

**JBS S.A.**

CNPJ/MF n° 02.916.265/0001-60

NIRE 35.300.330.587

**Ledger of Minutes**

**MINUTES OF THE BOARD MEETING**

**HELD ON MAY 14, 2018**

**Time, Date and Place:** May 14, 2018, at 2 pm, at JBS S.A.'s registered offices are in the City of São Paulo, State of Sao Paulo, at Avenida Marginal Direita do Tietê, 500, Bloco I, 3º Andar, Vila Jaguara, ZIP 05118-100 (the "Company").

**Notice of Meeting:** The meeting notice was emailed to the Board of Directors, pursuant to Article 18 of the Company Bylaws.

**Attendance:** The quorum required to bring to order the Meeting of the Company's Board of Directors was achieved, with the following Board Members in attendance: **Jeremiah Alphonsus O'Callaghan** (Chairman), **José Batista Sobrinho**, **Aguinaldo Gomes Ramos Filho**, **Wesley Mendonça Batista Filho**, **Gilberto Meirelles Xandó Baptista**, **Sérgio Roberto Waldrich**, **Cledorvino Belini** and **Roberto Penteado de Camargo Ticoulat**.

The meeting was also attended by **Daniel Schmidt Pitta**, the Company's Corporate Legal Director.

**Márcio Nappo**, the Company's Sustainability Director, **Arene Trevisan**, the Company's Executive Director of Supplies, **José Marcelo Martins Proença**, the Company's Global Compliance Director, **Cheikh Kane**, chief economist for the JBS group in the United States, and **Rafael Kyi Harada**, the Company's Director of Risk Controls also attended part of the meeting.

**Steering Committee:** **Jeremiah Alphonsus O'Callaghan**, Meeting Chair; **Daniel Pereira de Almeida Araujo**, Meeting Secretary.

**Order of Business** For information purposes only: **(i)** presentation, with an overview of the market and Company and subsidiary operations for the period ending on March 31, 2018; **(ii)** information on the Company's Condensed Interim Accounting Statements for the period ending March 31, 2018 and their disclosure (the "Interim Accounting Statements") and on the Independent Auditor's Review Report for the Quarterly Information (the "Auditors' Report"); **(iii)** presentation by the Company's Corporate Sustainability area; **(iv)** presentation by the Company's Grain Purchasing area; **(v)** update on implementation of the Company's Compliance program; **(vi)** presentation on the global macroeconomic scenario; and **(ii)** update on the work being carried out by the Company's Board Advisory Committees. For deliberative purposes: **(i)** deliberation on Management's authorized transaction limits to perform the acts referred to in Article 19, Section XXXI of the Company Bylaws; and **(ii)** deliberation on the sale of treasury stock held by the Company as part of the Company Stock Option Plan (the "Option Plan").

**Deliberations:**

Before commencing the meeting **Jeremiah Alphonsus O'Callaghan**, Chairman of the Board of Directors and Director of Company Investor Relations informed the Board members with great regret of the passing of **José Gerardo Grossi**, a member of the Board of Directors, on May 9, 2018. In a show of thanks and remembrance, the Board members signed a letter addressed to **José Gerardo Grossi's** relatives expressing their admiration, respect and condolences for their loss.

For information purposes only:

**(i)** **Jeremiah Alphonsus O'Callaghan**, Chairman of the Board of Directors and Director of Company Investor Relations, and **Wesley Mendonça Batista Filho**, a Company Officer, presented an overview of the Company's and its subsidiaries' operations in the period ending on March 31, 2018;

**(ii)** subsequently, the members of the Board of Directors received copies (sent in advance by email and distributed in print format at the meeting) of and analyzed the Interim Accounting Statements and the Auditors' Report; no

remarks were made in relation to the Interim Accounting Statements and Company management informed the Board of the market disclosure timetable;

