



**MINERVA S.A.**

Publicly-Held Company  
Corporate Taxpayer ID (CNPJ): 67.620.377/0001-14  
State Registry (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 Brazilian Corporations Law, and in accordance with CVM Instruction No. 358 of January 3, 2002, as amended ("CVMI 358/02"), hereby informs its shareholders and the market in general the following:

- (a) At a meeting of the Board of Directors, held on March 20, 2017, was approved, among other matters: (i) the termination of the Plan to Purchase the Company's Shares", approved by the Board of Directors on May 10, 2016 ( "2016 Repurchase Plan"); (ii) the cancellation of all the nine million, nine hundred eighty-four thousand, four hundred (9,984,400) registered common shares with no par value issued by the Company, which were acquired in accordance with the 2016 Repurchase Plan and are currently held in treasury; and (iii) the approval of new purchase plan, in a single transaction or a series of transactions, up to nine million, two hundred forty-seven thousand, one hundred forty-nine ( 9,247,149) common, registered, book-entry shares with no par value, according to the following terms and conditions ( "2017 Repurchase Plan").
- (b) The cancellation of the shares has not changed the share capital, which remains with the same amount of one hundred and thirty-four million, seven hundred and fifty-one thousand, eight hundred and twenty-three reais and thirty-seven cents (R\$134,751,823.37) which will now be divided into two hundred and twenty-nine million, eight hundred and sixty thousand, two hundred and fifty-nine (229,860,259) common, registered, book-entry shares with no par value.
- (c) The extraordinary shareholders' meeting of th Company will be convened in due course to amend Article 5 of the Bylaws in order to contemplate the new number of shares after the cancellation of 9,984,400 (nine million, nine hundred eighty-four thousand, four hundred) common, registered, book-entry, with no par value shares of the Company held in treasury.
- (d) The 2017 Repurchase Plan has the following characteristics:
  - a. Objective: The objective of the Company's Repurchase of Shares Program is to improve the generation of value for its shareholders in view of the discount currently applied on the Company's shares in the market, through the application of available funds in the acquisition of shares via the stock exchange, at market prices, to be held in treasury, to be cancelled or to be further sold in

the market or to be used in the exercise of the call options under the Company's stock option plan, without reducing the Company's share capital<sup>1</sup>.

- b. Free Float: On this date, there are ninety-two million, four hundred and seventy-one thousand, four hundred and eighty-five (92,471,485) common shares, book-entry and with no par value issued by the Company in the free float ("Free Float Shares")<sup>2</sup>. On this date, there are no shares issued by the Company held in treasury.
- c. Number of shares to be acquired: The Company may, at its sole discretion and in compliance with the terms of the Company's Repurchase of Shares Program, subject to Article 8 of ICVM 567/15, acquire up to nine million, two hundred and forty-seven thousand, one hundred and forty-nine (9.247.149) common shares, book-entry and with no par value issued by the Company, corresponding to up to four point zero two percent (4.02%) of the outstanding shares of the Company and up to ten percent (10%) of the Free Float Shares
- d. Price and acquisition mode: The transactions for the acquisition of shares will be carried out in BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA"), at market price, being the Company's Board of Executive Officers responsible for deciding the moment and the amount of shares to be acquired, either by a single transaction or by a series of transactions, in compliance with the limits provided for in the applicable rules.
- e. Term of the Company's Repurchase of Shares Program: The acquisition of shares shall be carried out within eighteen (18) months, starting on March 20, 2017 and ending on September 20, 2018.
- f. Financial institutions: The acquisition of shares will be carried out by the following brokerage firms:

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

Corporate Taxpayer's (CNPJ/MF) ID: 43.815.158/0001-22  
Av. Brigadeiro Faria Lima, n. 3477, 14 andar.  
São Paulo, SP  
CEP 04538-133

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

Corporate Taxpayer's (CNPJ/MF) ID: 02.819.125/0001-73  
Av. Brigadeiro Faria Lima, n. 4.440, 7 andar.  
São Paulo, SP  
CEP 04538-132

**VOTORANTIM CORRETORA DE TÍTULOS E VALORES MOBILIÁRIOS LTDA**

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<sup>1</sup> Pursuant to the provisions of Paragraph 1 of Article 30 of the Brazilian Corporations Law, and the rules set forth in CVM Instruction 567/15.

<sup>2</sup> Pursuant to Paragraph 3 of Article 8 of CVM Instruction 567/15.

