

**AUDIT COMMITTEE REGULATION OF
BLAU FARMACÊUTICA S.A.
(Free Translation)**

**Approved at Meetings of the Company's Board of Directors
held on October 23, 2017, January 05, 2018 and
January 12, 2018**

In accordance with the articles of incorporation of Blau Farmacêutica S.A. (“Company”), the Board of Directors (“Board”), at a meeting held on October 23, 2017, in the City of Cotia, in the State of São Paulo, Brazil, decided to create the non-statutory Audit Committee (“Audit Committee”).

This internal regulation of the Audit Committee (Audit Committee Regulation”) has the Audit Committee’s rules and was approved at Board meetings held on October 23, 2017, January 5, 2018 and January 12, 2018. This Audit Committee Regulation shall enter into force on this date and shall remain in force until amended in accordance with Chapter 5 below.

Chapter 1. - Purpose of the Committee

1.1. The Audit Committee is a Board’s advisory body and is linked to it, and it has operational autonomy and exclusive budget approved by the Board, in order to cover expenses with its operation.

1.2. The Audit Committee shall help in accompanying and supervising the accountancy, audit and financial reports practices, in conformity with the applicable regulation and with the Company’s internal policies.

1.3. The Audit Committee has, in every case, the responsibilities set forth in the general rules of best practices of corporate governance in Brazil, including, but not limited to the rules of New Market Regulation of B3 – Brasil, Bolsa, Balcão S.A.

1.4. The Committee shall present proposals and propose solutions for the consideration of the Board. The Board remains liable for its decisions, even if they are based on recommendations made by the Audit Committee.

Chapter 2. - Composition and members

2.1. The Audit Committee shall be composed of three (3) members chosen by simple majority of the Board members.

2.1.1. Company’s directors, directors of controlled companies, controller shareholder, associated companies or jointly-held companies.

2.2. At least one member of the Audit Committee shall have recognized expertise in corporate accounting matters, in accordance with the regulations issued by the Securities and Exchange Commission, which provides for the registration and exercise

of the independent audit activity within the securities market and defines duties and responsibilities of the audited entity's directors in the relationship with the independent auditors.

2.3. At least one member of the Audit Committee shall be an independent advisor of the Company, according to the definition set forth in the New Market Regulation.

2.4. The requirements of items 2.2 and 2.3 may be cumulative.

2.5. The Audit Committee shall have a coordinator, appointed by the Board, which shall convene and chair the Audit Committee's meetings. In the absence of the Committee's coordinator, the other attending members, by a majority of its members, shall elect one of them to chair the meeting.

Chapter 3. - Liabilities

3.1. The Audit Committee shall:

- (i) examine the appointment, renewal or replacement of the external auditor and make recommendations to the Board related to this matter, and the hiring of external auditor is the responsibility of the Board, as provided for in article 142, item IX, of the Corporate Law;
- (ii) give an opinion on the hiring and dismissal of independent auditing services and recommend to the Board the parameters for hiring external auditors for other permissible services in addition to auditing and to receive reports on the amounts paid to the auditor for such services at least once a year;
- (iii) recommend the creation and modification of policies for the hiring of employees or former employees of the external audit firms that participated in the Company's audit, in accordance with applicable laws and regulations;
- (iv) review and report to the Board at least annually on the qualifications, performance and independence of the external auditors, considering whether the external auditor's quality control is adequate and whether the provision of authorized non-audit services is compatible with the independence of external auditors, in view of the opinions of the Administration and the internal auditor;
- (v) examine the scope of work of the external auditor in relation to auditing the annual financial statements and reviews of interim financial reports, defining the annual Work Plan and assisting in the specific audits to be carried out. It shall also evaluate the financial statements, quarterly information and other interim statements;

