

AREZZO INDÚSTRIA E COMÉRCIO S.A.

Publicly-held company

National Corporate Taxpayers' Register (CNPJ/MF) No. 16.590.234/0001-76

State Commercial Registry (NIRE) No. 31.300.025.91-8

**MINUTES OF THE BOARD OF DIRECTORS MEETING
HELD ON MARCH 27, 2017**

1. **DATE, TIME AND PLACE:** Held at 1:00 pm on March 27, 2017, at the Company's offices located in the city of São Paulo, state of São Paulo, at Rua Gomes de Carvalho, 1507, 16th floor, Vila Olímpia, postal code 04547-005.
2. **CALL:** Call made pursuant to article 17 of the Company's Bylaws, by prior notice, in writing delivered to members of the board of directors.
3. **ATTENDANCE:** A majority of members of the Company's board of directors are present, and there was participation of members of board of directors by means of conference call, pursuant to Article 20 of the Company's bylaws.
4. **PRESIDING OFFICERS:** The meeting was chaired by Mr. Anderson Lemos Birman, with Mr. Fernando Santos Abreu Caligaris as secretary.
5. **AGENDA:** Decide on: (i) management's proposal on the matters to be decided at the Company's annual and special shareholders meeting to be held, on the first call, on April 28, 2017 ("2017 ANNUAL AND SPECIAL SHAREHOLDERS' MEETING"); (ii) Company's stock purchase program; and (iii) authorization for the Board to perform all acts necessary to implement the decisions taken at this meeting of the board of directors.
6. **RESOLUTIONS:** The members of the board of directors in attendance decided the following:
 - 6.1. Approve, by unanimous vote of the members present, the management's proposal for the Annual and Special Shareholders' Meeting, including the allocation of profits from the fiscal year ended December 31, 2016 and other information that seek to facilitate the understanding and participation of the shareholders at the Annual and Special Shareholders' Meeting.

6.2. Approve, by unanimous vote of the directors present, in accordance with Article 21, XIV, of the Company's Bylaws, compliance with the requirements of CVM Ruling No. 567 of September 17, 2015, as amended ("ICVM 567/15") and other applicable provisions, the application of profits and/or reserves for the acquisition by the Company on the stock exchange, of up to three million, eight hundred and forty-six thousand, nine hundred and eighty-five (3,846,985) registered common shares, with no par value of the Company, without reducing the Company's capital, according to the following ("Stock Buyback Program"):

- 6.2.1 **Objective:** The Company's objective in implementing the Stock Buyback Program is to increase the generation of shareholder value for its shareholders due to the current discount of shares in the market in the acquisition of common shares issued by the Company to remain in treasury or subsequent cancellation, without reduction of capital, subject to the provisions of paragraph 1 of Article 30 of the Corporation Law, and the rules set out in CVM Ruling 567/15.
- 6.2.2 **Outstanding shares:** Currently, in accordance with paragraph 3 of Art. 8 of CVM Ruling 567/15, there are forty-two million, three hundred and sixteen thousand, eight hundred and thirty-five (42,316,835) common, registered shares, with no par value, issued by the Company outstanding on the market ("Outstanding Shares").
- 6.2.3 **Treasury Shares:** There are, today, no common, registered, book-entry shares, with no par value, held in treasury.
- 6.2.4 **Number of shares to be acquired:** Considering the number of Outstanding Shares and the number of shares currently held in treasury, the Company may, at its sole discretion and in accordance with the Share Buyback Program, in compliance with Article 8 of CVM Ruling 567/15, purchase up to three million, eight hundred and forty-six thousand, nine hundred and eighty-five (3,846,985) common shares, with no par value, corresponding to up to four point thirty-three percent (4.33%) of the Company's total shares and up to approximately ten percent (10.00%) of the total Outstanding Shares after the acquisition of shares under the Buyback Program.

