



**MINERVA S.A.**

*Publicly-held Company*

Corporate Taxpayer's ID (CNPJ/MF) No. 67.620.377/0001-14

Company Registry No. (NIRE) 35.300.344.022

**MATERIAL FACT**

**MINERVA S.A.** ("Minerva" or "Company"), one of the leaders in South America in the production and sale of fresh beef, live cattle and cattle byproducts, with operations also in the beef processing segment, pursuant to the provisions of article 157, paragraph 4, of Law no. 6,404 of December 15, 1976, as amended ("Brazilian Corporation Law"), and in accordance with CVM Instruction 358 of January 3rd, 2002, as amended ("ICVM 358/02"), hereby informs its shareholders and the market in general as follows:

(a) At the meeting of the Company's Board of Directors held on March 5th, 2018, it was approved, among other matters: (i) the cancellation of six million, two hundred and forty-one thousand, eight hundred (6,241,800) common shares, registered, book-entry and with no par value, issued by the Company, acquired in accordance with the 2017 Repurchase Plan and currently maintained in treasury; and (ii) the acquisition, in one single transaction or in a sequence of transactions, of up to four million, eight hundred and twenty-nine thousand, three hundred and eighty-five (4,829,385) common shares, registered, book-entry and with no par value, issued by the Company ("2018 Shares Repurchase Plan").

(b) The 2017 Repurchase Plan shall not be terminated as a result of the cancellation of the shares, approved herein, and that three million (3,000,000) shares of such plan shall remain in treasury;

(c) the cancellation did not give rise to the change of the amount of the capital, which shall remain one hundred and thirty-four million, seven hundred and fifty-one thousand, eight hundred and twenty-three Reais, thirty-seven Centavos (R\$ 134,751,823.37), but is now divided in two hundred and twenty-three million, six hundred and eighteen thousand, four hundred and fifty-nine ordinary (223,618,459) common shares, registered, book-entry and with no par value.

(d) The extraordinary shareholders' meeting of the Company will be duly convened to amend article 5 of the bylaws in order to contemplate the new number of shares after the cancellation of six million, two hundred and forty-one thousand and eight hundred (6.241.800) registered, book-entry common shares with no par value issued by the Company in treasury.

- (e) The 2018 Shares Repurchase Plan will have the following characteristics:
- a. Purpose: The purpose of the Company at implementing the 2018 Repurchase Plan is to increment the generation of amounts for its shareholders as a result of the current discount of shares in the market, by the investment of available funds in the acquisition of shares in stock exchange, at market prices, to remain in treasury, for cancellation or subsequent disposal of shares in the market or their allocation to possible exercise of shares purchase options within the scope of the shares purchase option plan of the Company, with no reduction of the Company's capital, with due regard for the provisions of paragraph 1 of article 30 of the Brazilian Corporations Law, and of the rules established in ICVM 567/151.
  - b. Outstanding shares: There are seventy-eight million, two hundred and ninety-three thousand, eight hundred and fifty-one (78.293.851) outstanding common shares, registered, book-entry and with no par value, issued by the Company in circulation ("Outstanding Shares"). There are, on this date, three million (3,000,000) shares issued by the Company in treasury.
  - c. Quantity of shares to be acquired: In view of the number of Outstanding Shares and the number of shares maintained in treasury, the Company may, at its exclusive discretion and under the terms of this 2018 Repurchase Program, in compliance with the provisions of article 8 of ICVM 567/15, acquire up to four million, eight hundred and twenty-nine thousand, three hundred and eighty-five (4,829,385) shares, corresponding to up to two point sixteen percent (2.16%) of the total number of shares issued by the Company and up to ten percent (10%) of the Outstanding Shares on this date.
  - d. Price and form of acquisition: The acquisition transactions shall be carried out at BM&FBOVESPA S.A. - Securities, Commodities and Futures Exchange ("BM&FBOVESPA"), at market price, and the Executive Board of the Company shall decide upon the occasion and number of shares to be acquired, either in one single transaction or in a sequence of transactions, with due regard for the limits provided in the applicable regulations.

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<sup>1</sup> Pursuant to the provisions of paragraph 1 of article 30 of the Brazilian Corporation Law, and in the standards set forth in ICVM 567/15.

