

**JBS S.A.**

CNPJ/MF no. 02.916.265/0001-60

NIRE 35.300.330.587

**EXTRACT OF THE MINUTE OF THE MEETING OF THE BOARD OF DIRECTORS HELD ON  
JUNE 26, 2018**

**Date, Time and Place:** June 26, 2018, at 10:00 am, at the headquarters of JBS S.A., in the City of São Paulo, State of São Paulo, at Avenida Marginal Direita do Tietê, 500, Bloco I, 3º Andar, Vila Jaguara, CEP 05118-100 ("Company").

**Calling Notice:** Calling notice sent by e-mail to the members of the Board of Directors, pursuant to Article 18 of the Company's Bylaws.

**Presence:** The quorum required for the installation of the Meeting of the Board of Directors of the Company before the presence of the Directors was found, namely: **Jeremiah Alphonsus O'Callaghan** (Chairman), **José Batista Sobrinho**, **Aguinaldo Gomes Ramos Filho**, **Gilberto Meirelles Xandó Baptista**, **Sérgio Roberto Waldrich**, **Cledorvino Belini**, **Roberto Penteadó de Camargo Ticoulat** and **Wesley Mendonça Batista Filho** (represented by **José Batista Sobrinho**, pursuant to Article 15, Sole Paragraph, of the Company's Bylaws).

Also, during part of the meeting, Mr. **José Marcelo Martins Proença**, Global Compliance Officer and Mr. **Rafael Kyi Harada**, Risk Management Director. The meeting was also attended by Mr. **Daniel Schmidt Pitta**, Legal Officer of the Company.

**Composition of the Board:** **Jeremiah Alphonsus O'Callaghan**, Chairman; **Daniel Pereira de Almeida Araujo**, Secretary of the Board.

**Day order:**

Before the start of the meeting, Mr. **Wesley Mendonca Batista Filho**, member of the Board of Directors sent an e-mail to the Board of Directors regarding the delegation of his votes to the Vice Chairman of the Board of Directors, Mr. **José Batista Sobrinho**, under the terms of the Sole Paragraph of Article 15 of the Company's Bylaws, since, due to foreign travel / time zone, he was unable to attend in person or participate by means of a teleconference of the Board of Directors' meeting.

Of an informative nature: **(i)** presentation about the impact of the truck drivers' strike on the Company's operations; **(ii)** update on the last meetings of the Financial and Risk Management Committee and the Risk Management Committee and on the execution of decisions on hedge /

derivatives; and **(iii)** update on the implementation of the Company's Compliance program.

Of deliberative nature: **(i)** deliberation on the alienation of shares held in treasury by the Company within the scope of the Company's Stock Option Plan ("Stock Option Plan"); **(ii)** discussion and deliberation on the renewal of the Company's share repurchase plan and its improvement in order to (a) enable the use of derivative instruments in the repurchase of shares issued by the Company, and (b) the use of monetization strategies of shares held in treasury; and **(iii)** discussion and deliberation on the improvement of the Policy for Related Parties Transactions ("Policy") and the Internal Regulations of the Related Parties Committee of the Company ("Bylaws").

**Deliberation:**

Of an informative nature:

**(i)** Mr. **Jeremiah Alphonsus O'Callaghan**, Chairman of the Board of Directors and Investor Relations Officer started the meeting by making a presentation on the operational and financial impacts of the truck drivers' strike in the agricultural market. Subsequently, he presented to the Board of Directors the actions taken as post-strike measures, such as the establishment of a crisis committee to discuss tactical and operational actions to guarantee the operation and mitigate the impacts.

**(ii)** then, Mr. **Rafael Kyi Harada**, JBS Risk Management Director made a presentation with the purpose of updating the Board of Directors on the latest meetings of the Financial and Risk Management Committee and the Risk Management Commission, as well as on the recent execution of the hedge / derivative decisions. Mr. **Rafael Kyi Harada** said that during the meetings of the Financial and Risk Management Committee, it was agreed that the current scenario remains very volatile, with a tendency to a valuation of the US dollar against other currencies, including the Brazilian Real, and therefore, taking into account recommendation of the Financial and Risk Management Committee, the Risk Management Commission set forth the hedge position taking for the protection of the Company against market risks.

