

**INTERNAL REGULATION OF THE BOARD OF DIRECTORS OF
BLAU FARMACÊUTICA S.A.
(Free Translation)**

**Approved at Meetings of the Company's Board of Directors
Held on October 23, 2017 and January 05, 2018**

Art. 1 - The Board of Director is one of the Company's deliberative body, having the powers established in the Articles of Incorporation, Corporate Law and this Regulation.

Single Paragraph – The Board of Directors is formed by at least five (5) and at most seven (7) officers elected by the shareholders during Shareholders' Meeting, under the terms of the Companies' Articles of Incorporation.

Art. 2 - All officers should be qualified professionals, with unquestionable reputation and character. A member of the Company's Board of Directors may not be elected, one who (i) occupies positions in companies that may be considered as competitors with the Company and/or (ii) has or represent an interest conflicting with Company's interests, unless expressly waived by the Shareholders' Meeting; (iii) has any legal impediment or whose reputation may harm the Company's image.

Paragraph 2 – The Board of Directors shall include in its proposal for the shareholders' meeting for the election of directors, its manifestation contemplating: (i) the adherence to the nomination policy of each candidate to the position of member of the board of directors, as soon as it is approved; and (ii) the reasons, in light of the provisions of the New Market Regulations and the statement sent by the nominee to an independent director to the board of directors, attesting to its fitting in relation to the independence criteria established in the New Market Regulations, by which the fitting of each candidate as an independent director is verified.

Paragraph 1 – In the event of a supervening occurrence of one of the conditions established in the head, the director cannot exercise his right to vote, and must report this fact immediately after the verification of the hypothesis to the body's chair.

Paragraph 2 – In the event that any member of the Board of Directors has omitted a fact or give a false statement about the non-existence of the impediments contained in the head of this article, he shall be barred from taking office or shall be immediately removed from office, as the case may be.

Board of Directors Attributions

Art. 3 - The Board of Directors is responsible for examining and deliberating any matter of interest to the Company, safeguarding the competencies originating from the respective deliberative bodies in accordance with the provisions of the Brazilian Corporation Law or the Articles of Incorporation.

Single Paragraph – In addition to other obligations set forth in the Company's Articles of Incorporation and in Brazilian Corporate Law, the Board of Directors is responsible for:

- (i) establish the general business direction and approve the annual business plan and the annual budgets and their respective amendments;
- (ii) elect and dismiss the Company's Officers, establishing the attributions and establishing the amount of their respective fees and benefits, within the global and annual limits set by the Shareholders' Meeting, as well as making recommendations regarding the election, dismissal or replacement of the members of the Executive Officers of the Company's subsidiaries;
- (iii) supervise the management of the Company's Executive Officers and the Subsidiaries Officers, at any time reviewing the Company's books and documents and requesting information on Management's acts;
- (iv) express an opinion on the annual report of the Management and accounts of the Board of Directors and on the proposal for allocation of the result for the year;
- (v) convene, by its Chairperson, the Shareholders' Meetings;
- (vi) choose and dismiss the independent auditors, observing, in this choice, the provisions of applicable legislation, and the external auditor should report to the Board of Directors;
- (vii) determine the annual audit of the Company's financial statements;
- (viii) approve a proposal for reorganizations involving the Company or its subsidiaries or significant portion of its assets, including transformation, spin-off, merger (and merger of shares) and consolidation involving the Company or its subsidiaries or a relevant portion of its assets, creation and suppression of wholly-owned subsidiaries or controlled companies, and the Company's participation in other companies, associations or ventures in the Country or abroad;
- (ix) approve proposal for dissolution, liquidation or termination of the Company's business;
- (x) determine the performance of inspections, audits or solicitation of accounts in Company's subsidiaries, subsidiaries or affiliates;
- (xi) resolve on the Company's acquisition of shares of its own issuance, or on the launch of put and call options referenced in shares issued by the Company, for maintenance in treasury and/or subsequent cancellation or disposal;
- (xii) resolve and fix the rules for the redemption of shares of the Company of its

- own issuance or of its subsidiaries;
- (xiii) approve a proposal for any amendment to the Articles of Incorporation, including any increase or decrease in capital;
 - (xiv) approve a proposal of any modification or suppression of rights, privileges or restrictions regarding shares of the Company's and/or Subsidiaries' capital.
 - (xv) resolve on the acquisition, entry or termination of any partnership, joint venture or any other transaction that results in the transfer of assets or shares involving an amount equal to or greater than BRL 30,000,000.00 (thirty million Brazilian Real), individually or on a consolidated basis, within the same fiscal year;
 - (xvi) to authorize the borrowing of more than BRL 30,000,000.00 (thirty million Brazilian Real), individually or on a consolidated basis, within the same fiscal year, in excess of the cash flow figures included in the Company's annual budgets approved by the Board of Directors;
 - (xvii) to approve limit of payments and financial limits to be followed by the Board of Directors;
 - (xviii) approve a proposal for changes in the Company's corporate name and determination of changes in the Company's logo and in the name and/or logo of its subsidiaries;
 - (xix) manage trademarks and use of intellectual property (trademarks, patents and copyrights) belonging to the Company and/or its subsidiaries, or its licensing to third parties;
 - (xx) approve the Company's products pricing policy.
 - (xxi) determine the credit policies for customers;
 - (xxii) determine accounting and fiscal policies and standards according to the applicable accounting practices;
 - (xxiii) establish the general wage policy and other general personnel policies, including, but not limited to, any benefits, bonuses, any other component of compensation and participation in the Company's results;
 - (xxiv) authorize the Company to provide guarantees to third party obligations;
 - (xxv) authorize the celebration of agreements or transactions between the Company and/or its subsidiaries and their respective shareholders or an affiliate of such companies and shareholders, and any changes/terminations/renewals of such agreements, as well as any other transactions involving Related Parties, pursuant to Related Parties Transactions Policy;
 - (xxvi) resolve on the expansion of the Company's business to countries where it does not operate, or authorize the start of any other new business, not currently