- e. Duration of the 2018 Repurchase Program: The maximum term to make purchases and acquisitions is eighteen (18) months, commencing on March 5, 2018 and ending on September 5, 2019.
- f. Financial institutions that shall act as intervening parties: The transaction of acquisition of the Company's shares shall be carried out at market price and intervened by the following brokerage companies:

**BTG PACTUAL CORRETORA DE TÍTULOS E VALORES MOBILIÁRIOS S.A.**

CNPJ/MF: 43.815.158/0001-22  
Av. Brigadeiro Faria Lima, n. 3477, 14th floor.  
São Paulo, SP  
Postal Code 04538-133

**UBS BRASIL CORRETORA DE CÂMBIO, TÍTULOS E VALORES MOBILIÁRIOS S.A.**

CNPJ/MF: 02.819.125/0001-73  
Av. Brigadeiro Faria Lima, n. 4.440, 7th floor.  
São Paulo, SP  
Postal Code 04538-132

**CM CAPITAL MARKETS CCTVM LTDA.**

CNPJ/MF: 02.685.483/0001-30  
R. Gomes de Carvalho, n. 1195, 4th floor.  
São Paulo, SP  
Postal Code 04547-004

**J.P. MORGAN CORRETORA DE CÂMBIO E VALORES MOBILIÁRIOS S.A.**

CNPJ/MF: 32.588.139/0001-94  
Av. Brigadeiro Faria Lima, n. 3.729, 13th floor.  
São Paulo, SP  
Postal Code 04538-905

- g. Available funds: The transactions carried out within the scope of the 2018 Repurchase Program shall be borne by the global amount (a) of the profit and capital reserves, with exclusion of legal reserves, reserves for realizable profits, special reserves of non-distributed dividend and tax incentives reserves; and (b) of the realized result of the year in progress, with exclusion of the amounts to be allocated to form the legal reserve, reserves for realizable profits, special reserves

of non-distributed dividend and tax incentives reserves and to pay compulsory dividend.

- h. Verification of available funds: The existence of available funds to guarantee the transactions of acquisition of own shares shall be verified based upon the most recent annual, interim or quarterly accounting statements disclosed by the Company prior to the actual transfer, to the Company, of the ownership of shares issued thereby.
- i. Precautionary guarantee measures: The use of the interim accounting statements and quarterly financial information to guarantee the transactions shall observe, at least, the following precautionary guarantee measures: (a) segregate the amounts that, if at the end of the financial year, would compulsorily be segregated to cover the reserves necessarily constituted and the amount that would be allocated to the compulsory dividend; (b) make the withholdings necessary to guarantee that the amounts to be used to pay the compulsory dividend at the end of the financial year and to repurchase the shares be totally guaranteed in realized profits (financially available or extremely closely available); and (c) analyze the Company's past as regards the typical behavior of the result during the remaining phase of the financial year and a projection for the result of the financial year in progress, submitting such information to the Board of Directors.
- j. Projected amounts of the year-result: In no event shall the use of projected amounts for the result of the year in progress be admitted to guarantee the transactions carried out within the scope of the 2018 Repurchase Program.
- k. Executive Board Verifications: The Executive Board may solely implement the acquisitions in the event that the Executive Board has taken all precautions necessary to guarantee that: (a) the liquidation of each transaction on their maturity is compatible with the financial situation of the Company, not affecting compliance with the obligations assumed with creditors or the payment of the compulsory dividend; and (b) in the event of verification of existence of available funds based upon interim accounting statements or reflected in the quarterly information reports – ITR, there are no predictable facts capable of giving rise to significant changes in the amount of such funds throughout the remainder of the financial year.

- l. Rights of shares maintained in treasury: Under the terms of the applicable legislation, the shares, as long as maintained in treasury, shall have no equity or political rights.
  
- m. Disregard of shares in treasury: Pursuant to paragraph 2 of article 10 of ICVM 567/15, the shares in treasury shall be disregarded in relation to the quorums to open meetings and take resolutions provided in the Brazilian Corporations Law and in the securities market regulations<sup>2</sup>.
  
- n. Bonus shares, grouping and splitting: In the event that any grouping, splitting or bonus shares of the Company is approved, the number of shares in treasury shall be modified in the sense of correcting the number of the volume of shares issued thereby in possession of the Company, which shall not change the balance of the equity account that guaranteed the acquisition.
  
- o. Disposal of shares within the scope of the shares purchase option program of the Company: The shares acquired under the terms of this 2018 Repurchase Program may, at the discretion of the Board of Directors, be allocated to possible exercise of shares purchase options within the scope of the shares purchase option program of the Company.
  
- p. Disposal or cancellation of exceeding shares: The Company shall also cancel or dispose of shares that exceed the balance of available profits and reserves, within six (6) months, as of the disclosure of the financial statements, annual and interim financial statements or quarterly financial information in which the excess.

The Company reaffirms its commitment to keep the shareholders and the market in general informed about any developments of this matter, as well as any other matter that may be relevant to the market.

Barretos, March 5th, 2018

**Minerva S.A.**  
**Eduardo Pirani Puzziello**  
**Investidor Relations Officer**

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<sup>2</sup> In accordance with paragraph 2nd of article 10 of ICVM 567/15.