Mr. **Gilberto Meirelles Xandó Batista** and Mr. **Cledorvino Belini** pointed out that they are in accordance with the stance taken by the Financial and Risk Management Committee and by the Risk Management Commission and have stated the understanding that the Company is adopting the best governance practices in its decisions and is in the right way to protect itself against market risks.

Ultimately, Mr. **Roberto Penteado de Camargo Ticoulat** praised the Company's Risk Management Department for its stance towards the hedge positions taken by the Company and

encouraged the Board of Directors to remain with this position in the market.

(iii) Mr. **José Marcelo Martins Proença**, Global Compliance Officer of the Company made a presentation to the members of the Board of Directors about the training strategies of the Company's new Code of Conduct and Global Ethics, addressing the training of plant leaders, directors, members of the Advisory Committees of the Board of Directors. Then Mr. **José Marcelo Martins Proença** presented to the members of the Board of Directors a dashboard with the results of the JBS Ethics Line from December 2017 to May 2018, demonstrating the accomplishments achieved due to the implementation of the compliance program. On the evolution of compliance initiatives at JBS USA, Mr. **José Marcelo Martins Proença** presented the schedule of implementation of the Compliance program in the United States, in line with the program implemented in Brazil. Ultimately, the Global Compliance Officer communicated to the members of the Board of Directors the Company's adhesion to the Ethos Institute, a business movement that promotes integrity, transparency and anti-corruption, proposing the improvement of legislation and changes in the position of companies and the State, with the future signing of the new Ethos Institute's Letter of Intent / Covenant. Mr. **Gilberto Meirelles Xandó Batista** recommended that the Company continue to join the Ethos Institute, giving due publicity and transparency to the market on the adhesion, due to the importance of the commitments assumed.

Ultimately, the members of the Board of Directors recommended that the Company's compliance program continue to progress successfully nationally and internationally, as it has been conducted to date. The members of the Board of Directors discussed the information among themselves and questioned the Company's Global Compliance Officer, all of whom were clarified.

Of deliberative nature: The members of the Board of Directors unanimously decided:

(i) to authorize the sale of shares held in treasury by the Company under the Stock Option Plan, in the amount of 67,183 (sixty-seven thousand, one hundred and eighty-three) ordinary, nominative, book-entry shares with no par value to the beneficiaries of the Stock Option Plan. Pursuant to this deliberation, the Directors unanimously decided to authorize the Company's Officers to take any and all measures, to perform the acts and to sign all documents required for the implementation of the alienation of the shares held in treasury by the Company, in the exact terms of the concerned deliberation.

(ii) authorize the renewal and improvement of the Company's share repurchase plan, as provided for in Article 19, XVI of the Company's Bylaws and observing CVM Instruction no. 567 ("CVM Instruction 567"), in order to authorize the purchase of up to 160,405,239 (one hundred and sixty million, four hundred and five thousand, two hundred and thirty-nine) registered common shares with no par value issued by the Company for maintenance in treasury and subsequent cancellation or alienation, without reduction of the capital share, and it is up to the Board of