(iii) this was followed by a presentation from the Company's corporate sustainability area, during which **Marcio Nappo**, the Company's Sustainability Director, presented the area's structure and its main activities to the Board of Directors, highlighting the status of the 5 main strategic Sustainability projects in Brazil, namely: (1) the Social and Environmental Monitoring System for JBS Cattle Suppliers; (2) *Hotspot Analysis Ethical Trading Standard*; (3) the Sustainable Hamburger (McDonald's); (4) JBS 2025 - *Global Sustainability Program*; and (5) CSR / Corporate Social Responsibility. Additionally, taking advantage of his presence at the Board meeting, **Marcio Nappo** presented the work being carried out by the Company's Sustainability Committee, highlighting the status of the 5 main Sustainability projects in Brazil; the JBS Sustainability Communication strategy in the "JBS Getting things done" Campaign; the launch of the 2017 Annual and Sustainability Report; the SWOT Analysis for the Company's Sustainability area; discussion of the FLAG Project timetable and discussion of the JBS Global 2025 Project; and, finally, the status of the Sustainability Area Manager hiring process;

(iv) this was followed by a presentation from the Company's grain purchasing area, during which **Arene Trevisan**, Seara's Executive Director of Supplies in Brazil, presented the outlook for the corn/meal market and supply availability, with an overview of the supply chain, the commodity price cycle, the global soybean complex (supply and demand and the price cycle), the global corn complex (supply and demand and the price cycle), soybean and corn production in Brazil and related logistical hurdles;

(v) this was followed by an update on deployment of the Company's Compliance program, during which **José Marcelo Martins Proença** informed the Board of progress implementing the Compliance Program, particularly highlighting the launch of the new Code of Ethics and Conduct - Employees and Business Partners, which sets out guidelines and parameters for the conduct expected of all the Company's employees and commercial partners worldwide. During his presentation, **José Marcelo Martins Proença** commented on the JBS USA hiring of Mr. Lance Kotschwar to the post of Ethics and Compliance director, responsible for supervising JBS compliance programs and policies at the US, Canada, Mexico, Europe, Australia and New Zealand operations. He also presented the positive results from the Ethics Line and reported that the Company is now a signatory of the Ethos Institute's Business Integrity and Anticorruption Compact. The members of the Board of Directors recommended that the Program continue on its successful path both inside and outside the Company;

(vi) **Cheick Kane** then presented an update for the analysis carried out at the Board Meeting on March 28, 2018, providing information on the global macroeconomic scenario and impact of the US dollar exchange rate, analyzing the recent evolution of the US dollar, especially in light of recent political events in Brazil and abroad; and

(vii) finally, updates were presented on the work being carried out by the Company's Board of Directors Advisory Committees, with presentations and remarks being provided to update the Company's Board members on the work being done by (1) the Financial and Risk Management Committee, (2) the Sustainability Committee, (3) the Audit Committee and (4) the Governance Committee, including:

(1) a presentation from **Cledorvino Belini** on the work carried out by the Financial and Risk Management Committee, highlighting the Dashboard for the first quarter of 2018 and the main characteristics of the Company's long and short-term debt; the current economic climate and the impacts on US dollar exchange rates, as well as the Company's risk exposure as a result of this scenario;

(2) a presentation from **Marcio Nappo** on the work being carried out by the Company's Sustainability Committee during his presentation of the Company's corporate sustainability area (item (iii) above);

(3) a presentation by **Sérgio Roberto Waldrich** of work carried out by the Company's Audit Committee, highlighting analysis of the Interim Accounting Statements, presentation of the Grant Thornton team and working methodology and presentation of the work done in the first quarter of 2018 by the Company's Internal Audit area, highlighting the challenges the Company faces reporting information about the internal audit globally. **Gilberto Meirelles Xandó Baptista** noted that information had been provided to the effect that no issues and/or irregularities had occurred during the transition from the previous independent auditors and Grant Thornton, which proceeded normally; and

(4) a presentation by **Gilberto Meirelles Xandó Baptista** of the work done by the Company's Governance Committee, noting discussions addressing evolution of the Compliance Program in Brazil and at JBS USA, including the appointment of Lance Kotschwar to the post of Ethics and Compliance Director at JBS USA; and discussion of Management's proposed authorized transaction limits following the changes to the Company Bylaws implemented at the April 30, 2018 Shareholder Meeting.

