

**COMPENSATION POLICY OF
BLAU FARMACÊUTICA S.A.
(Free Translation)**

**Approved at Meetings of the Company's Board of Directors Held on
January 05 and revised on 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 January 5, 2018, at the Company's headquarters in the City of Cotia, State of São Paulo Paulo, Brazil, in accordance with the relevant provisions of the articles of incorporation, decided to adopt this Compensation Policy to establish the criteria and procedures for stipulating the compensation bases of the Key Company Personnel. This Policy was amended at the meeting of the Company's Board of Directors held on January 12, 2018.

This policy is intended to establish the basic principles of compensation and may be amended by the Board of Directors, pursuant to the Company's Articles of Incorporation.

I. GLOSSARY:

Company - Blau Farmacêutica S.A.

Key Management Personnel - Pursuant to this regulation, the members of the Board of Directors, Executive Board, Advisory Committees of the Board of Directors, other committees, whether statutory or non-statutory, and strategic positions of managers and coordinators.

Board of Directors - The Company's deliberative body, having the powers established in the Articles of Incorporation, Corporate Law and the Internal Regulation of the body.

Compensation Committees - HR, Compensation and Governance Committee constituted pursuant to the Articles of Incorporation, and the Internal Regulations of the Company's Board of Directors

II. GENERAL PRINCIPLES:

II.I The overall compensation of members of the Board of Directors and Executive Board (statutory and non-statutory) (“Board of Directors” and “Executive Board”) shall be fixed by the General Meeting, and the Board of Directors shall fix the monthly fees of its respective members and of the Board of Directors members.

II.II When other bodies are settled, the General Meeting that elects its respective members shall determine the respective compensation, in accordance with the minimum values established by law.

II.III The members of the Advisory Committees of the Company's Board of Directors (“Committees”) shall be remunerated in accordance with the determination of the Board of Directors within the limits of the annual global values established for the Board of Directors by the Shareholders' General Meeting.

III. COMPENSATION COMMITTEE:

III.I The Company's Board of Directors will be assisted in matters related to the compensation of Key Management Personnel by a Compensation Committee.

III.II The Compensation Committee shall have among its respective duties to propose to the Key Management Personnel a compensation that is compatible with the best practices observed by the Company's Pharmaceutical Market segment, which should contribute to the encouragement and retention of professionals duly qualified for the performance of their duties, as well as to attract new resources whenever necessary.

III.III As is the case with the Board of Directors, the Compensation Committee will be allowed to hire advisors of notable expertise to define the compensation plans in accordance with research carried out in the Company's market segment.

IV. TYPES OF COMPENSATION:

IV.I The main purpose of the Company's compensation policy is to align the interests of the Key Management Personnel and the Company's purposes, based on the best practices adopted by the Pharmaceutical Market segment of the countries where the Company operates, and the Compensation Committee may propose different ways and/or concepts for different countries where the Company operates, in order to meet the best practices of each market.

VI.II The Global Compensation of Key Management Personnel may consist of the following components:

- i. Fixed compensation;
- ii. Variable compensation;
- iii. Stock-based compensation;
- iv. Post-employment compensation;
- v. Benefits motivated by the performance termination of position duties;
- vi. Other components eventually decided by the Board of Directors or Compensation Committee, within the limits imposed by the delegation;

V. THE COMPENSATION ITSELF

i. Fixed Compensation:

- 1-** The Fixed Compensation of Key Management Personnel will be based on the responsibilities of the position and individual experiences and median values paid by companies of the same size of the Company in each of the markets in which it operates.
- 2-** The General Shareholders' Meeting has the prerogative for establishing such compensation in the case of the Board of Directors and, in all other cases, it is liable to the Board of Directors, with the support of the Compensation Committee, which may be based on specialized company advice.
- 3-** The fixed compensation may be reviewed annually, in order to guarantee the transfer

of inflation and the maintenance of purchasing power, and may propose a review in order to ensure full compliance with the practices of the Pharmaceutical Market of each country where the Company operates.

ii. Variable compensation

a) Bonus:

- 1- In order to promote the best interest and alignment of its objectives with those of the Company, Key Management Personnel, especially the members of the Company's Executive Board, may participate in an annual bonus program. The amounts to be distributed under this program should result from an objective and subjective evaluation process of the participant.
- 2- The objective Evaluation may result in the fulfillment of annual goals established in a management agreement.
- 3- The subjective evaluation shall be performed by superiors, peers and/or subordinates, as may be suggested by the Compensation Committee and approved by the Board of Directors.
- 4- The bonus payment criteria, as well as the overall and individual goals of the Key Management Personnel, shall be proposed by the Compensation Committee and approved, in the case of the members of the Board of Directors, if there is provision for payment of bonuses, by the Shareholders' General Meeting and, in other cases, by the Board of Directors, and must include the total amount to be paid in the approved Company budget for each calendar year.

b) Profit Sharing

The members of the Board of Directors and of the Executive Board may claim the Company's profit sharing, as per resolution of the Shareholders' General Meeting and in compliance with the Company's Articles of Association

iii. Stock-based or stock-related compensation;

- 1- The Company may approve a compensation plan based on or related to shares ("General Plan"), which will depend on the approval at the Shareholders' General Meeting, and may grant the powers of its management to the Board of Directors or Compensation Committee.
- 2- Subject to the General Plan approved at a general meeting, the Board of Directors may periodically adopt programs, when the specific conditions and the respective beneficiaries will be defined.
- 3- The programs shall observe the availability of financial resources of the Company and the adequacy of the additional percentage shares of the outstanding shares to the limit established in the applicable rules, when applicable.
- 4- The stock-based on stock-related compensation is intended to stimulate the Company's expansion, success and corporate purposes, through the approximation

and alignment of the Shareholders' interests with the Key Management Personnel's interests.

iv. Post-Employment Benefits:

At the discretion of the Board of Directors or Compensation Committee, post-employment benefits may be attributed to Key Management Personnel, represented by:

- a) Supplementary Private Pension;
- b) Person insurance; and
- c) Healthcare and/or Dental care.

Any new benefits that may be implemented will be effective as of the date of their institution, but will not be retroactive.

v. Benefits Motivated by the Performance Termination of Position Duties:

In exceptional cases, at the discretion of the Board of Directors or Compensation Committee, the attribution of benefits motivated by the performance termination of the position to Key Management Personnel may be established for a determined period, depending on the hypothesis.

VI. POSITIONS ACCUMULATION:

VI.I. Those who may participate in multiple bodies of the Company may have their compensation assigned in accordance with additional ones compatible with the positions they occupy, respecting the limits established in rules to be defined by the Company's Board or the Compensation Committee.

CHANGE:

VIII.I. In accordance with the provisions of the Company's Articles of Association, this policy may be modified, preserving the acquired rights.

VII. OMISSIONS

IX.I. omissions shall be decided by the Company's Board of Directors, which may delegate such responsibility to the Compensation Committee.