Directors to set forth the timing and convenience of the purchases, as well as the number of shares to be effectively purchased, subject to the limits and term of validity of this authorization. Pursuant to Article 5 of CVM Instruction 567, it was decided that: (a) The objective of the Plan is to maximize the generation of shareholder value through efficient management of its capital structure; (b) the maximum term for purchase is 18 months, starting on August 9, 2018 and ending on February 9, 2020; (c) the number of shares circulating in the market is one billion, six hundred and four million, fifty-two thousand, three hundred and ninety-five (1,604,052,395) ordinary, nominative, book-entry shares with no par value; and (d) the operations for the acquisition of shares will be carried out at market prices by the following brokerage agents (brokerage firms): **(1) ATIVA INVESTIMENTOS S.A. CTCV 147** (AV. DAS AMERICAS, 3500, SALAS 314 A 318 - ED. LONDRES CONDOMÍNIO LE MONDE RIO DE JANEIRO /RJ 22640102); **(2) BGC LIQUIDEZ DTVM** (AV ALM BARROSO, 52, 23 ANDAR, SALA 2301 – RJ); **(3) BRADESCO S/A CTVM 72** (AV PAULISTA, 1450 7º ANDAR - SAO PAULO /SP 1310100); **(4) BRASIL PLURAL CCTVM S/A 120** (R SURUBIM, 373 TERREO - CONJUNTOS 01 - PARTE E 02 – PARTE SAO PAULO /SP 04571050); **(5) BTG PACTUAL CTVM S.A. 85** (AV FARIA LIMA, 3477 11º ANDAR – EDIFÍCIO PATIO MALZONI - SAO PAULO /SP 04538133); **(6) CM CAPITAL MARKETS CCTVM LTDA** (R GOMES DE CARVALHO, 1195 - 4º ANDAR - SAO PAULO - SP, 04547-004); **(7) CREDIT SUISSE BRASIL S.A. CTVM 45** (R LEOPOLDO COUTO DE MAGALHAES JUNIOR, 700, 10º ANDAR (PARTE) E 12º A 14º ANDARES (PARTES) - SAO PAULO /SP 04542000); **(8) GOLDMAN SACHS DO BRASIL CTVM 238** (R LEOPOLDO COUTO DE MAGALHAES JUNIOR, 700 16 E 18 ANDAR SAO PAULO /SP 04542000); **(9) H.COMMCOR DTVM LTDA** (R BOA VISTA, 254 - 11º ANDAR, CONJ 1101 E 1108 - SAO PAULO - SP, 01014-000); **(10) SANTANDER CCVM S/A 27** (AV PRES JUSCELINO KUBITSCHEK, 2041, 2235 PARTE - 24º ANDAR SAO PAULO /SP 4543011); **(11) TULLETT PREBON** (R AMAURI, 255 - 8º ANDAR - SAO PAULO - SP, 01448-000); **(12) UBS BRASIL CCTVM S/A** (AV. FARIA LIMA, 4.440 7º ANDAR PARTE - SAO PAULO /SP 04538132).

In addition, the Board of Directors approved the material fact of the minute of meeting that should be disclosed by the Company pursuant to CVM Instruction 567. Ultimately, the Company's Officers are authorized to take all required steps to carry out, at the timing they deem appropriate, the above deliberation.

(iii) ultimately, Mr. **Daniel Schmidt Pitta**, Legal Officer of the Company presented to the members of the Board of Directors a proposal for the improvement of the Policy and the Articles of Association, explaining in detail the changes and improvements proposed. The members of the Board of Directors discussed and questioned Mr. **Daniel Schmidt Pitta**, having all been clarified. After discussion on the subject, the members of the Company's Board of Directors unanimously approved the Policy, in accordance with Annex I to these minutes, and the Bylaws, in accordance with Annex II to these minutes, incorporating in full the adjustments proposed by the Company's Legal Department presented at the meeting.

**Minute in Summary Form:** The Board of Directors authorized the drawing up of these minutes in summary form and their publication with the omission of signatures, pursuant to paragraphs 1 and 2 of Article 130 of the Brazilian Joint-Stock Company Law.

**Closing:** There being no further business to discuss, the speech was given to those who wished to make use of it, and, as no one was present, the meeting was adjourned for the time required to draw up these minutes, which, after reopening the meeting, were read, approved by all present and signed.

**Attending Advisors:** Jeremiah Alphonsus O'Callaghan, José Batista Sobrinho, Aguinaldo Gomes Ramos Filho, Gilberto Meirelles Xandó Baptista, Sérgio Roberto Waldrich, Roberto Penteadó de Camargo Ticoulat, Cledorvino Belini and Wesley Mendonca Batista Filho.

I hereby certify that this is a full copy of the Minute of the Board of Directors Meeting drawn up in the Company's record.

São Paulo, June 26, 2018.