practiced by the Company and/or its subsidiaries, including the exit of markets in Brazil and/or abroad in which Company and/or its subsidiaries have operations;

- (xxvii) resolve on the issuance of simple, non-convertible into shares and unsecured debentures, as well as on the issuance of commercial promissory notes, bonds, notes and any other credit instruments for raising funds, commonly used in the market;
- (xxviii) prepare and disclose a reasoned opinion on any public offering for the acquisition of shares for the shares issued by the Company, pursuant to the New Market Regulation.

COMPOSITION OF THE BOARD

Chairman

Art. 4 – Among its components, the Board of Directors will be composed of one (1) Chairperson and one (1) Vice-Chairperson elected in accordance with the Company's Articles of Incorporation, at the Shareholders' Meeting.

Paragraph 1 – The Chairperson is responsible for directing the Board of Directors' Meetings.

Paragraph 2 – The Chairperson is also responsible for:

- (i) comply with and enforce the Company's Articles of Incorporation, Internal Regulations and other internal rules and procedures;
- (ii) convene and preside over the bodies' meetings, keeping the agenda;
- (iii) assume the office of Chief Executive Officer in case of impediment, resignation or vacancy in his or her position, and shall take up the position of Interim Chief Executive Officer and call the elections immediately, exercising it until the new Chief Executive Officer is in office;
- (iv) remain in the exercise of his office until the possession of his successor;
- (v) elaborate and propose the Bodies' annual budget;
- (vi) hire independent financial, legal, accounting and tax advisors and consultants, when necessary;
- (vii) conduct the electoral process for the statutory positions of the Board of

- Directors, calling for new elections during their term of office in cases of permanent impediment, vacancy or resignation;
- (viii) resolve cases not covered by these Internal Regulations, in compliance with the provisions of the Brazilian Corporation Law, Articles of Incorporation and other applicable standards, as amended;
 - (ix) to give or deny the floor to advisers, pursuant to these Internal Regulations, and not to allow ramblings or items apart from the agenda;
 - (x) to determine the closure of debates and the beginning of voting on the matters of agenda pursuant to these Internal Regulations; and
 - (xi) announce what is to be discussed or voted and declare the voting results.

Vice-Chairman

Art. 5 The Vice-Chairperson shall replace the Chairperson in his absences and in case of vacancy serve in an interim basis until the election and inauguration of new Chairperson under the Articles of Incorporation.

Directors

Art. 6 - The Board of Directors' members shall always perform their duties in order to:

- (i) take decisions independently, always having in mind the interest of the Company;
- (ii) monitor the activities of the Board of Directors and act as a link between the Board of Directors and the shareholders;
- (iii) protect and value the Company in order to ensure strict compliance with the legal and contractual rules concerning the Company and its Subsidiaries;
- (iv) optimize the business conducted and the services provided by the Company and its Subsidiaries on a competitive basis; and
- (v) develop strategies for the Company and its Subsidiaries to value and protect it, implementing and consolidating its future growth and other purposes that may be mutually agreed upon from time to time by the shareholders.

Single paragraph – The Directors' duties are:

- a. participate in the Board of Directors meetings;
- b. perform the charges for which they were appointed, unless there is a justified reason;
- c. when requested, provide information or issue an opinion on matters that may be discussed in meetings;
- d. ask information to the Board of Director's Chairperson and Company's Officers;
- e. vote or abstain to vote the matters that may be put in the agenda;
- f. declare themselves impeded and resign, as the case may be, to the position of Director by a letter addressed to the Chairperson of the Board of Directors, which shall be effective, regardless of deliberation, as from it is received by the Chairperson or whoever comes to perform their duties;
- g. keep their registration data updated, especially addresses for receiving mail, including electronic mail.

Art. 7 - Any member of the Board of Directors may invite, for specific matters and upon prior consent of the Chairperson of the Board of Directors, any officers or employees of the Company and/or its Subsidiaries, as well as advisors of their choice to attend Board Meetings without the right to vote or speak, unless authorized by the Chairperson of the Board of Directors.

