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## **Sul América S.A.**

**Authorized Capital Publicly-held Company**

**CNPJ/MF nº 29.978.814/0001-87**

**NIRE 3330003299-1**

**CVM Code 02112-1**

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Proposal from the Company's management to be submitted to the approval of the shareholders in the Annual Shareholders Meeting to be held on March 31, 2010, including information required by CVM Instruction No. 481/09, of December 17, 2009.

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Dear Shareholders,

The management of Sul América S.A. (the "Company") hereby presents its proposals regarding the matters listed in the Agenda of the Annual Shareholders Meeting to be held on March 31, 2010 at 3.00 PM, at the Centro de Convenções SulAmérica, adjacent to the Company offices, at Rua Beatriz Larragoiti Lucas No. 121, Cidade Nova, Rio de Janeiro, RJ, according to the Call Notice disclosed today.

**(i) To verify the Company's management accounts, and to examine, discuss and vote on the management report and the financial statements of the Company for the fiscal year ended 12.31.2009.**

The Company's management proposes its Shareholders evaluate the Company's management accounts, the management report and the financial statements of the Company for the fiscal year ended 12.31.2009 and, after careful consideration, approve the mentioned documents as approved by the Board of Directors at the meeting held on 02.23.2010 and published by the Company on 02.26.2010, in the newspaper *Valor Econômico*, national section, and in the Official Gazette of the State of Rio de Janeiro (*Diário Oficial do Estado do Rio de Janeiro*).

The abovementioned documents, along with the opinions of the independent auditors and of the Fiscal Council (*Conselho Fiscal*), the Standardized Financial Statements Form (DFP) and the comments of the management on the Company's financial position (MD&A) are all available on the website of the Company ([www.sulamerica.com.br/ri](http://www.sulamerica.com.br/ri)), of CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and of BM&FBovespa ([www.bovespa.com.br](http://www.bovespa.com.br)), pursuant to Article 9 of CVM Instruction No. 481/09.

**(ii) To approve the allocation of the net income of the fiscal year ended 12.31.2009.**

The Company's management proposes the allocation of the results of the fiscal year ended 12.31.2009 as demonstrated in the table below, as approved by the Board of Directors at the meeting held on 02.23.2010 and reflected on the management report.

Net income of the fiscal year ended 12.31.2009 and proposal for its allocation:

2009 (in R\$ thousand)	
Net profit	419,093
Constitution of the legal reserve (5%)	(20,955)
Adjusted net profit (Article 202 - Laws 6,404/76 and 10,303/01)	398,138
Mandatory dividends (25%)	99,535
Dividends proposed - R\$0.71068 per common or preferred share on the base-date 12.31.2009	199,069
Constitution of reserve for business expansion	199,069

The distribution of the net income demonstrated in the table above was reflected on the Financial Statements, on the assumption of its approval by the Shareholders' Meeting.

The Company's Board of Directors approved, at a meeting held on February 23, 2010, a Dividend Distribution Policy, available on the Company's website ([www.sulamerica.com.br/ri](http://www.sulamerica.com.br/ri)), which gathers in a single document the main rules on the topic.

In the terms of such document, the Board of Directors proposed that the Company adopt as dividend policy the distribution of dividends of the earnings recorded in the financial statements for the years 2009, 2010 and 2011 at the amount of 50% of annual adjusted net income. In each case distributions will be subject to the respective proposals for use of net income by the Company's management and the proper approval at Annual Shareholders' Meeting, and they may be reviewed based on plans and needs of the Company, considered at the time, such as, among others, acquisitions and relevant investments and meeting of regulatory requirements.

Additional information on the proposal of allocation of the net income presented by the management, including comparisons with previous fiscal years, is available on the Company's website ([www.sulamerica.com.br/ri](http://www.sulamerica.com.br/ri)), of CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and of BM&FBovespa ([www.bovespa.com.br](http://www.bovespa.com.br)), pursuant to Article 9, §1, II of CVM Instruction No. 481/09.

### **(iii) To Elect the members of the Board of Directors**

The Company's management proposes the persons listed below be (re)elected to compose the Board of Directors as effective and alternate members, as indicated below, for a term of office of one (01) year, until the Annual Shareholders Meeting of 2011:

Patrick Antonio Claude de Larragoiti Lucas	Chairman
Robert William Crispin	Vice-chairman
Carlos Jaime Muriel Gaxiola	Director
Guilherme Affonso Ferreira	Director
Isabelle Rose Marie de Ségur Lamoignon	Director

Jorge Hilário de Gouvêa Vieira	Director
Pierre Claude Perrenoud	Director
Roberto Teixeira da Costa	Director
Rony Castro de Oliveira Lyrio	Director
Arthur Jonh Kalita	Alternate of Director Jaime Muriel Gaxiola
Carlos Alexandre Larque Lobo de Castro e Silva	Alternate of Director Robert William Crispin
Carlos Infante Santos de Castro	Alternate of Director Rony Castro de Oliveira Lyrio

The management proposal for 2010 increases to 3 the number of Independent Directors, as such term is defined in the Corporate Governance Level 2 Listing Rules of BM&FBOVESPA. Such number corresponds to 33% of the total number of effective members of the Board of Directors and therefore exceeds the minimum required by said regulations and by the by-laws of the Company.

Detailed information on the candidates indicated above, including their professional experience, is available on the Company's website ([www.sulamerica.com.br/ri](http://www.sulamerica.com.br/ri)), of CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and of BM&FBovespa ([www.bovespa.com.br](http://www.bovespa.com.br)), pursuant to Article 10 of CVM Instruction 481/09.

**(iv) To establish management compensation (Board of Directors and Executive Officers)**

The management of the Company proposes an aggregate amount of R\$8million as compensation for its management (Board of Directors and Executive Officers).

Additional information on the compensation of the management of Sul América S.A. is available on the Company's website ([www.sulamerica.com.br/ri](http://www.sulamerica.com.br/ri)), of CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and of BM&FBovespa ([www.bovespa.com.br](http://www.bovespa.com.br)), pursuant to Article 12 of CVM Instruction No. 481/09.

For additional information, please refer to the Manual for Shareholders' Participation at the Annual Shareholders Meeting of Sul América S.A. available on the Company's website ([www.sulamerica.com.br/ri](http://www.sulamerica.com.br/ri)), of CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and of BM&FBovespa ([www.bovespa.com.br](http://www.bovespa.com.br)).

Rio de Janeiro, March 15, 2010.

Patrick de Larragoiti Lucas  
Chairman of the Board of Directors