Corporate Taxpayer's (CNPJ/MF) ID: 01.170.892/0001-31  
Av. Das Nações Unidas 14.171 Torre A - 17º andar  
São Paulo, SP  
CEP 04794-000

**CM CAPITAL MARKETS CCTVM LTDA.**

Corporate Taxpayer's (CNPJ/MF) ID: 02.685.483/0001-30  
R. Gomes de Carvalho, n. 1195, 4 andar.  
São Paulo, SP  
CEP 04547-004

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

Corporate Taxpayer's (CNPJ/MF) ID: 32.588.139/0001-94  
Av. Brigadeiro Faria Lima, n. 3.729, 13 andar.  
São Paulo, SP  
CEP 04538-905

**BRADESCO S.A. CORRETORA DE TÍTULOS E VALORES  
MOBILIÁRIOS**

Corporate Taxpayer's (CNPJ/MF) ID: 61.855.045/0001-32  
Av. Brigadeiro Faria Lima, 3064. 9º Andar  
CEP 01451-000

- g. Available Funds: The transactions performed under the Company's Repurchase of Shares Program will be funded by the total amount of (a) the profits and capital reserves, with the exclusion of the legal reserve, the reserve of unrealized profits, the special reserve of undistributed dividends and the reserve of tax incentives; (b) net income of the relevant fiscal year, with the exclusion of the amounts to be destined to the legal reserve, the reserve of unrealized profits, the special reserve of undistributed dividends and the reserve of tax incentives and to the payment of the mandatory dividend.
- h. Verification of available funds: The existence of available funds for the acquisition of shares will be verified based on the Company's latest annual, interim or quarterly financial statements released before the actual transfer of the shares to the Company.
- i. Precautionary measures : The use of the interim financial statements or the quarterly financial information to back the transactions shall observe the following precautionary measures: (a) segregation of values that, at the end of the fiscal year, would be placed in the mandatory reserves and the amount that would be destined to the mandatory dividend; (b) performance of the necessary withholdings to ensure that the values to be used for the payment of the mandatory dividend at the end of the fiscal year and for the repurchase of shares are fully backed by ascertained profits (immediately or shortly available); and (c) analysis of Company's past records regarding the regular behavior of the earnings in the remainder of the fiscal year and a projection of the earnings in the relevant fiscal year, submitting such information to the Board of Directors.
- j. Projected earnings of the relevant fiscal year: The projected earnings of the relevant fiscal year cannot be used to back the transactions carried out under the Company's Repurchase of Shares Program.

- k. Verification by the Board of Executive Officers: The Board of Executive Officers shall only carry out the acquisitions once it has taken all the necessary diligences to ensure that: (a) the liquidation of each transaction is compatible with the financial situation of the Company, not affecting the fulfillment of the obligations undertaken by the Company with its creditors nor the payment of the mandatory dividend: and (b) in case of verification of available funds based on interim financial statements or reflected in the quarterly information forms (ITR), there are no predictable events capable of causing relevant changes in the amount of such funds throughout the remainder of the fiscal year.
- l. Treasury shares: According to the applicable rules, shares held in treasury are not entitled to political or cash-flow rights.
- m. Disregard of shares held in treasury: Treasury shares shall not be counted for the purpose of calculating the quorum for convening the shareholders' meetings and the quorum for voting on decisions provided for under Brazilian Corporations Law and the securities rules applicable<sup>3</sup>.
- n. Stock bonus, reverse share splits or share splits: Should any stock bonus, reverse share splits or share splits be approved, the number of treasury shares shall be altered in order to adjust the numerical expression of shares held in treasury, such adjustment not modifying the balance sheet which backed the acquisition.
- o. Sale of shares under the plan of option to purchase the Company's shares: The shares purchased under this Plan to Repurchase Shares may be, at the criteria of the Board of Directors, allocated to the eventual exercise of the plan of option to purchase shares under the plan of option to purchase shares issued by the Company.
- p. Sale or cancellation of exceeding shares: The shares acquired in connection with this Company's Repurchase of Shares Program may, at the sole discretion of the Company's Board of Director, be used in the context of the Company's stock option plan. The Company shall, yet, cancel or sell the shares which exceed the balance of profits and the available reserves within six (6) months as of the release of the annual and interim financial statements or the quarterly financial information in which such excess is verified.

Finally, 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 matters that are relevant to the market.

Barretos, March 20, 2017

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

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<sup>3</sup> Pursuant to Paragraph 2 of Article 10 of CVM Instruction 567/15.