

SUL AMÉRICA S.A.
CNPJ/MF 29.978.814/0001-87
NIRE 3330003299-1
A Publicly-Traded Company with Authorized Capital

Minutes of the Meeting of the Board of Directors held on March 17, 2014.

On March 17, 2014, at 8:00 a.m., at the registered office of Sul América S.A. ("Company"), at Rua Beatriz Larragoiti Lucas, 121, part, Rio de Janeiro, RJ, 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) issue by the Company of unsecured, non-convertible debentures ("Debentures"), pursuant to the provisions of Law 6404/1976, as amended ("Corporations Law") and in accordance with the provisions of item IV of the minutes of the meeting of the Board of Directors held on February 28, 2014 ("Issue"), for public distribution under the terms of Law 6385/76, as amended ("Brazilian Capital Market Law"), CVM Rule 400, dated December 29, 2003, as amended ("CVM Rule 400"), CVM Rule 471, dated August 8, 2008 ("CVM Rule 471"), ANBIMA Code of Regulations and Best Practices for Accredited Activities ("Anbima Code") and other applicable legislation and regulations (the "Offering");

(ii) authorization for the Company to cancel any Debentures not placed under the Offering, by amendment to the indenture for issue of the Debentures;

(iii) authorization for the Company to (a) negotiate and execute all documents and any amendments thereto, including the Debenture Indenture (as defined below) and the Debenture Distribution Agreement (as defined below), and to do all other acts necessary to carry out the Issue and the Offering, including representing the Company before all public and private entities in order to obtain registration of the Offering with the CVM; (b) engage (1) institution(s) that is(are) member(s) of the securities distribution system to intermediate and coordinate the Offering ("Coordinator(s)"), and, in the case of the leading intermediary institution, the "Lead Coordinator") and other intermediary institutions ("Offering Institutions"); and (2) other service providers in connection with the Issue and Offering, including the Debenture trustee ("Trustee"), the registrar of the Debentures ("Registrar"), the settlement bank for the Debentures ("Settlement Bank"), independent auditor, risk classification agency(ies), and legal advisors, and, to that end, to negotiate and execute the related agreements and fix their fees; and

(iv) ratification of all acts performed to date in relation to the above matters.

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

1. To approve the making of the Issue and the Offering, having the following main characteristics and conditions, which will be set out in detail and governed by the indenture for the Debentures ("Debenture Indenture");

- I. *Use of Funds.* The net funds obtained by the Company from the Issue will be used in their entirety for: (a) with respect to the First Series Debentures, lengthening the Company's debt profile, by exchanging them for Previous Issue Debentures; and (b) with respect to the Second Series Debentures and the Third Series Debentures, (i) meeting cash needs and enabling the Company and its Controlled Companies to take advantage of opportunities to expand the operations currently conducted by those companies, and (ii) taking advantage of any opportunities for consolidation in the markets in which the Company and its Controlled Companies operate.
- II. *Placement.* The Debentures will be placed by means of a public offering, in accordance with the Capital Markets Law, CVM Rule 400, CVM Rule 471, the Anbima Code, and other applicable legislation and regulations, on the terms of the agreement for distribution of the Debentures ("Distribution Agreement"), conducted by the Coordinators and other Offering Institutions, on a best-efforts basis, with respect to all the Debentures, including the Supplementary Debentures (as defined below) and the Additional Debentures (as defined below), provided, however, that the Offering will be made only if at least 500,000,000 (five hundred million) Debentures are placed ("Minimum Issue Volume").
- III. *Bookbuilding Process.* A bookbuilding process will be conducted by the Coordinators, within the terms of article 23 §§1 and 2 and article 44 of CVM Rule 400, without early reservations and without minimum or maximum lots ("Bookbuilding Process"), to allow the Coordinators, together with the Company, to determine: (I) if demand for the Minimum Issue Volume exists, and if so: (a) whether the Issue will be made in a single series, in two series or in three series; and (b) the issue and maximum number of First Series Debentures, the maximum number of Second Series Debentures, and/or the maximum number of Third Series Debentures, subject to the limits in item XII below, and without prejudice to the Supplementary Debentures and/or Additional Debentures; and (II) the First Series Interest (as defined below), subject to the limit under item XIX(A) below, and/or the Second Series Interest (as defined below), subject to the limit under item XIX(B) below, and/or the Third Series Interest (as defined below), subject to the limit under item XIX(C) below.
- IV. *Subscription Period.* Subject to (i) compliance with the requirements referred to in the Debenture Indenture and the Distribution Agreement; (ii) registration of the Offering with the CVM; (iii) publication of the announcement of commencement of the Offering ("Start of Offering Announcement"); and (iv) availability to investors of the definitive prospectus for the Offering, which incorporates by reference the reference form, prepared by the Company in conformity with CVM Rule 480 of December 7, 2009, as amended ("CVM Rule 480") ("Reference Form") (collectively, "Definitive Prospectus"), the Debentures may be subscribed for at any time in up to six months from the date of publication of the Start of Offering Announcement.
- V. *Subscription and Payment for Debentures.* The Debentures will be subscribed and paid for by means of the MDA – *Módulo de Distribuição de Ativos* (Asset Distribution Module) managed and operated by CETIP S.A. – Mercados Organizados ("CETIP"). The Debentures must be paid in, in full, at