- (vi) monitor the activities of the internal audit, defining with it the Annual Audit Plan and the scope, discussing and approving the audit reports, before their disclosure and issuance, and may recommend to the Board the appointment and replacement of the internal auditor, justifying in detail the reasons recommendation;
- (vii) to recommend to the Board the annual internal audit plan and to receive regular reports prepared by the internal auditor on the results of the audit work carried out;
- (viii) review annually and recommend to the Board any changes in the Company's internal audit rules and in the independence of the audit process;
- (ix) annually review the effectiveness of the internal audit and make recommendations to the Board, where appropriate, regarding the responsibilities of the department, budget and personnel and changes in the provided scope of the internal audit;
- (x) analyze and discuss the annual financial statements with the senior management and the external auditor, as well as the disclosures made in the Management Report or other similar sections and the audit findings;
- (xi) analyze and discuss with the senior management and the external auditor the Company's financial statements and any other financial information to be published, prior to release for such publication, including any review by the external auditor of the interim financial statements or other information;
- (xii) discuss with senior management and external auditors important issues of financial reporting and decisions taken in the preparation of the Company's financial statements, including the quality of economic results, significant deviations between expected and actual performance, any significant change in selection or application of accounting principles by the Company, any significant questions regarding the quality of the Company's internal controls and the special measures to be adopted due to the material deficiencies of the controls;
- (xiii) review and discuss the reports of external and internal auditors on:
 - (a) all important accounting policies and practices to verify that they are consistent with an appropriate presentation of the Company's financial statements in accordance with generally accepted accounting principles;
 - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with senior management, the consequences of using such disclosure and treatment alternatives, and the treatment suggested by the external auditors; and
 - (c) any written communication material between external auditors and the

senior management, such as any letter to the management.

- (xiv) discuss, with senior management and external auditors, the effects in financial statements caused by significant modifications or changes already provided for in the applicable regulations to the financial statements and in the accounting principles;
- (xv) review with the external auditors any problems or difficulties in the audit process and measures adopted by the Management, including, but not limited to:
 - (a) any restriction to the activity scope of external auditors;
 - (b) any restriction to the access of external auditors to requested materials or personal;
 - (c) any important divergences with the senior management;
 - (d) any problem of internal control brought by external auditors;
 - (e) any audit adjustments that have been proposed by external auditors, which have not been performed in the Company's financial statements (whether it is due to materiality reason or other).
- (xvi) instruct the Board to resolve any disagreements between the external auditors and senior management;
- (xvii) evaluate and monitor the Company's risk expositions, follow activities of the internal control area and review the performance of risks management and internal control system and shall review annually the management report on risk management and internal control system adequacy and efficacy;
- (xviii) at least once a year, get the confirmation from the management that the internal control system is the most adequate and efficient;
- (xix) request and obtain reports of the senior management certifying the compliance with applicable legal requirements and Company's Code of Conduct and Ethics, and shall advise the Board regarding Company's policies and procedures related to compliance with applicable laws and regulations and with Company's Code of Conduct and Ethics and Anticorruption Policy. The Committee shall coordinate with the other Company's Committees to ensure the appropriate handling of these matters;
- (xx) evaluate, monitor and recommend to senior management the correction or improvement of the Company's internal policies, including the Related Parties Transactions Policy;
- (xxi) recommend to the Board procedures for the receipt, retention and handling of complaints received by the Company related to accounting, internal controls, auditing and corruption, and shall report the confidential and anonymous reports of employees with concerns about suspected improper or questionable

- behavior within those areas and/or in disagreement with the Code of Conduct and Ethics and/or in disagreement with the Company's Anticorruption Policy;
- (xxii) discuss with senior management and external auditors, when requested by the Board, any correspondence with regulatory authorities or government agencies and any published reports that raise potentially significant questions about the Company's financial statements or accounting policies;
 - (xxiii) examine together with the Company's main legal advisor, at least once a year:
 - (a) all important legal matters that may present a material impact on the Company's financial statements; and
 - (b) the Company's compliance policies.
 - (xxiv) once a year, review the senior management report on industrial area risks and pharmacological safety, information technology and communication of the Company and the respective development plans;
 - (xxv) receive and handle information about non-compliance with legal and regulatory provisions applicable to the Company, as well as its internal regulations and codes, and it shall take appropriate measures to protect the provider and the confidentiality of the information, in accordance with the procedure set forth in the Whistleblower Policy.

