

**SUL AMÉRICA S.A.**  
CNPJ/MF nº 29.978.814/0001-87  
NIRE 3330003299-1

**A Public Company with authorized Capital**

**Minutes of the Meeting of the Board of Directors held on November 07,  
2016**

On November 07, 2016, at 17h30, at the registered office of Sul América S.A. ("Company"), at Rua Beatriz Larragoiti Lucas, 121, parte, Rio de Janeiro, RJ, and by teleconference the Board of Directors met, on duly-issued notice of call to meeting, with a majority of its members in attendance, to decide on the matters contained in the following agenda:

(i) the forth issuance by the Company of unsecured, non-convertible debentures ("Debentures"), pursuant to the provisions of Law 6404/1976, dated December 15, 1976, as amended ("Brazilian Corporations Law" and "Issuance", respectively) and a public offering of the Debentures, with restricted placement efforts, under the terms of Law 6385/76, dated December 7, 1976, as amended ("Brazilian Capital Market Law"), CVM Instruction 476, dated 16 January 2009, as amended ("CVM Instruction 476"), and other applicable legislation and regulations (the "Offer");

(ii) the authorization for the management of the Company to do all acts necessary to implement, formalize and administer the resolutions adopted at this Meeting, as well as to represent the Company before the entities participating in the Issuance and the Offer; and

(iii) the ratification of the acts which may be already done by the Company's management and legal representatives, in accordance with the matters above.

After discussing the matters on the Agenda, the Directors present at the meeting unanimously and without provisos of any kind decided:

I. Pursuant to article 59, paragraph 1, of the Brazilian Corporations Law and the Company bylaws, to approve the Issuance and the Offering with the following features, to be governed by the "*Instrumento Particular de Escritura de Emissão Pública de Debêntures Simples, Não Conversíveis em Ações, da Espécie Quirografária, da Quarta Emissão de Sul América S.A.*". ("Indenture"):

- (a) Use of Proceeds: The net funds obtained by the Company from the Issuance will be used in their entirety for reinforcement and adequacy of liquidity levels available to the Company as well as for general corporate purposes.
  - (b) Placement: The Debentures will be placed through a public offering with restricted placement efforts, pursuant to the Securities Market Law, CVM Instruction 476 and other applicable legislation and regulations and the "*Contrato de Coordenação e Distribuição Pública de Debêntures Simples, Não Conversíveis em Ações, da Espécie Quirografária, da Quarta Emissão de Sul América S.A.*" ("Placement Agreement") with a securities distribution system entity ("Underwriters", being lead by the lead underwriter, "Lead
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Underwriter") in mixed commitment basis, *i.e.*, under (i) the firm commitment with respect to 350,000 (three hundred and fifty thousand) Debentures (the "Minimum Amount of the Issuance"); and (ii) the best-efforts regime with respect to 150,000 (one hundred fifty thousand) Debentures, targeting professional investors, as defined under Article 9-A of CVM Instruction No. 539, of November 13, 2013, as amended ("Professional Investors"), provided that the Offer will only be effective if the Minimum Amount of the Issuance is placed.

The partial placement of the Offer will be permitted, provided that the Offer will only be effective if at least the Minimum Amount of the Issuance is placed. In the event the Minimum Amount of the Issuance is not placed in the Offer, the Offer will be canceled, and all investment intentions will be automatically canceled. Should the Minimum Amount of the Issuance be placed under the Offer, any outstanding Debentures not placed in the Offer will be canceled by the Company through an amendment to the Indenture, without the need of any additional corporate approvals of the Company or the need of a general debenture holders meeting.

- (c) Collection of Investment Intentions: The collection of investment intentions procedure will be adopted and organized by the Underwriters, without receipt of reservations, without minimum or maximum lots, to establish with the Company, subject to the provisions of Article 3 of CVM Instruction 476 ("Bookbuilding Procedure"): (i) the Issuance will be made in a single tranche or in two (2) tranches and the number of Debentures of the First Tranche of Debentures (as defined below) and/or of the Second Tranche of Debentures (as defined below), subject to the limits set out in the item "Number of Series" below; and (ii) the Remuneration of the First Tranche (as defined below), subject to the limit established in the item "Remuneration" below, and/or the Remuneration of the Second Tranche (as defined below), subject to the limit established in the item "Remuneration" below.

The results of the Bookbuilding Procedure will be ratified by means of an amendment to the Indenture to be entered into prior to the First Payment Date (as defined below), without the need of any additional corporate approval of the Company.