- 6.2.5 **Price and form of acquisition:** The purchase transactions shall be made at BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA"), at market prices, provided that the Company's Executive Board shall decide the time and number of shares to be purchased, whether in a single transaction or a series of transactions, subject to the limits provided for in the regulations.
- 6.2.6 **Duration of the Stock Buyback Program:** The deadline for completion of purchases and acquisitions is eighteen (18) months from March 28, 2017, inclusive, and ending on September 28, 2018, inclusive.
- 6.2.7 **Financial institutions that act as intermediaries:** The Company's stock purchase transactions shall be made at market prices and intermediated by brokers:

Merril Lynch S.A Corretora de Títulos e Valores Mobiliários

CNPJ No. 02.670.590/0001-95

Av. Brigadeiro Faria Lima, No. 3400, 16th floor, Itaim Bibi,

Sao Paulo, SP postal code 04538-133

Banco BTG Pactual S.A.

CNPJ No. 30.306.594/0001-45

Praia de Botafogo, No. 501, 5th and 6th floors, Bairro Botafogo

Rio de Janeiro - RJ

Postal Code 22250-040

Credit Suisse S.A. Corretora de Títulos e Valores Mobiliários,

CNPJ No. 42.584.318/0001-07

Rua Leopoldo Couto de Magalhães Jr., No. 700, 10th, 12th and 14th floors, Itaim Bibi

Sao Paulo, SP

Postal Code 04542-000

- 6.2.8 **Available Resources:** The transactions carried out under the Stock Buyback Program shall be funded by the total amount (a) of profit and capital reserves, excluding the legal reserve, the profit reserve account, the special unpaid dividend reserve and the tax incentives reserve, as applicable; and (b) the

profit earned in the current fiscal year, excluding the amounts to be allocated to formation of the legal reserve, the profit reserve account, the special unpaid dividend reserve and the tax incentives reserve and payment of the mandatory dividend, as appropriate.

- 6.2.9 **Verification of the available resources:** The existence of available resources to back the acquisition of own shares shall be verified based on the most recent annual, interim and quarterly financial statements published by the Company prior to the effective transfer to the Company's ownership of its shares.
- 6.2.10 **Prudential assurance measures:** The use of interim financial statements and quarterly financial information to back the transactions shall observe, at least, the following prudential assurance measures: (a) segregation of amounts that, if it were the end of the fiscal year, would have to be separated to cover the reserves necessarily constitutable and the amount that would be allocated to the mandatory dividend; (b) mandatory withholding deductions to ensure that the amounts to be used for payment of the mandatory dividend at the end of the fiscal year and to repurchase the shares are fully backed by realized profits (financially available or very soon available); and (c) analysis of the Company's past with regard to the typical behavior of the result in the remaining phase of the fiscal year and a projection for the result of the fiscal year underway, submitting such information to the Board of Directors.
- 6.2.11 **Estimated amounts of income of the year:** In no event will it be possible to use the projected amounts for the current financial year to back the transactions carried out in the Stock Buyback Program.
- 6.2.12 **Verifications of the Executive Board:** The Executive Board may only carry out acquisitions if all the steps are taken to ensure that: (a) the settlement of each transaction on maturity is consistent with the Company's financial condition and does not affect the fulfillment of the obligations to creditors or the payment of the mandatory dividend; and (b) the verification of the existence of available resources based on interim financial statements or reflected in the quarterly information forms - ITR, there are no predictable facts able to give rise to significant changes in the amount of these resources over the remainder of the fiscal year.

6.2.13 **Stock held in treasury:** Under applicable law, the shares, while held in treasury, shall not have equity or political rights and, pursuant to paragraph 2 of Art. 10 of CVM Ruling 567/15 shall be disregarded in the calculation of the quorum for opening of the meeting and the resolution provided under the Corporation Law and the securities market regulations.

