Committee and Fiscal

Council that are applicable to the attributions of the Committee. The Company shall provide the members of the Committee with the information necessary for the performance of its functions, provided it is permitted by law and in accordance with the Company's Bylaws.

Chapter XI – Budget, Remuneration and Expenses

Article 36. The annual budget of the Committee shall be approved by the Board, together with the annual budget of the Company.

Article 37. There shall be no hierarchy among the members of the Committee, who shall not have any assignment in the Company's management, individually or in group, except the duties of other positions held by them in the Company.

Article 38. The members appointed to the Committee shall be remunerated for the activities provided within the scope of this advisory body.

Article 39. The Company shall provide the reimbursement of transportation, accommodation and meal expenses incurred due to the participation of members in meetings, duly substantiated and in compliance with the Company's reimbursement policies.

Chapter XII – General Provisions

Amendments

Article 40. These Regulations may only be amended by the Board upon proposal of the Coordinator and with the approval of a majority of the members of the Committee.

Omissions

Article 41. The omissions of these Regulations, interpretation questions and possible amendments of its provisions shall be submitted to the Board for resolution.

Duration

Article 42. These Regulations shall enter into force on the date of their approval by the Board and shall be filed at the Company's headquarters.

Appendix II

Policy for Related Parties Transactions of the Company

1. PURPOSE

1.1. This Policy for Related Parties Transaction ("Policy") establishes the procedures to be followed by JBS S.A. ("Company") and its subsidiaries and affiliates, as well as their employees, managers and shareholders, involving transactions with related parties, ensuring the best interests of the Company, equality and transparency, in order to assure shareholders, investors and other interested parties, that the Company is in line with the best corporate governance practices and observes the provisions set forth in the applicable legislation, its Bylaws, the shareholders' agreement in force, the Brazilian Securities and Exchange Commission ("CVM") and BM&FBovespa rules, as well as the Company's regulations regarding related parties transactions.

2. DEFINITION OF RELATED PARTIES

2.1. In accordance with the definitions established by Technical Pronouncement CPC No. 5 issued by the Accounting Pronouncements Committee and approved by the CVM, according to Deliberation No. 642/10, the following individuals and/or legal entities are considered as Related Parties to the Company:

a) those that directly or indirectly, through one or more intermediaries: i) control, are controlled by, or are under common control of the Company; or ii) hold an interest allowing it to exercise significant influence on the Company;

b) those affiliated to the Company, pursuant to Law No. 6,404/76, as amended ("Brazilian Corporate Law");

c) those considered as key individuals, that is, who hold management positions at the Company, its subsidiaries or its controllers;

d) those who, in relation to any individuals referred to in items "a" or "c": i) spouses or partners; ii) direct relatives (such as parents, grandparents, great-grandparents, children, grandchildren, etc) or indirect relatives (such as stepfathers, stepmothers, stepchildren in-laws, etc); and ii) os relatives up to the second degree, direct (such as siblings, etc) or indirect (such as in-laws, etc);

e) those controlled by any individuals referred to in items "c" or "d";

f) those referred to in items "c" or "d" holding more than 10% (ten percent) of the capital stock; and

g) any entity that maintains a post-employment benefit plan for the Company's employees.

3. MARKET CONDITIONS AND RELEVANT AMOUNT DEFINITIONS

3.1. Market conditions: are those conditions observed during the negotiations, such as the principles of competitiveness (prices and conditions of service compatible with those on the market at the time of its provision); principles of compliance (adherence of the services provided to the contractual terms and responsibilities practiced by the Company, as well as the appropriate control on information security); and transparency (adequate reporting of the conditions agreed with the proper application, as well as their reflection on the Company's financial statements). Negotiations between Related Parties should be subject to the same principles and procedures that guide negotiations conducted by the Company and its subsidiaries and affiliates with third parties, always observing the best interests of the Company.

3.2. Relevant Amount: transactions that reach an amount equal to or greater than R\$100,000,000.00 (one hundred million reais) for a period of 12 (twelve) months, jointly or individually, will be considered Relevant Amount.

3.2.1. The term "transactions" includes, among others: (a) the acquisition and sale of goods, properties and other assets; (b) provision or receipt of services; (c) leases; (d) transfers of assets, rights and liabilities; (e) rendering of guarantees, sureties, and securities; (f) assumption of commitments; (g) settlement of liabilities; and (h) lending concession of properties or furniture of any kind.

3.2.2. Due to the financial consolidation of all direct and indirect subsidiaries in the Company's consolidated results, the following are not included in the term "transactions": (a) loans and/or advances made in the normal course of business involving the Company and its subsidiaries without the corporate participation of third parties; and (b) transactions involving the purchase and sale of products in the normal course of business involving the Company and its subsidiaries without the corporate participation of third parties.

3.2.3. Transactions with Related Parties are characterized by the transfer of resources, services or liabilities between Related Parties, regardless of whether or not there is a value allocated to the transaction.