the time of subscription (“Paying-in Date”) at their unit face value, plus Interest (as defined below) calculated *pro rata temporis* from the 1st Paying-in Date for the relevant series (i.e. the date on which the first of the Debentures of the relevant series is paid in, “First Paying-in Date”) to the Paying-in Date of the Debenture in question (i.e. the date on which the Debenture(s) in question is effectively subscribed for and paid in) exclusively in the legal currency of Brazil, in the case of the Second and Third Series Debentures and, in the case of the First Series Debentures, by using claims arising from the first issue of debentures by the Company, issued under the “Instrumento Particular de Escritura de Emissão Pública de Debêntures Simples, Não Conversíveis em Ações, da Espécie Quirografária, em Série Única, da Primeira Emissão de Sul América S.A.” (Private Instrument of Indenture for a Public Issue of Simple, Non-Convertible, Unsecured Debentures, in a Single Series, by Sul América S.A.) made on January 13, 2012 between the Company and Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários, as amended, as long as they are free and clear of charges and encumbrances of all kinds.

- VI. *Trading.* The Debentures will be registered for trading on the secondary Market through CETIP21 – Títulos e Valores Mobiliários (*Equity and Debt Securities*), managed and operated by CETIP.

- VII. *Issue Number.* The Debentures represent the second issue of debentures by the Company.
- VIII. *Total Issue Amount.* The total amount of the Issue will be at least R\$500,000,000.00 (five hundred million reais) and no more than R\$750,000,000.00 (seven hundred and fifty million reais) on the Issue Date (as defined in item XVI below), without taking into account the Supplementary Debentures or the Additional Debentures.
- IX. *Quantity.* At least 500,000,000 (five hundred million) and no more than 750,000,000 (seven hundred and fifty million) Debentures will be issued, without taking into account the Supplementary Debentures or the Additional Debentures, subject to the provisions of item XII below.
- X. *Supplementary Debentures and Additional Debentures.* Pursuant to article 24 of CVM Rule 400, the maximum quantity of Debentures initially offered (excluding the Additional Debentures) may be increased by up to 15% (fifteen percent), i.e. up to 112,500,000 (one hundred and twelve million, five hundred thousand) supplementary Debentures, on the same terms and conditions as the Debentures originally offered ("Supplementary Debentures") to meet any excess demand that may arise in the course of the Offering, in accordance with an option to be granted by the Company to the Coordinators under the Distribution Agreement, which may only be exercised by the Coordinators by common agreement with the Company on one or more occasions until the last Paying-in Date for the relevant series. Moreover, Pursuant to article 14§2 of CVM Rule 400, the quantity of Debentures initially offered (excluding the Supplementary Debentures) may be increased by up to 20% (twenty percent), i.e. up to 150,000,000 (one hundred and fifty million) additional Debentures, on the same terms and conditions as the Debentures originally offered ("Additional Debentures"). The Additional Debentures may only be issued by common agreement between the Company and the Coordinators in the course of the Bookbuilding Process. At the Coordinators' and the Company's discretion, depending on the excess demand found in the course of the Offering, in the case of the Supplementary Debentures, and as determined during the Bookbuilding Process, in the case of the Additional Debentures, the Supplementary Debentures and the Additional Debentures may be allocated as First Series Debentures, Second Series Debentures, and/or Third Series Debentures.
- XI. *Unit Face Value.* The Debentures will have a unit face value of R\$1.00 (one real) on the Issue Date ("Unit Face Value").
- XII. *Series.* The Issue will be made in up to three series, and the quantity of Debentures to be allocated to each series will be determined in the Bookbuilding Process, on the terms of item III above, although the sum of the Debentures of the first series ("First Series Debentures"), the Debentures of the second series ("Second Series Debentures"), and the Debentures of the third series ("Third Series Debentures") may not exceed the quantity provided for in item IX above, without taking into account the Supplementary Debentures or the Additional Debentures.
- XIII. *Form and Proof of Ownership.* The Debentures will be registered, book-entry instruments, for which certificates will not be issued, and for all

purposes and effects ownership of the Debentures will be proved by the statement of deposit account issued by the Registrar. In addition, for Debentures that are held under electronic custodianship in CETIP, a statement will be issued in the name of the Debentureholder, which will serve as proof of ownership of the relevant Debentures.