3.1.1. As part of your supervision role, the Audit Committee may investigate any matter brought to their attention and may hire lawyers or other experts for this purpose. Consequently, the Audit Committee may inspect all company books, records and facilities, and hear any collaborator or employee, external attorney of the Company, external auditors or consultants, as the Audit Committee deems necessary to comply with its responsibilities .

3.2. The Audit Committee:

- (i) shall examine material transactions in which executive directors, Board members or other related parties have an interest in or involve the parties whose relationship with the Company allows them to trade on more favorable terms than those available to parties clearly independent of the Company ("*arm's length basis*"). The Audit Committee shall recommend to the Board if the transactions with related parties are in line with the best interest of the Company and if they were duly disclosed according to the following subjects:
 - (a) trading purpose of transactions proposed with related parties;
 - (b) identity of the parties involved, including the beneficiaries;
 - (c) transaction prices and terms were determined by the parties;
 - (d) if the operations were evaluated as fair and the description of how such

evaluation have been done; and
(e) the agreement scope and term, or other commitments that would result from the proposed operation.

- (ii) shall analyze and monitor the Company's guidelines to provide loans and guarantees and to enter into derivative transactions;
- (iii) shall monitor the open points raised by the auditors and the deadlines for their solution, supporting the internal and external auditors in determining the solutions to the approved audit points;
- (iv) shall analyze the cost of solving an audit point and shall propose to the Board of Directors that, as a result of such cost, it shall be considered as a risk assumed by the Company, at the sole discretion of the Board of Directors; and
- (v) shall follow the Company's risk exposure with respect to the points drawn up by the audit and shall inform the Board of Directors of all risks classified as serious.

3.3. The Audit Committee shall have the authority to hire, at the expense of the Company, legal, accounting or other independent advisors, to assist the Audit Committee in its responsibilities, to the extent that it deems such hiring necessary or appropriate.

Chapter 4. - Meetings

4.1. The Audit Committee shall meet at least quarterly and shall hold additional meetings when necessary or appropriate to meet its obligations. The Audit Committee shall have the power to decide who, in addition to its members, shall attend meetings, and such decision shall be taken by a majority of its members. At the meetings, the internal and external audit reports will be closed, so that they can be approved by a majority of the members of the Committee before their issuance and disclosure.

4.2. At least once a year, the Audit Committee shall meet with the internal and external auditors, jointly or separately.

4.3. The Committee meeting may be requested by any member of the Committee. Internal and external auditors may request a meeting with the Audit Committee, when they deem it necessary or convenient.

4.4. Except in case of urgency, meetings must be convened five days in advance and the notice must include the agenda and supporting documents. No further notifications will be required for meetings held at times and locations described in the

schedule previously approved by the Audit Committee. The Audit Committee may also meet by telephone or videoconference, if there is consensus among its members. No matter not specifically contained in the notification may be discussed, unless all members of the Committee are present and agree to the discussion of such matter.

45. If the members do not agree on the location or media, the meeting will be held at the Company's headquarters.

46. After each meeting of the Audit Committee, the coordinator or secretary of the Audit Committee, if the coordinator is absent, shall present a minute to the Board about the questions discussed and handled by the Audit Committee.

47. The minute draft shall be made by the secretary, approved at the end of the meeting, and shall be circulated as soon as possible to all Board members.

48. The Audit Committee shall report their activities on a quarterly basis to the Board, and the meeting minutes to the Board shall be disclosed, indicating such report.

49. Once a year, the Company shall disclose a summary report of the Audit Committee, about the meetings performed and the main subjects discussed, and emphasizing the recommendation submitted by the Committee to the Board.

Chapter 5. - Regulation Amendment:

5.1. The Committee may propose amendments to the present Board Regulation, which may only be implemented if approved at a meeting of the Company's Board of Directors by a majority of attending members.

Chapter 6. – General Provisions

6.1. The Audit Committee shall elaborate, execute and monitor their own budget, which shall be previously approved by the Board.

6.2. The Committee may delegate specific competencies to one or more of its members as long as it is approved by a majority of the Committee members, to the extent permitted by applicable regulations.

6.3. The Audit Committee coordinator (or one of the other members, as may be decided by a majority of its members) shall be available to answer questions about the Committee's activities at shareholders' meetings.