

**POLICY ON DISCLOSURE AND USE OF  
INFORMATION AND TRADING OF  
SECURITIES ISSUED BY ETERNIT**

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## **I - PURPOSE**

These policies ("policies") (i) govern the use and disclosure of information of Eternit S.A. – Under Court-Supervised Reorganization and its subsidiaries ("Eternit" or "Company") and (ii) establish the rules for trading of securities issued by the Company.

The persons mentioned in the policies must sign the Declaration of Compliance<sup>1</sup> with the Policy on Disclosure and Use of Information and Trading of Securities Issued by Eternit ("Declaration of Compliance"), pursuant to article 16, paragraph 1 of CVM Instruction 358/02<sup>2</sup>, as per the template in Appendix I.

The Company will maintain at its registered office a list of the persons who sign the Declaration of Compliance, with their respective identification, position or function, address as well as the Individual or Corporate Taxpayer Registration number. The list will be always available to the Securities and Exchange Commission of Brazil (CVM).

## **II - PRINCIPLES**

- ✓ All persons subject to these policies must base their conduct on the values of good faith, loyalty and veracity, and the general principles established herein.
- ✓ All efforts to promote market efficiency must be aimed at ensuring that investors compete for better returns based on their own analyses and interpretation of the information disclosed to the market and never through privileged access to such information.
- ✓ The persons subject to these policies must consider that transparent, accurate and timely information is the main instrument available to investors and, specially, to the shareholders of the Company so that fair treatment is assured to them.
- ✓ The relationship of the Company with market players and opinion makers must be uniform and transparent.
- ✓ Persons subject to the provisions of these policies must ensure that the information disclosed on the equity and financial situation of the Company is true and accurate and prepared by managers responsible for such, and that such information includes data on the history of their shareholding positions in the Company, as established here and the regulations in force.

## **III - POLICY ON DISCLOSURE AND USE OF INFORMATION**

### **A - SCOPE**

This policy applies to the following Subject Persons (Subject Persons):

- ✓ Executive Officers;

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<sup>1</sup> Document to be executed under article 16, paragraph 1, of CVM Instruction 358/02.

<sup>2</sup> Instruction that provides for disclosure and use of information on material fact or event related to publicly held companies, rules the disclosure of information during the trading of securities, among other matters.

- ✓ Directors; Audit Board members;
- ✓ Members of any technical or advisory bodies created pursuant to the Bylaws<sup>3</sup>;
- ✓ Employees and executives with access to material information; and
- ✓ Whoever, by virtue of their position or function at the Company, is aware of any information related to the material fact or event.

## **B - MATERIAL FACT OR EVENT**

### **1 - Obligations to the Investor Relations Officer**

CVM Instruction 358/02 established a system of responsibility for the use, communication and disclosure of any Material Fact or Event of publicly held companies. Therefore, the Investor Relations Officer was assigned the primary responsibility of notifying and disclosing the Material Fact or Event.

To ensure that the Investor Relations Officer fulfills their duties, some persons connected to the Company have been tasked with notifying the Investor Relations Officer of any Material Fact or Event that they are aware, for them to take the necessary measures.

### **2 - Purpose of Disclosure of Material Fact or Event**

The disclosure of Material Fact or Event is aimed at assuring investors that the information necessary for their investment decisions is made available efficiently, reasonably and in timely manner, ensuring the best symmetry possible in the dissemination of information. As such, this policy prohibits the improper use of insider information<sup>4</sup> in the securities market<sup>5</sup> by persons who have access to it, for their own benefit or third-party benefit, to the detriment of investors in general, the market and the Company itself.

#### **2.1 - Definition of Material Fact or Event**

Pursuant to article 155, paragraph 1, of Federal Law 6,404/76 and article 2 of CVM Instruction 358/02, Material Fact or Event means: any decision of the controlling shareholder or resolution of shareholders meeting or management bodies of the Company; or (b) any other fact or event of political, administrative, technical, business, financial or economic nature, occurred in or related to its businesses, which might considerably influence:

- i. the price of securities issued by the Company or referenced to them;
- ii. investors' decision to buy, sell or hold said securities;
- iii. investors' decision to exercise any rights inherent to the condition of holders of securities issued by the Company or referenced to them.

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<sup>3</sup> Bodies of the Company created under its bylaws, with technical functions or intended to advise executive officers or directors such as, for example, committees set up by the Board of Directors.

<sup>4</sup> "Insider" or "Privileged" information – relevant information related to the Company that is capable of influencing considerably the price of securities and not yet disclosed to investors.

<sup>5</sup> Includes any shares, debentures, subscription warrants, receipts and subscription rights, promissory notes, call or put options, indices and derivatives of any type, or any other instruments or collective investment agreements issued by the companies of Eternit Group, or referenced thereto, which are deemed securities under the law.