- (d) Subscription Period: Subject to compliance with the requirements referred to in the Indenture, the Debentures will be subscribed at any time, from the distribution start date of the Offer, subject to the provisions of the articles 7-A and 8, paragraph 2, of CVM Instruction 476.
- (e) Form of Subscription and Payment and Price of Payment: The Debentures shall be subscribed and paid through the MDA - *Módulo de Distribuição de Ativos* (Asset Distribution Module) managed and operated by CETIP, for a maximum of fifty (50) Professional Investors, in cash, upon subscription ("Paying-in Date"), and in local currency for the Unit Face Value (as defined below), the First (1st) Paying-in Date of the respective tranche (the "First Paying-in Date"), or by the Unit Face Value plus Remuneration (as defined below) as applicable, calculated *pro rata* from the First Paying-in Date until

the respective paying-in date, in the case of subscriptions that occur after the First Paying-in Date, and may also be subscribed at a discount, as it may be defined, if appropriate, in the Bookbuilding Procedure, given that, if applicable, the discount will be the same for all the Debentures of the respective tranche ("Price of Payment")

- (f) Negotiation: The Debentures shall be registered for trading in the secondary market by means of the CETIP21 – Títulos e Valores Mobiliários, administrated and operated by the CETIP. The Debentures may only be traded in the organized market after ninety (90) days of each subscription or acquisition by the investor, in accordance with Articles 13 and 15 of CVM Instruction 476, observing the compliance by the Company of the obligations set in the article 17 of CVM Instruction 476.
- (g) Issuance Amount: The total amount of the Issuance will be, at least, R\$350,000,000.00 (three hundred and fifty million reais) and a maximum amount of R\$500,000,000.00 (five hundred million reais), on the Issuance Date (as defined below), subject to the provisions of the items "Quantity" and "Number of Series" below.
- (h) Quantity: The Issuance will be of, at least, 350,000 (three hundred and fifty thousand) Debentures (Issuance Minimum Amount) and a maximum of 500,000 (five hundred thousand) Debentures, subject to the provisions of the item "Number of Series" below, and observing that the number of Debentures to be issued will be defined as determined through the Bookbuilding Procedure, and any outstanding Debentures not placed under the Offer will be canceled by the Company through an amendment to the Indenture, without the need of any additional corporate approvals of the Company or the need of a general debenture holders meeting.
- (i) Face Value: The Debentures will have a unit face value of R\$1,000.00 (one thousand reais), on the Issuance Date ("Unit Face Value")
- (j) Number of Series: The Issuance will be made in up to 2 (two) tranches, in the communicating vessels system, and the amount of Debentures to be allocated in each tranche will be defined according to the Bookbuilding Procedure, under the terms of the item "Collection of Investment Intentions" above, observed that the sum of the Debentures of the first tranche ("First Tranche of Debentures") and the debentures of the second tranche ("Second Tranche of Debentures ") shall not exceed the quantity provided for in item "Quantity" above.
- (k) Form: The Debentures will be issued registered and book-entry, without the issue of certificates.
- (l) Convertibility: The Debentures are not convertible into shares issued by the Company.
- (m) Kind: The Debentures are of unsecured kind, pursuant to the provisions of article 58 of the Brazilian Corporations Law, without security and priority, not granting, therefore, any special or general privilege to the holders.

- (n) Issuance Date: For all legal purposes and effects, the issuance date of the Debentures will be December 13, 2016 ("Issuance Date").
- (o) Term and Maturity: Except in case of early redemption of the Debentures or early maturity of the obligations under the Debentures, pursuant to the Indenture, the term of the Debentures will be (i) three (3) years for First Tranche of Debentures, as of the Issuance Date, maturing, therefore, on December 13, 2019, ("Maturity Date of the First Tranche"); and (ii) five (5) years for the Second Tranche of Debentures, as of the Issuance, maturing, therefore, on December 13, 2021, ("Maturity Date of the Second Tranche").
- (p) Payment of the Unit Face Value: Without prejudice to the payments due to early redemption of the Debentures or early maturity of the obligations under the Debentures, pursuant to the Indenture, (i) the Unit Face Value of the First Tranche of Debentures will be paid in full on the Maturity Date of the First Tranche; and (ii) the Unit Face Value of Second Tranche of Debentures will be paid in three (3) installments, (a) the first installment, in the amount corresponding to 33.3300% (thirty-three and thirty-three hundredths percent) of the Unit Face Value of the Second Series of Debentures is due December 13, 2019; (B) the second installment, in the amount corresponding to 33.3300% (thirty-three and thirty-three percent) of the Unit Face Value of the Second Tranche of Debentures is due December 13, 2020; and (c) the third installment, in the amount corresponding to the outstanding debt of the Unit Face Value of the Second Tranche of Debentures is due on the Maturity Date of the Second Tranche.
- (q) Remuneration: (i) Remuneration of the First Tranche of Debentures will be as follows: (a) the Unit Face Value of the First Tranche of Debentures will not be adjusted for inflation; and (b) on the outstanding balance of the Unit Face Value of the First Tranche of Debentures will bear interest corresponding to a certain percentage to be defined according to the Bookbuilding Procedure, and in any case limited to 114.50% (one hundred fourteen point fifty percent) of the accumulated variation of the average daily rates of DI - Interbank Deposits of one day, "*over extra group*", expressed as a percentage per year of 252 (two hundred and fifty-two) business days, calculated and published daily by CETIP in the daily bulletin available on its website (<http://www.cetip.com.br>) ("DI rate") ("Remuneration of the First Tranche"), calculated in a way exponentially and cumulatively *pro rata* by business days from the First Paying-ing Date or the date of payment of Remuneration of the First Tranche immediately preceding, as appropriate, until the date of effective payment. Without prejudice to the payments due to early redemption of the Debentures or early maturity of the obligations under the Debentures, pursuant to the Indenture, the First Tranche Remuneration shall be paid every six months from the Issuance Date, on the 13<sup>th</sup> day(thirteenth) of the months of June and December of each year, the first payment on 13 of June, 2017 and the last on the Maturity Date of the First Tranche. (ii) Remuneration of the Second Tranche of Debentures will be as follows: (a) the Unit Face Value of Second Tranche of Debentures will not be adjusted for inflation; and (b) on the outstanding balance of the Unit Face Value of the Second Tranche of