4. FORMALIZATION OF TRANSACTIONS BETWEEN RELATED PARTIES

4.1. Regarding transactions involving Related Parties and under the terms defined in this Policy, the following conditions must be observed:

a) transactions must be under Market Conditions and in accordance with the provisions established in this Policy and other practices used by the Company's management;

b) transactions must be executed in writing, specifying their main characteristics and conditions, such as: overall price, unit price, deadlines, guarantees, tax collection, payment of fees, license procurements, etc;

c) the reasons that led the Company not to contract with third parties, as well as the market conditions, must be expressly demonstrated;

d) transactions must be clearly disclosed in the Company's financial statements, in accordance with the materiality criteria set forth in accounting standards; and

e) transactions must have been previously analyzed by the Company's Related Parties Committee.

5. GOVERNANCE STRUCTURE OF TRANSACTIONS BETWEEN RELATED PARTIES

5.1. All transactions, regardless of their value, are analyzed by the Related Parties Committee.

5.1.1. In the events that: (a) the Related Parties Committee does not recommend the conclusion of a contract between Related Parties; and (b) transactions whose value reaches the Relevant Amount, such cases shall be submitted to the prior approval of the Company's Board of Directors, which shall expressly express its opinion on its contracting or not. The Board of Directors shall have access to the agenda of the meeting, as well as to all documents related to the transaction between Related Parties, including the analysis made by the Related Parties Committee, at least 7 (seven) days prior to the meeting of the Company's Board of Directors.

5.2. The Related Parties Committee shall have its own internal regulations, which shall establish the guidelines for its operation, and its members shall be elected and dismissed at any time by resolution of the Board of Directors.

5.2.1. The members of the Related Parties Committee shall be appointed by the Board of Directors and shall have a maximum term of up to 2 (two) years, which may be renewed for an equal period of time.

5.2.2. The Related Parties Committee shall be composed of at least 4 (four) members, to be appointed by the Board of Directors, and shall consist of 2 (two) independent members (one independent member of the Board of Directors and one independent member of the Audit Committee) and 2 (two) members of the Company's management (one being the Company's Statutory Director of Administration and Control and one member of the Company's business area involved in negotiating the contract with the related party to be selected at each of the Related Parties Committee's meeting).

5.3. Pursuant to the Regulations of the Related Parties Committee, the Committee will only meet extraordinarily, whenever (i) necessary, as requested by the Company's Board of Directors, or (ii) a Related Parties contract is in the list to be sent by the Contract Team Management.

5.3.1. The Company's Contract Team Management shall send to the secretary of the Related Parties Committee a list of contracts being analyzed ("List of Contracts") on a weekly basis, in order to verify that any negotiated agreement falls under the Related Parties concept.

5.4. The other rules related to the structure and operation of the Related Parties Committee shall be defined in its internal regulations, which shall be approved by the Company's Board of Directors.

5.5. Any member of the Related Parties Committee shall immediately communicate the Board of Directors of any acts and/or practices that he/she deems to be in disagreement with this Policy.

6. IMPEDIMENT

6.1. The Company's management shall respect the usual flow for the negotiation, analysis and approval of the Company's transactions and prior analysis of the Related Parties Committee, and shall not make interventions that influence the hiring of Related Parties in violation of such flow.

6.2. If the Transaction between Related Parties is included in sub-item 5.1.1, as described above, that is, it requires approval by the Company's Board of Directors, in case any member of the Board of Directors is prevented from deliberating on the matter because of a potential conflict of interest, he/she should declare himself/herself impeded, explaining his/her involvement in the transaction and providing details of the transaction and the parties involved. The impediment shall be recorded in the minutes of the meeting of the Board of Directors that deliberates on the transaction.

7. DISCLOSURE OBLIGATION

7.1. Pursuant to CVM Instruction No. 642/10 and CVM Instruction No. 480, of December 7, 2009, as amended ("CVM Instruction No. 480") (the latter where applicable), the Company shall disclose the Transactions with Related Parties, providing sufficient details for the identification of the Related Parties and any essential or non-strictly commutative conditions attached to the transactions in question, allowing the Company's shareholders the possibility of supervising and monitoring the acts of the Company's management.

7.2. The disclosure of this information will be made, clearly and precisely, in the explanatory notes to the Company's Financial Statements, in accordance with applicable accounting principles. In addition to the disclosure, the Company also has the duty to promote the disclosure of the Transactions with Related Parties to the market, pursuant to Instruction No. 480, when applicable.

8. ALIGNMENT BETWEEN THIS POLICY AND THE COMPETENT LEGISLATION

8.1. This Policy originates from compliance with the requirements of CVM rules, the BM&FBovespa Novo Mercado Listing Rules and the Brazilian Corporate Law, especially regarding the duty of loyalty of the Company's management, and the abuse of voting and conflict of interest of shareholders.

9. PENALTIES

9.1. Violations of the terms of this Policy will be analyzed by the Company's Board of Directors, which will adopt the measures applicable to the Company's Related Parties involved in acts of violation of this Policy.

10. GENERAL PROVISIONS

10.1. To ensure the continuous evolution of the Company's practices, the Related Party Committee will periodically review this Policy. The Company's Board of Directors shall be responsible for approving any changes to this Policy, in accordance with the Committee's proposals.

10.2. This Policy shall enter into force on the date of its approval by the Board of Directors and shall remain in force for an indefinite period, as well as the installation and operation of the Related Parties Committee, until the Board of Directors or the General Meeting (whichever is applicable) decides the opposite.