## **2.2 - Examples of Material Fact or Event**

Article 2 of CVM Instruction 358/02 provides a non-exhaustive list of examples of Material Facts or Events, which need not be repeated here. In any case, the events related to the Material Fact or Event must have their materiality analyzed in the context of normal activities and size of the Company, as well as the nature of material information disclosed previously, rather than assessed based on abstract notions, in order to avoid immaterial disclosures that could adversely affect the quality of market analyses of the Company's prospects.

## **2.3 - Internal procedures to communicate and disclose any Material Fact or Event**

All information about Material Facts or Events of the Company will be centralized with the Investor Relations Officer, who is responsible for notifying and disclosing the Material Fact or Event (CVM Instruction 358/02, article 3).

Subject persons who signed the Declaration of Compliance must notify any Material Fact or Event that they become aware of to the Investor Relations Officer who, under this policy, is responsible for notifying it to applicable authorities and disclosing it to the press.

Meetings with trade associations and unions, investors, analysts or select public, in Brazil or abroad, related to matters that may constitute material information, must be attended by the Chairman of the Board of Directors, the Chief Executive Officer, the Investor Relations Officer or a person appointed for such purpose, otherwise the content of such meetings must be reported to the Investor Relations Officer to the extent it involves material information, for the purpose of simultaneous disclosure to the market.

## **2.4 - Responsibility in Case of Omission**

Subject persons who signed the Declaration of Compliance and have personal knowledge of a Material Fact or Event must notify it to the Investor Relations Officer. However, if after this notification (provided that no decision to keep confidentiality is taken under article 6 of CVM Instruction 358/02) the persons mentioned in this item observe the Investor Relations Officer's inaction to comply with their duty of notification and disclosure, said persons will be released from such responsibility only if they notify the Material Fact or Event immediately to the Securities and Exchange Commission of Brazil ("CVM").

## **3 – Forms and deadlines for disclosure of information**

The disclosure of Material Fact or Event will occur, whenever possible, at least 60 minutes prior to the start of trading of securities or after its closing.

As for deadlines for disclosure of information, the Investor Relations Officer will do the following:

- i. notify the CVM and the market simultaneously of the Material Fact or Event occurred or related to the business of the Company immediately after its occurrence;
- ii. make the Material Fact or Event available on the Investor Relations website of the Company;
- iii. make the Material Fact or Event available in the disclosure channel adopted by the Company; and

- iv. In exceptional cases where it is absolutely necessary to disclose the Material Fact or Event during the trading session, including in the event of loss of control over the confidentiality of information, the issuer must contact B3 - Brasil Bolsa Balcão ("B3") before the effective disclosure to the market of the material fact or event and request suspension of trading of securities (CVM Instruction 358/02, article 5, paragraph 2, and B3's Issuer Manual).

### **3.1 – Disclosure Channel**

The Material Fact or Event involving the Company will be disclosed to the market through publication in electronic channels customarily used by the Company (CVM Instruction 358/02, article 3, paragraph 4), provided that the access of market players to such channels is free of charge.

### **4 – Insider information and Duty of Confidentiality**

Subject Persons who signed the Declaration of Compliance must:

- i. keep the secrecy of any information related to the Material Fact or Event they have privileged access to, until its disclosure to the market;
- ii. ensure that subordinates and third parties of their trust do so as well, being jointly liable for any breach of confidentiality (CVM Instruction 358/02, article 8); and
- iii. observe the blackout period established in the Securities Trading Policy.

For guidance in the event of uncertainty as to the materiality of insider information, Subject Persons should contact the Investor Relations Officer of the Company.

#### **4.1 – Non-Disclosure is Exception to the Rule**

The general rule applicable to Material Fact or Event is that it must be immediately notified and disclosed. In any case, failing to notify and disclose a Material Fact or Event is an exception and should be analyzed (CVM Instruction 358/02, article 6, head paragraph).

However, in exceptional cases, the disclosure of Insider Information that constitutes a Material Fact or Event could jeopardize the legitimate interests of the Company.

#### **4.2 - Procedures for Non-Disclosure of Material Fact or Event of the Company**

In these situations, the non-disclosure of Material Fact or Event related to the Company will be decided by the Management of the Company, as applicable (CVM Instruction 358/02, article 6, head paragraph).

If a particular Material Fact or Event relates to transactions directly involving Shareholders and they decide not to disclose it, the Shareholders must inform such decision to the Investor Relations Officer of the Company.

Even if Managers and Shareholders decide not to disclose the Material Fact or Event, it is their duty to immediately

disclose the Material Fact or Event, either directly or through the Investor Relations Officer, if the information cannot be controlled or in case of atypical fluctuation in the price or volume of Company Securities traded (CVM Instruction 358/02, article 6, sole paragraph).

#### **4.3 – Request to CVM for Maintenance of Confidentiality**

Executive officers, directors and shareholders may submit to CVM their decision, on an exceptional basis, to maintain the Material Fact or Event confidential if they find its disclosure may clearly jeopardize the legitimate interests of the Company (CVM Instruction 358/02, article 7).