MEETINGS

Art. 8 - The meetings of the Board of Directors shall be convened pursuant to the Company's Articles of Incorporation by its Chairperson, whenever necessary to the Company's interests.

Single Paragraph - The documents related to the subjects to be discussed will be digitized and sent to the officers to their registered electronic address, which, in turn, have the duty to access it.

Art. 9 - The meetings will only be installed with the presence of the majority of the officers, that is, half plus one of the practicing officers in office.

Paragraph 1 - The members of the Board of Directors who send their votes through the means admitted in the Articles of Incorporation or are represented by proxy, will be considered as attending the meetings.

Paragraph 2 - At the end of the meeting, the Minutes of the Board's Meeting containing the resolutions taken shall be drawn up.

Paragraph 3 - At the meetings, only matters expressly included in the agenda may be object of deliberation. However, matters brought to the meeting, which are not specified in the agenda, may be debated in general matters, provided that all the members are present and they unanimously agree to debate and deliberate on the subject not specified in the agenda.

Deliberation and Voting

Art. 10 - The Board's deliberations will always be done by voting, which shall enter into force after the closure of each discussion.

Paragraph 1 - The absolute majority of votes is mandatory for any decision or approval of the Board of Directors.

Paragraph 2 - Voting by majority vote shall be the favorable expression of the highest number of members of the Board of Directors, irrespective of the number of members present at the time of voting.

Art. 11 - The voting process shall be nominal by means of a call from the officers.

Paragraph 1 - Each member of the Board of Directors shall be entitled to one vote, and the Officer may also cast his vote by means of his proxy, letter, telegram, facsimile or e-mail, when received at the Company's headquarters before the beginning of each meeting.

Paragraph 2 - Votes by correspondence, in the Statutory form, will be read in a meeting by the Chairperson of the Board of Directors.

BOARD OF DIRECTORS
ELECTIONS

Elections

Art. 12 - Elections Statutory Board of Directors members will be done by open voting.

Paragraph 1 - All members of the Board of Directors of the Company and its Subsidiaries must be qualified professionals with unquestionable reputation and character, proven experience in their respective areas of responsibility and shall be payed by the Company and/or its Subsidiaries at market value based on their responsibilities , and should contribute in time and integral efforts to the Company's business.

Paragraph 2 - Candidates for the positions of the Board of Directors must be submitted to the Board of Directors by any of the shareholders holding common stock representing at least 20% of the Company's capital, which may be assisted by a headhunting firm hired by the Company.

Paragraph 3 - Each member shall be elected only by decision of the Board of Directors, by an absolute majority of its Officers, and multiple votes shall not be admitted in order to elect a director with the vote of only a part of the Board of Directors that does not represent the majority of its members.

Art. 13 - One may not be elected to the position of Statutory Officer if (i) occupies positions in companies that may be considered as competitors with the Company and/or (ii) has or represents an interest conflicting with Company's interests, unless expressly waived by the Board of Directors and/or (iii) has any legal impediment or whose reputation may harm the Company's image.

Art. 14 - Once the counting has been completed, the Chairperson of the Board of Directors shall announce the result of the election, indicating the elected members and vesting them in office immediately.

Art. 15 - If any of the members of the Board of Directors is removed by the Board of Directors, resign or be unable to perform their duties for any reason, the Board of Directors shall hold a meeting as soon as possible to elect a new member.

Paragraph 1 - The director elected under the conditions set forth in the head shall complete the term of office of the director to whom he shall succeed.

Paragraph 2 - In the event of vacancy of the position of Chief Executive Officer of the Company, this will be replaced by the Chairperson of the Board of Directors until the substitute is elected.

Art. 16 - The members of the Board of Directors shall always perform their duties in order to:

- (i) ensure strict compliance with the legal and statutory rules concerning the Company and its Subsidiaries;
- (ii) optimize the business conducted by the Company and its Subsidiaries on a competitive basis; and
- (iii) implement the strategy defined by the Board of Directors for the Company and its Subsidiaries, seeking its future growth and other purposes that may be mutually agreed upon from time to time by the Board of Directors.

FINAL AND TRANSITIONAL PROVISIONS

Financial Principles

Art. 17 - Any decision of the Board of Directors regarding the financial needs of the Company and its Subsidiaries, including working capital, investments, acquisitions, cash flow or any matter that, in order to be implemented, require financing, must always be preceded by a simultaneous decision on the sources of funding.

Single Paragraph - Notwithstanding the provisions contained in the head, all rules inherent to the Company's representation regarding financial matters in the Company's Articles of Incorporation shall be strictly observed by the Board of Directors at the time of the deliberations of this body.

General Provisions

Art. 18 - The omissions in these Regulations shall be resolved by the Chairperson of the Board of Directors, in compliance with the provisions of the Articles of Incorporation and other applicable legal provisions, as amended.

Art. 19 - The Company's Board of Directors will update these Internal Regulations whenever necessary due to statutory or legislative changes or even development of Company's activities.

Art. 20. These Internal Regulations shall enter into force on the date of its approval by the Board of Directors.