**Daniel Pereira de Almeida Araujo**  
Secretary of the Board

## Annex I

### **POLICY FOR RELATED PARTY TRANSACTIONS**

#### **1. OBJECTIVE**

This policy for transactions with related parties ("Policy") establishes the procedures to be observed by JBS S.A. ("Company") and its subsidiaries, as well as its employees and officers, in transactions with related parties, ensuring the best interests of the Company, equality and transparency, so as to guarantee to shareholders, investors and other interested parties, that the Company is in accordance with the best corporate governance practices and observes the provisions set forth in the applicable legislation, in its Bylaws, rules of the Securities and Exchange Commission (SEC) and B3 - Brasil, Bolsa e Balcão ("B3"), and statutory rules of the company in relation to transactions with related parties

#### **2. DEFINITIONS OF RELATED PARTIES**

2.1. For the purposes of this policy, the following are considered as Related Parties to the Company: individuals and / or legal entities:

(a) that directly or indirectly, through one or more intermediaries: (i) control or are under common control of the Company; or (ii) have an interest in the Company that gives them significant influence over the Company;

(b) that they are considered as key persons, that is, those who hold positions of management of the Company, its subsidiaries, its controllers or joint ventures;

(c) that are, in relation to any person mentioned in item "a" or (b): (i) spouse or partner; (ii) the consanguineous ascendant (such as parents, grandparents, great-grandparents, etc.) or by affinity (such as stepfathers, stepmothers, in-laws, (iii) consanguine descendant (such as, children or grandchildren) or by affinity (such as stepchildren, daughters-in-law, sons-in-law etc); and (iv) collateral until high school, are related (such as brothers (sisters) or by marriage (such as, brothers-in-law, cousins etc);

(d) which are controlled by any person referred to in points (a), (b) or (c);

(e) of which capital participates with more than 10% (ten percent), directly or indirectly, any person referred to in items (a), (b) or (c); and

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

#### **3. DEFINITIONS OF MARKET CONDITIONS AND RELEVANT AMOUNT**

3.1 Market Conditions: are those conditions for which the principles of competitiveness (price and conditions of services compatible with those practiced in the market at the time of their realization) were observed during the negotiation of compliance (adherence to the terms and contractual responsibilities practiced by the Company, as well as adequate controls on information security); and transparency (adequate reporting of conditions agreed upon with due application, as well as reflected in the Company's financial statements). In the negotiation between Related Parties, the same principles and procedures that guide negotiations conducted by the Company and its subsidiaries and affiliates with third parties must be observed, always observing the best interests of the Company.

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

3.2.1 For the purposes of policy the following shall not be considered to be transactions executed between Related Parties:

(a) transactions between the Company and its controlled companies, directly or indirectly, except in cases in which there is share in the capital stock of the controlled company by part or any of the people indicated in items (a), (b) or (c) of item 2.1 of this Policy;

(b) transactions between the controlled companies, directly or indirectly, of the Company, except in cases in which there is share in the capital stock of the controlled company by part or any of the people indicated in items (a), (b) or (c) of item 2.1 of this Policy;

(c) remuneration of the administrators of the Company or its controlled companies.

3.2.2 Notwithstanding that they are not configured as transactions between Related Parties, any transactions executed between, on one hand (i) the Company and any of its full subsidiaries and on the other hand (ii) any other direct indirect controlled companies of the Company in which any third party (other than the people indicated in items (a), (b) or (c) of item 2.1 of this Policy) has corporate share shall be executed in Market Conditions.

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

#### **4. FORMALIZATION OF TRANSACTIONS BETWEEN RELATED PARTIES**

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

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

(b) the transactions must be executed in writing, specifying their main characteristics and conditions, such as: overall price, unit price, terms, guarantees, collection of taxes, payment of fees, obtaining licenses;

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

(d) the transactions must be clearly disclosed in the Company's financial statements, According to the criteria of materiality by accounting standards.

#### **5. STRUCTURE OF THE GOVERNANCE OF TRANSACTIONS BETWEEN RELATED PARTIES**

5.1. All transactions, between Related Parties, regardless of their value, will be reviewed beforehand by the Related Party Committee (except for the transactions indicated in 3.2.1 above).

5.1.1. In cases where: (a) the Related Party Committee does not recommend the conclusion of a particular agreement between Related Parties; and (b) in transactions whose value reaches the Relevant Amount, such cases shall be subject to prior approval by the Board of Directors of the company that will manifest itself expressly about your 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) calendar days prior to the meeting of the Company's Board of Directors.

5.2. The Related Party Committee shall have its own internal regulations, which shall establish the guidelines for its operation, 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 Party Committee shall be appointed by the Board of Directors and shall have a maximum term of up to 2 (two) years, and may be renewed for an equal period.