6.2.14 **Sale or cancellation of the excess shares:** The shares acquired under this Stock Buyback Program may, at the discretion of the Board of Directors, may be intended for exercise of stock options under the Company's stock option plan. The Company shall cancel or sell the shares that exceed the available balance of profits and reserves, within six (6) months from the publication of the annual financial and interim financial statements or quarterly financial information in which the surplus is ascertained.

6.4. Authorize the Company's officers to perform all acts necessary to implement the resolutions passed herein, including, without limitation, carry out the registrations and updates of the Company in the competent public and private bodies, if applicable.

7. ADJOURNMENT: As there is nothing else to be addressed, the meeting was closed, in respect to which these minutes were drawn up, which once read and found to conform, were signed by all members of the board physically present. Presiding Officers: (sgd) Anderson Lemos Birman – Chairman; and (sgd) Fernando Santos Abreu Caligaris – Secretary. Directors present: (sgd) Anderson Lemos Birman; Carolina Valle de Andrade Faria; Claudia Elisa de Pinho Soares; Fabio Hering; Juliana Rozenbaum; Guilherme Affonso Ferreira; Jose Ernesto Beni Bolonha, Rodrigo Calvo Galindo and Welerson Cavalieri.

As per the original drawn up in the proper book.

São Paulo, March 27, 2017.

Presiding Members:

Anderson Lemos Birman
Chairman

Fernando Santos Abreu Caligaris
Secretary

**INFORMATION REQUIRED BY EXHIBIT 30 - XXXVI
OF CVM RULING No. 480 OF DECEMBER 7, 2009**

- 1. Justify in detail the purpose and the expected economic effects of the transaction.**

The Company's objective in implementing the Stock Buyback Program is to increase the generation of value for shareholders due to the current discount of the stock in the market in the acquisition of the Company's common shares to be held in treasury or subsequent cancellation without reduction of the capital stock, subject to the provisions of paragraph 1 of Article 30 of the Corporation Law, and the rules set out in CVM Ruling 567/15.

- 2. Inform the number of shares (i) outstanding and (ii) already held in treasury.**

On this date, (i) there are forty-two million, three hundred and sixteen thousand, eight hundred and thirty-five (42,316,835) outstanding common, registered shares, with no par value, issued by the Company, as defined in Article 8, paragraph 3 of CVM Ruling No. 567/15; and (ii) there are no common, registered shares, with no par value, issued by the Company held in treasury.

- 3. Inform the number of shares that may be purchased or sold.**

The Company may purchase up to three million, eight hundred and forty-six thousand, nine hundred and eighty-five (3,846,985) shares, representing up to four point thirty-three percent (4.33%) of the total shares issued by the Company and up to approximately ten percent (10.00%) of the total Outstanding Shares after the acquisition of the shares.

- 4. Describe the main characteristics of the derivative instruments that the company may use, if any.**

Not applicable, considering that the Company will not use derivative instruments.

5. Describe, if any, any existing voting agreement or instructions between the company and the counterparty of the transactions.

There is no voting guidance between the Company and counterparties, since the acquisition of shares shall occur at BM&FBOVESPA and the Company is not aware of who will be the counterparty.

- 6. In the event of transactions carried out in the organized securities markets, inform:**
- a. the maximum (minimum) price for which the shares will be acquired (sold); and
 - b. if appropriate, the reasons for carrying out the transaction at prices over ten percent (10%) higher, in the case of acquisition, or more than ten percent (10%) lower in the case of sale, at the average price, weighted by volume, within the ten (10) prior trading days.

It is not applicable, since the stock purchase transactions shall be made at BM&FBOVESPA.

7. Inform, if any, the impact that the trading will have on the composition of shareholder control or the administrative structure of the company.

There will be no impact on the composition of control or in the Company's administrative structure due to the implementation of the Stock Buyback Program.