- XIV. *Convertibility.* The Debentures will not be convertible into shares issued by the Company.
- XV. *Type.* The Debentures will be unsecured, as contemplated in article 58 of the Corporations Law, and will carry no guarantee or preference.
- XVI. *Issue Date.* For all legal purposes and effects, the date of issue of the Debentures will be April 15, 2014 ("Issue Date").
- XVII. *Term and Maturity.* Saving the cases of early redemption of the Debentures and/or early maturity of the obligations under the Debentures provided for in the Debenture Indenture, (i) the First Series Debentures will mature in five years from the Issue Date, i.e. on April 15, 2019 ("First Series Maturity Date"), (ii) the Second Series Debentures will mature in five years from the Issue Date, i.e. on April 15, 2019 ("Second Series Maturity Date"), and (iii) the Third Series Debentures will mature in eight years from the Issue Date, i.e. on April 15, 2022 ("Third Series Maturity Date").
- XVIII. *Payment of Unit Face Value.* Saving the cases of early redemption of the Debentures and/or early maturity of the obligations under the Debentures provided for in the Debenture Indenture: (1) the Unit Face Value of the outstanding First Series Debentures will be amortized in three successive annual installments, with (a) the first installment, representing 33.33% of the Unit Face Value of the outstanding First Series Debentures, falling due on April 15, 2017, (b) the second installment, representing 33.33% of the Unit Face Value of the outstanding First Series Debentures, falling due on April 15, 2018, and (c) the third installment, representing the remaining balance of the Unit Face Value of the outstanding First Series Debentures, falling due on the First Series Maturity Date; (2) the Unit Face Value of the outstanding Second Series Debentures will be amortized in three successive annual installments, with (a) the first installment, representing 33.33% of the Unit Face Value of the outstanding Second Series Debentures, falling due on April 15, 2017, (b) the second installment, representing 33.33% of the Unit Face Value of the outstanding Second Series Debentures, falling due on April 15, 2018, and (c) the third installment, representing the remaining balance of the Unit Face Value of the outstanding Second Series Debentures, falling due the Second Series Maturity Date; (2) the Unit Face Value of the outstanding Third Series Debentures will be amortized in three successive annual installments, with (a) the first installment, representing 33.33% of the Unit Face Value of the outstanding Third Series Debentures, falling due on April 15, 2020, (b) the second installment, representing 33.33% of the Unit Face Value of the outstanding Third Series Debentures, falling due on April 15, 2021, and (c) the third installment, representing the remaining balance of the Unit Face Value of the outstanding Third Series Debentures, falling due the Third Series Maturity Date;
- XIX. *Remuneration.* The remuneration on the Debentures of each series will be the following:

(A) Remuneration on the First Series Debentures:

- (i) *Indexation for inflation:* the Unit Face Value of the First Series Debentures will not be indexed for inflation; and
- (ii) *Interest:* the outstanding balance of the Unit Face Value of the First Series Debentures will bear interest at a percentage to be determined in the course of the Bookbuilding Process, which will not exceed 110% of the accumulated variation in the average overnight Brazilian interbank deposit rate (CDI) , over extra group, expressed in an annualized percentage based on 252 business days per year, calculated and disclosed daily by CETIP on its webpage (<http://www.cetip.com.br>) ("DI Rate") ("First Series Remuneration"), compounded on *pro rata temporis* basis for each business day from the First Paying-In Date for the First Series Debentures, or the immediately preceding date of payment of First Series Remuneration, to the date on which the First Series Remuneration is effectively paid, in the manner provided for in the Debenture Indenture. Saving the cases of early redemption of the Debentures and/or early maturity of the obligations under the Debentures provided for in the Debenture Indenture, the First Series Remuneration will be paid half-yearly, on the 15th day of the months of April and October of each year, with the first payment falling due on October 15, 2014 and the last on the First Series Maturity Date.

(B) Remuneration on the Second Series Debentures:

- (i) *Indexation for inflation:* the Unit Face Value of the Second Series Debentures will not be indexed for inflation; and
- (ii) *Interest:* the outstanding balance of the Unit Face Value of the Second Series Debentures will bear interest at a percentage to be determined in the course of the Bookbuilding Process, which will not exceed 110% of the accumulated variation in DI Rate ("Second Series Remuneration"), compounded on *pro rata temporis* basis for each business day from the First Paying-In Date for the Second Series Debentures, or the immediately preceding date of payment of Second Series Remuneration, to the date on which the Second Series Remuneration is effectively paid, in the manner provided for in the Debenture Indenture. Saving the cases of early redemption of the Debentures and/or early maturity of the obligations under the Debentures provided for in the Debenture Indenture, the Second Series Remuneration will be paid half-yearly, on the 15th day of the months of April and October of each year, with the first payment falling due on October 15, 2014 and the last on the Second Series Maturity Date.