5.2.2. The Related Parties Committee shall be composed of at least 3 (three) and at most 5 (five) members, to be appointed by the Board of Directors and in the terms foreseen in internal regulations of the Related Parties Committee.

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

5.4. Any member of the Related Party Committee shall give notice to the Board of Directors of any acts and / or practices that it deems to be in disagreement with this Policy.

## **6. IMPEDIMENT**

6.1. The Company's management shall respect the ordinary flow for negotiation, analysis and approval of the Company's transactions and prior analysis of the Related Party Committee, and shall not make interventions that influence the engagement of Related Parties in disagreement with such a flow.

6.2. In situations in which Transactions between Related Parties are included in sub-item 5.1.1, described above, i.e. requiring approval by the Company's Board of Directors, if any member of the Board of Directors is prevented from deliberating on the matter due to potential conflict of interest, it should declare itself hindered by explaining its involvement in the transaction and providing details of the transaction and the parties involved. The impediment must appear in the minutes of the meeting of the Board of Directors that deliberates on the transaction.

## **7. DISCLOSURE OBLIGATION**

7.1. Pursuant to the provisions of article 247 of the Brazilian Corporation Law), SEC Resolution 642/10 and CVM Instruction no. 480, of December 7, 2009, as amended ("SEC Instruction no. 480") (the latter when applicable), the Company shall disclose the Transactions with Related Parties, providing sufficient details to identify the Related Parties and any essential or non-strictly commutative conditions inherent in the transactions in question, thus allowing the Company's shareholders the possibility of supervising and monitoring the acts of the management Company.

7.2. The disclosure of this information will be made, clearly and precisely, in the notes to the financial statements of the Company, in accordance with applicable accounting principles. In addition to such disclosure, the Company also has the duty to promote the disclosure of Transactions with Market Related Parties, under the terms established in SEC Instruction no. 480, when applicable.



## **8. POLICY ALIGNMENT WITH COMPETENT LEGISLATION**

8.1. The Policy originates from compliance with the requirements of the SEC rules, the New Market Listing Rules of B3 and the Brazilian Corporate Law, especially with respect to the loyalty of the Company's management, and the abuse of voting and interests.

## **9. PENALTIES**

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

## **10. FINAL PROVISIONS**

10.1. The Board of Directors of the company shall be the body responsible for approving any changes to this policy, in accordance with the proposals of the Committee.

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 Party Committee until there is a resolution by the Board of Directors or by the General Meeting (whichever is applicable) to the contrary.

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## **Annex II**

### **INTERNAL PROCEDURE BY-LAWS OF THE RELATED PARTIES COMMITTEE**

#### **CHAPTER I**

##### **RELATED PARTIES COMMITTEE**

**Article 1.** - The Related Party Committee ("Committee") is an advisory body directly linked to the Board of Directors, subject to the applicable legislation and regulations, to the provisions of the Bylaws of JBS S.A. ("Company"), these Internal Regulations ("By-Laws"), and the Company's Related Party Policy (Policy), which govern its operation.

**Article 2.** - The Committee, as an advisory body, has technical functions that aim to make the Board of Directors more efficient, enhancing strategic discussions with sound recommendations, and assisting in the performance of the legal and statutory functions of the Board of Directors.

**Paragraph 1.** - The Committee seeks to ensure that the transactions of the Company and its subsidiaries and affiliates, involving related parties ("Related Parties", as defined in the Policy for Transaction with Related Parties) are carried out taking into account in the first place with the best interest of the Company. Items under normal market conditions, traded independently, ethically, in accordance with current legislation and on terms no less favorable to the Company than would be the case with third parties that are not Related Parties under the same circumstances or in similar scenarios.

**Article 3.** - The Committee shall follow and respect the objectives for which they were created, remaining faithful to the matters that fall within its purview, avoiding to deal with matters that are outside its objectives or invade the discussion forum of another committee or board of the Company.

**Single Paragraph.** - The Committee does not constitute a deliberative body of the Company and its recommendations are not binding, so that only the Board of Directors can take decisions that bind the Company.

