

MATERIAL FACT

ELECTION OF NEW BOARD MEMBERS AND CHAIRMAN

JBS S.A. ("JBS" or "Company" - B3: JBSS3; OTCQX: JBSAY), pursuant to CVM Instruction 358, of January 3, 2002, as amended, hereby informs its shareholders and the market in general that on October 20, 2017, its Board of Directors ("the Board") unanimously elected four new members of the Board, as well as a new Chairman.

As a result of the election, the JBS Board of Directors will now be composed of nine members with broad professional knowledge and experience, including four independent members that meet the independence criteria set forth in the Novo Mercado regulation as defined in article 16, paragraph 3^o of the Company's Bylaws.

The new Directors, pursuant to article 150 of Law 6,404/1976 (Corporate Law), will serve until the next JBS Shareholders Meeting, which will have the opportunity to ratify their election. Appointed by BNDESPAR and in accordance with the terms of the Shareholders' Agreement with the Company, the Board unanimously elected Cledorvino Belini and Roberto Penteadado de Camargo Ticoulat. Wesley Batista Filho and Jeremiah O'Callaghan were also elected.

In addition to those elected today, José Batista Sobrinho, Gilberto Meirelles Xandó Baptista, Aguinaldo Gomes Ramos Filho, José Gerardo Grossi and Sérgio Roberto Waldrich comprise the members of the JBS Board of Directors.

Cledorvino Beline enjoyed a 44-year career at Fiat, serving as president in Brazil and Latin America for 11 years between 2004 and 2015. Belini was also president of the National Association of Automobile Manufactures (Anfavea) between 2010 and 2013.

Roberto Penteadado de Camargo Ticoulat is an expert in International Trade and holds leadership positions in important associations, including the Brazilian Council of Importers and Exporters (CECIEEx), where he is the president, and the São Paulo Trade Association (ACSP), where he serves as vice president.

Serving the Company for more than seven years, Wesley Filho served as president of JBS operations in Uruguay, Paraguay and Canada, and led the beef operations in the US. Recently, he assumed the presidency of JBS in South America.

The Board will be chaired by Jeremiah O'Callaghan. Born in Ireland, he immigrated to Brazil in 1979. He joined the Brazilian meat industry in 1983, developing global trade strategies for the Brazilian beef industry. O'Callaghan initially worked at Mouran (1983 to 1989), then at Bordon (1989 to 1995), finally joining JBS in 1996 to develop the department of International Businesses.

He has served as the Investor Relations Officer at JBS for the past 10 years, with responsibility for the Company's relationship with the CVM and the SEC, and representing JBS with local and international investors and stakeholders.

The directors who were substituted today are Tarek Farahat and Norberto Fatio, who presented their respective resignations at today's meeting, as well as Mauricio Luis Luchetti and Claudia Silva Araujo de Azeredo Santos, whose resignations were reported on August 30, 2017 and September 8, 2017, respectively. Both Tarek and Norberto will continue to participate in their respective committees.

Tarek Farahat will serve as Global Advisor with the mission of supporting governance and the international development of JBS. He will maintain his position on the Board of Pilgrim's Pride, controlled by JBS.

Tarek Farahat commented, *"I'm pleased to verify that, during my time as Chairman of JBS, among other achievements, we hired a Global Compliance Officer and implemented a robust Compliance Program in Brazil, with the engagement of about 800 JBS business leaders. In addition, the Company formally adhered to the Leniency Agreement signed between the Controlling Shareholder of JBS (J&F) and the Federal Public Prosecutor's Office. We were also able to secure a Stabilization Agreement between the Company and commercial banks in Brazil, resulting in an improvement of its debt profile. During this period, a divestiture program was also successfully implemented, thus reducing indebtedness and allowing the Company to focus on its main businesses".* Tarek highlighted, *"my priority as Global Advisor is to act in the following areas: corporate strategy, governance and communication. My goal is to strengthen the Company, implementing and adhering to the best global standards of governance and transparency."*

JBS Chairman, Jeremiah O'Callaghan commented, *"I am convinced that the new composition of the Board, including professionals with extensive experience and four independent members, is an important milestone in the strengthening of JBS Corporate Governance. In addition, I am confident that this Board will continue to provide support to the initiatives of the Company's officers for the prosperity of the business, as well as in promoting its relevant social function".*

São Paulo, October 20, 2017

Jeremiah O'Callaghan
Investor Relations Officer