(C) Remuneration on the Third Series Debentures:

- (i) *Indexation for inflation:* the Unit Face Value of the Third Series Debentures will be indexed for inflation in accordance with the variation of the Broad National Consumer Price Index, published by the Brazilian Institute of Geography and Statistics (*Índice Geral de Preços ao Consumidor Amplo – "IPCA"*), from the First Paying-In Date for the Third Series Debentures to the date the Unit Face Value is effectively paid, and the result of indexation will be automatically incorporated

into the Unit Face Value of the Third Series Debentures ("Third Series Indexation"), all according to the formula set out in the Debenture Indenture; and

- (ii) *Interest*: The Unit Face Value of the Third Series Debentures, after the Third Series Indexation, will bear interest at an annual rate, on the basis of 252 business days per year, to be determined in accordance with the Bookbuilding Process, limited to 1.25% per year, on the basis of 252 business days per year, added exponentially to the arithmetic average of the internal rate of return of the National Treasury Notes, Series B (*Notas do Tesouro Nacional, série B – "NTN-B"*), maturing in 2020, in accordance with the indicative pricing released by ANBIMA, to be determined on the 3rd and 4th business days immediately prior to the date of the Bookbuilding Process (excluding from the calculation the date on which the Bookbuilding Process is held) ("Third Series Interest" and together with the Third Series Indexation, the "Third Series Remuneration"; the First Series Remuneration, the Second Series Remuneration and the Third Series Remuneration are referred to collectively as "Remuneration"), compounded on *pro rata temporis* basis for each business day from the First Paying-In Date for the Third Series Debentures, or the immediately preceding date of payment of Third Series Remuneration, to the date on which the Third Series Remuneration is effectively paid, according to the formula set out in the Debenture Indenture. Saving the cases of early redemption of the Debentures and/or early maturity of the obligations under the Debentures provided for in the Debenture Indenture, the Third Series Remuneration will be paid annually from the Issue Date, on the 15th day of April of each year, with the first payment falling due on April 15, 2015 and the last on the Third Series Maturity Date.

- XX. *Planned Renegotiation*. There is no planned renegotiation.
- XXI. *Optional Early Redemption*. Except as contemplated in item XIII below, the Company may not voluntarily redeem any of the Debentures in advance.
- XXII. *Optional Early Amortization*. The Company may not voluntarily amortize in advance any of the Debentures.
- XXIII. *Offer of Early Redemption*. The Company may, at its sole discretion and at any time, make an offer of early redemption, in whole or in part, of outstanding Debentures, either in general or by series, as determined by the Company, with the consequent cancellation of such Debentures. The Offer must be made to all Debentureholders, in general or by series, as determined by the Company, without distinction, and on the same terms and conditions for all Debentureholders in general or by series, as determined by the Company, according to the provisions of the Debenture Indenture. A premium may be offered by the Company.
- XXIV. *Early Maturity*. The Debentures will mature early in the cases and on the terms set out in the Debenture Indentures.

2. To authorize the Company to cancel any Debentures that are not placed in the Offering, by means of an amendment to the Debenture Indenture.

3. To authorize the Company to (i) negotiate and execute all documents (and any amendments thereto), including the Debenture Indenture and the Debenture Distribution Agreement, and to perform all acts necessary to carry out the Issue and the Offering, including representing the Company before any public or private entities for the purpose of obtaining registration of the Offering with the CVM, and including also amending the Debenture Indenture to (a) reflect the results of the Bookbuilding Process, (b) cancel any Debentures that are not placed in the Offering, (c) reflect issue(s) of Supplementary Debentures, and/or (d) consolidate the First Series Debentures and the Second Series Debentures, if issued, into a single series; (ii) to engage (a) the Coordinator(s) and other Offering Institutions, and (b) other service providers for the Issue and the Offering, including the Trustee, the Registrar, the Settlement Bank, the Consolidating Bank, the independent auditor, risk classification agencies, and legal advisors, among others, and to that end, to negotiate and execute the related agreements and fix their fees.

4. To ratify all acts performed to date in connection with the above resolutions.

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, were signed by all those present at the meeting.

Rio de Janeiro, March 17, 2014.

Signatures: Patrick de Larragoiti Lucas, Chairman; Carlos Infante Santos de Castro, Guilherme Affonso Ferreira, Isabelle Rose Marie de Ségur Lamoignon, Jorge Hilário Gouvêa Vieira, and Roberto Teixeira da Costa, Directors.

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

Daniel Pareto
OAB/RJ 113.062 - CPF/MF nº 043.546.967-38
Secretary of the Meeting of the Board of Directors