With regard to the presentation by the Finance and Risk Management Committee and following an intense debate involving all members of the Board of Directors addressing the global economic scenario, comments on timing and the best path forward, the members of the Board of Directors concluded that in light of the increasingly critical nature of the global economic scenario and the significant appreciation of the US dollar against a basket of emerging country currencies, including the Brazilian real, they recommended that Company management assess a strategy to take positions in foreign exchange derivatives (or similar operations) related to the Company's entire foreign exchange exposure, as per the Dashboard information presented at the meeting of the Company's Finance and Risk Management Committee (taking into consideration the Company's Financial and Commodity Risk Management Policy and the current authorized transaction limits determined by the Company's Risk Management Committee).

For deliberative purposes:

(i) the members of the Board of Directors unanimously decided to fix the following transaction limits for Company Management to carry out the acts referred to in Article 19, Section XXXI of the Company Bylaws, as amended by the General Ordinary and Extraordinary Shareholders' Meeting on April 30, 2018; (XXXI) The equivalent to US\$ 500,000,000.00 (five hundred million US dollars) to enter into any contract, agreement or other instrument establishing rights and obligations that (a) does not allow the Company or its subsidiaries to terminate such an agreement less than 90 (ninety) days after informing the counterparty of their intent to terminate the contractual relationship; or (b) requires the Company or its subsidiaries to pay any type of financial obligation or penalty, including, but not limited to, fines, loss of profits, take or pay clauses and/or an undertaking by the Company or its subsidiaries to remain bound to pay future installments in an amount equal to or greater than the equivalent of 3 (three) months of the financial undertakings entered into by the Company and any of its direct or indirect subsidiaries, on its behalf, and in accordance with the additional provisions and thresholds specified in Law and by the current Bylaws; and

(ii) the members of the Board of Directors unanimously decided to authorize the sale of 383,692 (three hundred and eighty-three thousand, six hundred and ninety-two) shares of common, nominative, book-entry treasury stock held the Company to Option Plan beneficiaries.

Pursuant to this deliberation, the Board Members unanimously decided to authorize the Company's Officers to take any and all steps, carry out all acts and sign all documents required to implemented the sale of Company treasury stock, precisely in accordance with their deliberations in this matter.

At the conclusion of the meeting, printed versions of the Company's "Code of Ethics and Conduct - Employees" and the "2017 Annual and Sustainability Report" were delivered by hand to the members of the Board of Directors and management commented on the positive impact these documents are having on the Company's day-to-day business.

**Summary of the Minutes:** The Board of Directors authorized registration of the minutes in summary format and publication without the attendees' signatures, as per paragraphs 1 and 2, Article 130 of the Corporations Act.

**Conclusion:** Having concluded the business at hand, the floor was opened to those in attendance and as no-one wished to speak, the meeting was adjourned for the time required to register these minutes, which were read and approved by all in attendance.

Sao Paulo, May 14, 2018.

Steering committee:

**Jeremiah Alphonsus O'Callaghan**

**Daniel Pereira de Almeida Araujo**

Meeting Chair

Meeting Secretary

Members of the Board of Directors

**Jeremiah Alphonsus O'Callaghan**

Chairman

**José Batista Sobrinho**

Vice-Chairman

**Aguinaldo Gomes Ramos Filho**

**Wesley Mendonça Batista Filho**

**Gilberto Meirelles Xandó Baptista**

**Sérgio Roberto Waldrich**

**Cledorvino Belini**

**Roberto Penteado de Camargo Ticoulat**