

SUL AMÉRICA S.A.
CNPJ/MF 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 16 May 2014.

On 16 May 2014, at 10:00 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) the third issue by the Company of unsecured, non-convertible debentures ("Debentures"), pursuant to the provisions of Law 6404/1976, as amended ("Brazilian Corporations Law" and "Issue", respectively) and a public offering of the Debentures, with restricted placement efforts, under the terms of Law 6385/76, 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 "Offering"); and

(ii) authorization for the management of the Company to do all things necessary to implement, formalize and administer the resolutions adopted at this Meeting, and to represent the Company to the entities participating in the Issue and the Offering.

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 §1 of the Brazilian Corporations Law, to approve the making of the Issue and the Offering with the following features, to be governed by the "Indenture for the Third Issue of Unsecured, Non-Convertible Debentures by Sul América S.A." (*Instrumento Particular de Escritura de Emissão Pública de Debêntures Simples, Não Conversíveis em Ações, da Espécie Quirografária, da Terceira Emissão de Sul América S.A.*):

Bookbuilding Process. A bookbuilding process will be conducted by the Coordinators (as defined below), without early reservations or minimum or maximum lots, to allow the Coordinators, together with the Company, to determine, subject to the provisions of article 3 of CVM Instruction 476, whether the Issue will be made in a single series or in two series, and the issue and quantity of the First Series Debentures (as defined below) and/or the Second Series Debentures (as defined below), subject to the limit under the topic "Series" below ("Bookbuilding Process").

The results of the Bookbuilding Process will be ratified by amendment to the Debenture Indenture to be made prior to the Paying-In Date (as defined below), without need for any additional corporate approval by the Company.

Subscription Period. Subject to compliance with the requirements referred to in the Debenture Indenture, the Debentures may be subscribed for at any time from the date on which the Offering begins, subject to the provisions of article 8§2 of CVM Instruction 476.

Subscription and Payment for Debentures. The Debentures will be subscribed and paid for in full in a single day, by means of the MDA – *Módulo de Distribuição de Ativos* (Asset Distribution Module – “MDA”) by no more than 20 Qualified Investors, in the lawful currency of the Brazil, at the Unit Face Value (as defined below), at the time of subscription (“Paying-In Date”).

Issue Amount and Number of Series: The total amount of the Issue will be at least R\$500,000,000.00 (five hundred million reais) on the Issue Date (as defined below), subject to the topic “Series” below.

Number and Face Value: The Company will issue 50,000 (fifty thousand) debentures with a unit face value of R\$10,000.00 (ten thousand Brazilian reais) (“Unit Face Value”).

Series: The Issue will be made in up to two series, under the “communicating vessels” system. The quantity of Debentures to be allocated to each series will be determined in the Bookbuilding Process, but the sum of the Debentures under the first series (“First Series Debentures”) and the Debentures under the second series (“Second Series Debentures”) may not exceed the quantity set out in the topic “Number and Face Value” above.

Issue Date: For all legal purposes and effects, the date of issue of the Debentures will be 16 May 2014 (“Issue Date”).

Kind: The Debentures are unsecured and without priority.

Convertibility: The Debentures are not convertible into shares issued by the Company.

Maturity: Saving the cases of early redemption of the Debentures and/or early maturity of the obligations under the Debentures, on terms usual for such transactions, to be established for in the Debenture Indenture, the term of the First Series Debentures will begin on the Issue Date and end on 15 May 2019 (“First Series Maturity Date”) and the term of the Second Series Debentures will begin on the Issue Date and end on 22 May 2022 (“Second Series Maturity Date”).

Repayment of Unit Face Value: Saving payments made in cases of early redemption of the Debentures and/or early maturity of the obligations under the Debentures, (i) 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 15 May 2017, (b) the second installment, representing 33.33% of the Unit Face Value of the outstanding First Series Debentures, falling due on 15 May 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; and (ii) 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 15 May 2020, (b) the second installment, representing 33.33% of the Unit Face Value of the outstanding Second Series Debentures, falling due on 15 May 2021, 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.

Amortization: The Company may not amortize the Debentures in advance.

Redemption: Except as provided for in the topic "Optional Offer of Early Redemption", the Company may not voluntarily redeem any of the Debentures in advance.

Optional Offer of Early Redemption: The Company may, but is not required to, make an offer of early redemption of the Debentures, in whole or in part. The amount to be paid on redemption will be the outstanding balance of the Unit Face Value together with accrued remuneration and, if applicable, an early redemption premium offered to the Debenture holders.

