

SUL AMÉRICA S.A.

CNPJ/MF nº 29.978.814/0001-87

NIRE 3330003299-1

Authorized Capital Publicly Held Company

Minutes of the Board of Directors' meeting held on July 12, 2010.

On July 12, 2010 at 10 a.m. at the Company's headquarters at Rua Beatriz Larragoiti Lucas 121, parte, Cidade Nova, in the city and state of Rio de Janeiro, and by video or teleconference, the Company's Board of Directors met extraordinarily, with all members attended, to consider the following agenda:

1. Review and recommend to the shareholders convened at general meeting the split of Company's shares so that each share, whether common or preferred, whether or not represented by a share depository certificate ("unit"), will be split into three (3) new shares of stock of the same type, and also to change the authorized capital stock limit, based on the number of shares, to adjust it in the same proportion as the aforementioned stock split, with the consequent amendment to article 8 of the Bylaws, that is, increasing such limit from 150,000,000 common and/or preferred shares to 450,000,000 common and/or preferred shares; and,
2. Convene an Extraordinary Shareholders' Meeting , to be held on July 28, 2010 at 3 p.m. for (i) resolving as to the foregoing proposals and the relevant amendments to the by-laws of the Corporation and (ii) electing a sitting member and his/her alternate for filling the vacant position in the Company's Fiscal Council, or, in case no one is appointed to fill such position, resolve on the dissolution of the Fiscal Council..

The meeting being called to order, Mr. Patrick de Larragoiti presented the business of the agenda to be reviewed by the Board, and the Board, upon extensive discussion and careful scrutiny thereof, unanimously approved the proposals of the split of the Company's shares, the adjustment of the limit of the authorized capital, and the convening of the Extraordinary Shareholders' Meeting to be held on July 28, 2010 at 3 p.m. to transact the following business:

- I. to approve the proposal for the split of Company's shares, so that each share, whether common or preferred, represented or not by share deposit certificates ("units"), will be split into 3 shares of the same type, and the consequent amendment to the caput of article 5 of the Bylaws, and any shares resulting from the split that were previously represented by units will be automatically constituted as units, based on the ratio of 1 common share and 2 preferred shares per unit.
- II. to change the authorized capital stock limit, based on the number of shares, to adjust it in the same proportion as the aforementioned stock split, with the consequent amendment to article 8 of the Bylaws;
- III. to approve the consolidation of the Bylaws to include the alterations mentioned in the previous items; and

IV. to elect a sitting member and his/her alternate for filling the vacant position in the Company's Fiscal Council, or, in case no one is appointed to fill such position, resolve on the dissolution of the Fiscal Council.

There being no further business to discuss, the meeting was adjourned for the drawing up of these minutes, which were read, approved and signed by all those present.

Rio de Janeiro, July 12 2010.

Signed: Patrick de Larragoiti Lucas, chair; Carlos Jaime Muriel Gaxiola, vice-chair; Guilherme Affonso Ferreira, Isabelle Rose Marie de Ségur Lamoignon, Jorge Hilário Gouvêa Vieira, Pierre Claude Perrenoud, Robert William Crispin, Roberto Teixeira da Costa, and Rony Castro de Oliveira Lyrio, directors.

This is a true and faithful copy of the minutes drafted in the appropriate book.

Patrick de Larragoiti Lucas
ID No. 004.785.073-0 (DETRAN) - CPF nº 718.245.297-91
Chair of the Board of Directors