#### **CHAPTER II**

##### **COMPETENCY**

**Article 4.** - It is incumbent upon the Related Parties Committee:

- (a) to suggest changes to these Rules and complementary rules for their operation, submitting them to the Board of Directors' resolution;
- (b) analyze, monitor and recommend to the Board of Directors the approval of the Related Party Policy, as well as proposals for revising this Policy, both through a proposal prepared by the Company's Board of Executive Officers;
- (c) analyze, monitor and recommend the process of selecting suppliers and service providers, or any form of contracting or assuming of liabilities, debts or obligations of the Company and its subsidiaries for contracts involving Related Parties, ensuring that market conditions are observed, as set forth in the Related Party Policy;

(d) act independently and propose a solution whenever there is a conflict between the Company and any of the Related Parties in any operation, business, contract or transaction; and

(e) prepare a summary annual report containing the description of the activities of the Committee, the results and conclusions and recommendations made that should be sent to the Board of Directors.

### CHAPTER III

#### COMPOSITION, MANDATE AND REQUIREMENTS

**Article 5.** - The members of the Committee may be elected and dismissed at any time by resolution of the Board of Directors.

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

**Article 7.** - The Committee shall be composed of at least 3 (three) and at most 5 (five) members, elected by the Board of Directors, selected among:

- (a) effective members of the Board of Directors;
- (b) directors and other executives of the Company; and
- (c) professionals with well-known knowledge about the activities that are part of the scope of the Committee.

**Single Paragraph.** - The majority of the members of the Committee shall be composed of (i) members of the Board of Directors qualified as "Independent Directors" under the New Market Regulation; and / or (ii) by external professionals also independent of the controlling shareholder.

**Article 8.** - Only individuals who have a technical qualification for the indicated position may be elected to be part of the Related Parties Committee.

**Paragraph 1.** - In addition to the requirements specified above, the members of the Related Party Committee shall comply with the requirements set forth in Article 147 of the Brazilian Corporation Law.

**Paragraph 2.** - The participation of members of the Company's Fiscal Board is prohibited from forming any of the advisory bodies to the Board of Directors, as provided for in the second paragraph of Article 162 of the Brazilian Corporation Law.

## CHAPTER IV

### DUTIES OF THE COMMITTEE MEMBERS

**Article 9.** - The members of the elected Committee shall perform their duties respecting the same duties and responsibilities attributed to the Company's managers pursuant to Articles 153 to 158 of the Brazilian Corporate Law. It is also the duty of each member:

- (a) participate actively and diligently in the meetings of the Committee, preparing in advance with the examination of the documents placed at their disposal;
- (b) act with maximum independence and objectivity, aiming at the Company's best interest so that the Committee can achieve its purpose;
- (c) maintain secrecy on confidential information and/or for which you have access as a result of the exercise of the Office, being responsible for maintaining confidentiality by the third parties who advise him;
- (d) observe and respect the Related Parties Policy, 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 Corporate Governance practices by the Company;
- (e) declare themselves prevented before any discussion and/or resolution of matter that is submitted to your consideration, in which particular interest or conflict with the the company, refraining from participating in the discussions and voting;
- (f) to keep the Chairman of the Related Parties Committee informed of any administrative or legal proceedings and / or inquiries to which he is a party and that, for the possible outcome, could result in a loss of image of the Company, its controllers, subsidiaries and / or affiliates;
- (g) before the meeting from which he shall be prevented from attending, inform the justification for his absence at that meeting; and
- (h) comply and observe the deliberations of the Board of Directors.

## CHAPTER V

### CHAIRMAN AND VICE CHAIRMAN

**Article 10.** At the same meeting where the Board of Directors appoints the members of the Committee, it shall elect the Chairman from among the independent members.

**Article 11.** At the first meeting of the Committee to be held after the election of its members by the Board, the latter shall elect its Vice-Chairman from among its other members.

**Article 12.** The Chairman has the following attributions:

- (a) propose the annual calendar of ordinary meetings at the beginning of each financial year;
- (b) propose the annual governance agenda at the beginning of each year;
- (c) to convene ordinary meetings, as defined in the annual governance agenda and extraordinary meetings, when (i) necessary as provided in the Related Parties Policy or (ii) demanded by the Board of Directors;
- (d) coordinate meetings and activities of the Committee ensuring their effectiveness and good performance;

- (e) to report to the Board on a quarterly basis on the work carried out by the Committee, and such accountability will be based on a theme to be set out on the Board's regular agenda;
- (f) represent the Committee at meetings of any other corporate governance body of the Company, when necessary;
- (g) to contribute to the efficiency of the activities and to the evaluation of the Committee;
- (h) to prepare and propose for the deliberation of the Committee a summary report of activities taken during the year, pursuant to the Sole Paragraph of Article 34 of these by-laws; and
- (i) comply with and enforce the Company's Related Party Policy and Committee Rules.