Debentures will bear interest corresponding to a certain percentage to be defined according to the Bookbuilding Procedure, and in any case limited to 116.00% (one hundred and sixteen percent) of the DI rate ("Remuneration of the Second Tranche" and, together with the Remuneration of the First Tranche, "Remuneration"), calculated exponentially and cumulatively pro rata by business days from the First Paying-in Date or the date of payment of Remuneration immediately preceding series, as applicable, until the date of effective payment. Without prejudice to the payments due to early redemption of the Debentures or early maturity of the obligations under the Debentures, pursuant to the Indenture, the Remuneration of the Second Tranche shall be paid every six months from the Issuance Date, on the 13<sup>th</sup> (thirteenth) day of the months of June and December of each year, the first payment on June 13, 2017, and the last on the Maturity Date of the Second Tranche.

- (r) Optional Early Redemption: Except as provided for in the item "Optional Offer of Early Redemption" below, the Company may not, voluntarily, redeem any of the Debentures in advance.
- (s) Optional Early Amortization: The Company may not, voluntarily, perform the amortization of any Debentures in advance.
- (t) Optional Offer of Early Redemption: The Company may, in its sole discretion, make, at any time, an offer of early redemption of the Debentures, in whole or in part, with the subsequent cancellation of such Debentures, which will be addressed to all Debenture Holders, in general or to a specific tranche, as defined by the Company at its sole discretion, without distinction, ensuring the same conditions to all Debenture Holders, in general or from a specific tranche, as defined by the Company at its sole discretion, to accept the early redemption of the Debentures they hold, in accordance with the terms and conditions to be described in the Indenture, a prize may be offered.
- (u) Early Termination: The Debentures will have its early maturity in the events and on terms to be set out in the Indenture.

II. To authorize the Company's management to: (a) define the results from the Bookbuilding Procedure; (b) cancel any outstanding Debentures not placed in the Offer; (c) negotiate and execute all documents and any amendments thereto, including the Indenture and the Placement Agreement, as well as perform all acts necessary to the Issuance and the Offer, including represent it before any public or private entities in order of obtaining registration of the Offer and including the amendments to the Indenture to (i) reflect the results of the Bookbuilding Procedure; (ii) cancel any outstanding Debentures not placed in the Offer; and/or (iii) consolidate the First Tranche Debentures and Second First Tranche Debentures, if they have been issued, in a single tranche; (d) engage service providers in connection with the Issuance and the Offer, as applicable, including, but not limited to, the Underwriters, trustee, financial institution to act as bookkeeping agent, financial institution to act as settlement bank of the Debentures, rating agency, the distribution and trading systems for the Debentures and legal advisors.

III. To ratify the acts which may be already done by the management, and legal representatives of the Company, in line with the resolutions above.

There being no further business, the meeting was concluded with the drawing-up of these minutes, which, after having been read and found in conformity, was signed by all those present at the meeting.

Rio de Janeiro, november 07, 2016.

Signatures: Patrick de Larragoiti Lucas, Presidente; Carlos Infante Santos de Castro, Christopher John Minter, David Lorne Levy, Guilherme Affonso Ferreira, Isabelle Rose Marie de Ségur Lamoignon, Jorge Hilário Gouvêa Vieira, Pierre Claude Perrenoud, Roberto Teixeira da Costa e Renato Russo, Conselheiros; Wanda, Secretary.

As Secretary of the meeting I declare that this is a faithful copy of the original drawn up in the book of minutes.

Wanda Brandão  
Id OAB/RJ nº 125.273 - CPF/MF nº 076.291.117-46  
Secretary