Remuneration: (i) Remuneration on the First Series Debentures ("First Series Remuneration"): the Unit Face Value of the First Series Debentures will not be indexed for inflation, and the outstanding balance of the Unit Face Value of the First Series Debentures will bear interest at a rate of 108.25% (one hundred and eight and twenty-five one-hundredths percent) of the accumulated variation in the average overnight Brazilian interbank deposit rate (DI - Depósitos Interfinanceiros), "over extra-group", expressed in an annualized percentage based on 252 business days per year, as calculated and disclosed daily by CETIP S.A. - Mercados Organizados ("CETIP"), which interest will be calculated exponentially and cumulatively on a *pro rata temporis* basis for each business day, from the Paying-In Date or the immediately preceding date of payment of First Series Remuneration, as applicable, to the date on which the First Series Remuneration is effectively paid. 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 on 15 November 2014 and thereafter on the 15th day of the months of May and November of each year, with the first payment falling due on 15 November 2014 and the last on the First Series Maturity Date. In the event that the DI Rate is extinguished, limited and/or not published after the date on which it was expected to be calculated and/or published, or in the event that the DI Rate cannot be applied to the First Series Debentures by reason of legal or judicial prohibition, the DI Rate will be replaced by the weighted average interest rate of overnight financing transactions backed by federal public debt securities, computed by the Special Settlement and Custody System (SELIC - *Sistema Especial de Liquidação e Custódia*) ("SELIC Rate"). In the event that the SELIC Rate is extinguished, limited and/or not published after the date on which it was expected to be calculated and/or published, or in the event that the SELIC Rate cannot be applied to the First Series Debentures by reason of legal or judicial prohibition, a general meeting of debenture holders will be called to decide, by agreement with the Company and subject to applicable law, on a new parameter for remuneration to be paid on the First Series Debentures, which shall best reflect the conditions of the interbank market at the relevant time; and (ii) Remuneration

on the Second Series Debentures ("Second Series Remuneration"): 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 Paying-In Date to the date of effective payment, and the result of indexation will be automatically incorporated into the Unit Face Value of the outstanding Second Series Debentures; and the outstanding Unit Face Value of the Second Series Debentures, after indexation according to the second series indexation, will bear interest at a rate of 7.41% (seven and forty-one one-hundredths percent) per year, based on 252 business days per year, calculated exponentially and cumulatively on a *pro rata temporis* basis for each business day, from the Paying-In Date or the immediately preceding date of payment of Second Series Remuneration, as applicable, to the date on which the Second Series Remuneration is effectively paid. 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 on 15 May 2015 and annually thereafter on the 15th day of May of each year, with the first payment falling due on 15 May 2015 and the last on the Second Series Maturity Date. In the event that the IPCA is extinguished, limited and/or not published after the date on which it was expected to be calculated and/or published, or in the event that the IPCA cannot be applied to the Second Series Debentures by reason of legal or judicial prohibition, the official index that replaces the IPCA will be used. In the absence of an official replacement for the IPCA, or in the event that the replacement index cannot be applied to the Second Series Debentures by reason of legal or judicial prohibition, a general meeting of debenture holders will be called to decide, by agreement with the Company and subject to applicable law, on a new parameter for remuneration to be paid on the First Series Debentures, which shall best reflect the conditions of the market at the relevant time.

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 coordination and public distribution agreement to be made with the securities distribution system entities that will underwrite the Offering, on a firm commitment basis.

Use of Funds: The net funds obtained by the Company from the Issue will be used in their entirety for (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. To authorize the Company's management to: (a) cancel any Debentures that are not placed in the Offering, by means of an amendment to the Debenture indenture; (b) execute all documents (and any amendments thereto) and perform all acts necessary to carry out the Issue and the Offering, including the Debenture indenture and the Debenture distribution agreement; (c) perform any and all acts and sign any and all documents necessary to make effective, formalize, and administer the resolutions adopted at this Meeting; (d) engage service providers in connection with the Issue and the Offering, as applicable, including financial

institutions forming part of the securities distribution system, the trustee, the financial institution to act as settlement bank for the Debentures, risk classification agency(ies), systems for distribution and trading of the Debentures, and legal advisers; and (d) to act on behalf of the Company with respect to any entity participating in the Issue or the Offering, including the CVM.

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, 16 May 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; Daniel Pareto, Secretary of the Meeting.

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 no. 113.062 - CPF/MF no. 043.546.967-38
Secretary