**Article 13.** - In addition to replacing the Chairman in his temporary absences and in the eventual vacancy of the position, it is incumbent upon the Vice-Chairman of the Committee to assist him in the performance of his duties, when requested by him.

## **CHAPTER VI**

### **SECRETARY OF GOVERNANCE**

**Article 14.** The Board of Directors shall appoint a Secretary of Governance for the meetings of the Related Party Committee, which shall have the following attributions:

- (a) Monitor the matters to be included in the agenda of each meeting, considering the ordinary agenda of governance, the requests of members of the Committee of Related Parties or of the Board and any pending issues;
- (b) Provide the sending of calls, tariffs and possible supporting materials of each meeting to the members of the Related Parties Committee and ensure compliance with deadlines for sending and requesting information;
- (c) Act as Secretary at meetings, record the discussions and decisions, draw up the minutes and, after review of the Chairman and approval of other members, collect their signatures and form the corresponding book, keeping it under your guard;
- (d) Provide copies of the minutes of the meetings, any reports to the Board of Directors and other documents of interest to the members of the Related Parties Committee;
- (e) Develop, manage and collect signatures on the attendance list of the participants of the meetings of the Parties;
- (f) Organize and provide technical and logistical support to all activities carried out by the governing bodies; and
- (g) Assist the Chairman of the Committee in their duties.

## **CHAPTER VII**

### **FINAL VACANCY**

**Article 15.** - In the event of a permanent vacancy (resignation, dismissal and permanent member of the Committee, a meeting of the Board shall be convened to appoint a new member, in compliance with the rules of composition set forth in these Bylaws and in all Company documents (by-laws and Shareholders' Agreements, if any), within 60 (sixty) days from the occurrence of the vacancy.

**Article 16.** - The Committee member will 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 is made by means of written communication to the Chairman, informing the reasons, becoming effective from its receipt.

Paragraph 2. - In case of vacancy of the post of Chairman, coordination will be carried out by the Vice Chairman or, in case of vacancy of the Chairman and the Vice Chairman, by an Acting Chairman indicated by most members of the Committee until the election of the new Board will elect the new Chairman to take over the work of the Committee within a period of up to 60 (sixty) days after the occurrence of the vacancy.

## **CHAPTER VIII**

### **MEETINGS AND OPERATING STANDARDS**

**Article 17.** - The Related Parties Committee shall be of a permanent nature, but shall not have an ordinary meeting, acting only extraordinarily, whenever necessary to discuss matters related to the Committee's competencies, as provided in these by-laws and in the Policy.

**Article 18.** - Extraordinary meetings shall be convened, in writing, by the Chairman, at least 1 (one) business day in advance, by electronic mail (e-mail). Summons shall indicate the date, time, place and agenda of the meeting.

**Article 19.** - Extraordinary meetings shall be held validly, irrespective of summons, if all members of the Committee are present, and may be held in person or by electronic means (teleconference, videoconference or by electronic mail (e-mail) according to convenience and opportunity.

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

**Article 21.** - With the same minimum antecedence of sending the summons, as indicated in Article 18 of these by-laws, all material relating to the matters that are the subject of the agenda of the Committee's meeting shall be sent, so that each member can prepare adequately for a fruitful collaboration in the debates.

**Paragraph 1.** - If members of the Committee do not receive the documents in a timely manner, as indicated in Article 21 of these by-laws, any member may be required to discuss such 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 present at the meeting

**Paragraph 2.** - Extraordinary matters submitted to the Committee's recommendation shall be designated by means of a definition of the demand in the minutes of the Board meeting.

**Article 22.** - Meetings held in person at the Committee shall be held at the Company's premises, and in special and duly justified cases, the Chairman may call the meeting in a different place, provided that the cost of such change is set forth in the budget and the constant location in the notice of convocation.