- 8. Identify the counterparties, if known, and, in the case of a party related to the company, as defined by the accounting rules that deal with this subject, also provide the information required by Art. 8 of CVM Ruling No. 481, of December 17, 2009.**

The acquisition of shares shall occur through transactions at BM&FBOVESPA, so that there are no known counterparties or transactions with related parties.

9. Indicate the allocation of the funds obtained, if applicable.

At the time of acquisition of the shares, the Company will not accrue funds. The decision to cancel or sell shares held in treasury will be taken in due time and communicated to the

market. If the sale of stock is approved, the funds raised shall be allocated to the Company's operations.

10. Indicate the deadline for the settlement of authorized transactions.

The settlement of the stock purchase transactions shall occur no later than eighteen (18) months, beginning on March 28, 2017, inclusive, and ending on September 28, 2018, inclusive.

11. Identify institutions that will act as intermediaries, if any.

The stock purchase transactions shall be intermediated by the following institutions:

Merril Lynch S.A Corretora de Títulos e Valores Mobiliários

CNPJ No. 02.670.590/0001-95

Av. Brigadeiro Faria Lima, No. 3400, 16th floor, Itaim Bibi,
São Paulo, SP

postal code 04538-133

BTG Pactual Corretora de Títulos e Valores Mobiliários S.A.

CNPJ/MF: 43.815.158/0001-22

Av. Brigadeiro Faria Lima, No. 3477, 14th floor.
São Paulo, SP

postal code 04538-133

Credit Suisse S.A. Corretora de Títulos e Valores Mobiliários,

CNPJ No. 42.584.318/0001-07

Rua Leopoldo Couto de Magalhães Jr., No. 700, 10th, 12th and 14th
floors, Itaim Bibi

Sao Paulo, SP

Postal Code 04542-000

12. Specify the available funds to be used in Art. 7, paragraph 1, of CVM Ruling No. 567, of September 17, 2015.

The stock purchase transactions in terms of the Stock Buyback Program shall be supported by the overall amount (a) of profit and capital reserves, excluding the legal reserve, the profit reserve account, the unpaid dividend special reserve and the reserve for tax incentives; and (b) the profit realized from the current fiscal year, excluding the amounts to be allocated to

formation of the legal reserve, the profit reserve account, the special unpaid dividend reserve and tax incentive reserve, and payment of the mandatory dividend.

Verification of the backing for the transactions shall be done based on the Company's latest annual, interim or quarterly financial statements, published prior to the effective transfer to the Company of the ownership of its shares, subject to the provisions of CVM Ruling 567/15.

13. Specify the reasons why the members of the board are comfortable that the stock buyback shall not affect the fulfillment of the obligations assumed with creditors or the payment of mandatory, fixed or minimum dividends.

Based on the financial statements for the fiscal year ended December 31, 2016, the Company had a consolidated position of monetizable assets ("Monetizable Assets") in the amount of R\$ 668,626,000, compared to a consolidated position of obligations to creditors ("Obligations") in the amount of R\$ 172,494,000.

Monetizable Assets include cash and financial investments of R\$ 242,844,000; accounts receivable from customers of R\$ 315,304,000; and inventory of R\$ 110,478,000;

The obligations include: loans and short-term debt of approximately R\$ 78,970,000; loans and long-term financing of approximately R\$ 27,079,000 and suppliers of approximately R\$ 66,445,000.

In the event of repurchase of all 3,846,803 common shares subject of the Buyback Program, the amount that would be used for such transaction, based on the average closing price, weighted by the volume of traded shares in the last 10 trading sessions in which the Company's shares were traded, would reach the total amount of R\$ 120,327,000, corresponding to less than 20% of the Monetizable Assets.

Thus, since the stock repurchase will potentially consume a small percentage of the Company's monetizable assets, through the use of the surplus funds, and that management evaluates the Company's financial situation favorably, managers understand that effectiveness of the Stock Buyback Program shall not affect the fulfillment of obligations assumed with creditors nor the payment of mandatory dividends.

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