**Article 23.** - The meetings of the Committee will only be held with the presence of a majority of the members, being allowed the participation by attendance form or by electronic means (teleconference, videoconference or by electronic mail), as provided in Article 24 of these Bylaws. If necessary, the meeting will be moved to a new date to be suggested by the Chairman of the Committee and agreed with all members.

**Article 24.** - At the proposal of the Chairman and subject to the availability of infrastructure to be organized by the Company, members of the Committee may participate either in person or by electronic means (teleconference, videoconference or electronic mail). In this case, the resolutions shall be valid for all legal purposes and incorporated into the minutes of the meeting, provided that the participating member at a distance receives, signs and retransmits the minutes of the meeting until the next business day of the meeting, or approves the minutes by electronic mail.

**Single Paragraph.** - The Committee member who participates in a non-presence manner must expressly commit himself and take the necessary measures to prevent third parties from attending the meeting.

**Article 25.** - The Committee may invite Consultants, Executive Officers or employees of the Company to attend the meeting of the Committee whose participation of the guest is necessary to assist in the work of the Committee. Such guests will remain only during the period in which the matter that originated their convocation is being evaluated, not participating in the recommendations issued by the Committee nor implying in their integration into the Committee.

**Single Paragraph.** - The participation of any guest at Committee meetings shall be approved by the Committee prior to such meeting.

**Article 26.** - The Committee may, within the scope of its attributions, use the work of specialists, which will not relieve it of 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 that will deliberate and establish the criteria and conditions of the hiring.

**Article 27.** - Each Member of the Committee shall be entitled to 1 (one) vote, and the Chairman shall be granted the casting vote in the event of a tie vote.

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

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

**Paragraph 1.** - Regardless of whether or not there is a conflict of interest, no member of the Committee may participate in a deliberation involving a relative or company of which he 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 operation in which they have a conflict of interest with that of the Company, as well as in the recommendation regarding the conflict of interest made by the other members of the Committee, in order to inform them of their impediment and to record in the minutes the nature and extent of their interest.

**Article 30.** - All matters of Board deliberation that involve situations of potential conflicts of interest should be set for review and recommendation by the Related Parties Committee, not

exempting the possibility of being scheduled for analysis and recommendation of the other Committees when relating to the competencies of these Committees.

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

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

**Paragraph 2.** Possible dissent and respective grounds should include any reports and / or proposals.

**Article 32.** - Meetings shall be adjourned or closed when circumstances so any member and with the approval of a majority of the members present of the Committee.

**Single Paragraph.** - In the event of suspension of the meeting, the Chairman or, in his / her absence, the Vice Chairman or the member indicated for interim coordination shall mark the date, time and place for its continuation, being waived the need for a new call of the members.

## CHAPTER IX

### INTERACTION WITH THE OTHER COMPANY BODIES

**Article 33.** - When necessary, as indicated by the Company's management, the Chairman shall represent the Committee at meetings of any other corporate governance body.

**Article 34.** - The Chairman shall report to the Board on the recommendations and activities of the Committee.

**Single Paragraph.** - Annually, at the time of the preparation of the Management Report, the Committee shall prepare 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 from the minutes of the General Meetings, meetings of the Board, Audit Committee and Fiscal Board 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 the functions of the Committee, as permitted by law and by the Company's Bylaws.

## CHAPTER X

### BUDGET, REMUNERATION AND EXPENDITURE

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

**Article 37.** - Subject to the functional competencies of the Chairman, there shall be no hierarchy among the members of the Committee, who shall not have any assignment in the Company's management, alone or jointly, except for other positions held by them in the Company.



**Article 38.** - The individual remuneration of the members of the Committee shall be proposed by the Chairman of the Board.

**Article 39.** - The Company shall arrange for reimbursement of transportation, lodging and meals expenses incurred for members' participation in meetings, duly proven and in compliance with the Company's reimbursement policies.

**Article 40.** - These By-laws may only be amended by the board on the proposal of the Chairman and with the approval of a majority of the members of the Committee.

**Article 41.** - The omissions of these By-laws, doubts of interpretation and possible changes to their provisions shall be submitted to the Board for resolution.

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

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