#### **C – NOTIFICATION OF INFORMATION ON TRADING BY MANAGERS AND RELATED PERSONS**

The procedures for notification of information on trading of securities issued by the Company established in this Section are based on article 11 of CVM Instruction 358/02.

Executive officers, directors, members of the Audit Board and any technical or advisory bodies created under the Bylaws must inform their ownership of securities issued by the Company, in their own name or in the name of related persons<sup>6</sup>, as well as any changes in such positions.

The notification should be sent to the Investor Relations Officer of the Company, who in turn will send it to CVM and B3.

The notification to CVM and B3 must be made (i) immediately after investiture in the position and (ii) within ten (10) days after the end of the month when a change in the positions held occurs, indicating the balance of the position in the period.

#### **D - PROCEDURES FOR NOTIFICATION AND DISCLOSURE OF ACQUISITION OR SALE OF MATERIAL OWNERSHIP INTEREST, INCLUDING THROUGH SHARE LENDING**

The procedures for notification and disclosure of information on the trading of securities issued by the Company that involves material ownership interest, as established in this policy, are based on article 12 of CVM Instruction 358/02.

Shareholders who elect members of the Board of Directors or the Audit Board of the Company, as well as any natural person, legal entity or group of people, acting jointly or representing a common interest, who carry out relevant transactions must submit to the Investor Relations Officer a notification containing the information required by CVM Instruction 358/02 immediately after the following levels are reached.

Material ownership interest is understood as a transaction or combination of transactions through which the direct or indirect interest of persons referred to in this section exceeds or goes lower than five percent (5%), ten percent (10%), fifteen percent (15%) and so forth, of any type or class of shares in the capital stock of the Company.

In addition to keeping the proofs of submission and receipt of messages exchanged on the transactions made, the Investor Relations Officer must, immediately after receiving notification of acquisition or sale of material ownership interest, forward it to the CVM and disclose it to the market through a notice to the market.

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<sup>6</sup> Spouse of from whom they are not judicially or extrajudicially separated, partners, any dependents included in their annual income tax return.

The statements referred to in article 12 of CVM Instruction 358/02 must describe the portion of shares held by the Shareholder that was acquired or sold through share lending.

It is important to note that the obligation to notify the material ownership interest partially or fully composed of loan shares is applicable irrespective of the purpose of these transactions.

In cases where the acquisition of ownership interest results in, or was made with the purpose of changing the control or management structure of the Company, or if the acquisition creates the obligation to hold a public tender offer, under applicable laws or the Bylaws, the Investor Relations Officer must also disclose the material fact or event through the same communication channel usually used by the Company for such.

## **E – PROCEDURES FOR DISCLOSURE OF INFORMATION IN CASE OF RUMORS**

It is Company policy not to comment on rumors and to answer questions on rumors only with the following statement: “It is our policy not to comment on any rumors or speculations.” However, if hoaxes or rumors are affecting the price or volume of Company securities traded, a statement may be necessary, either denying or confirming the news. This matter must be analyzed by the Investor Relations Officer and decided by other Managers.

## **IV - POLICY ON TRADING OF SECURITIES ISSUED BY THE COMPANY**

### **A - SCOPE**

This policy applies to the following Subject Persons (Subject Persons):

- ✓ The Company itself;
- ✓ Executive Officers;
- ✓ Directors;
- ✓ Audit Board members;
- ✓ Members of any bodies with technical or advisory functions, created pursuant to the Bylaws; and
- ✓ Spouses of the persons mentioned above from whom they are not judicially or extrajudicially separated, partners, any dependents included in their annual income tax return and companies directly or indirectly controlled by them;

### **B - TRADING OF SECURITIES ISSUED BY THE COMPANY**

CVM Instruction 358/02 establishes restrictions on the trading of securities issued by publicly held companies by certain persons in some specific situations described therein.

Said Instruction admits the adoption, by publicly held companies, of a policy on trading of their securities that allows – if faithfully followed - trading of their securities, ruling out any presumption of improper use of Material Information.

This policy establishes the rules for trading securities of the Company, including (i) restrictions on trading established in CVM Instruction 358/02 and (ii) the securities trading policy adopted by the Company.



Subject persons who signed the Declaration of Compliance are prohibited from trading their shares in all blackout periods established in the laws in force or when determined by the Investor Relations Officer (Blackout Period). The Investor Relations Officer is not obliged to give the reasons for determining the Blackout Period, which will be treated confidentially by its recipients.

The same obligations will be applicable to whoever, in view their position, function or job in the Company, is aware of information related to Material Fact or Event about the Company and has signed the Declaration of Compliance.

## **1 - Restrictions on Trading while Pending Disclosure of Material Fact or Event**

In the events "1," "2" and "3" below, this policy prohibits, in principle (without prejudice to the exception applicable to trades based on this policy), the trading of securities by subject persons who signed the Declaration of Compliance, are aware of information related to the Material Fact or Event about the Company, until the Company discloses it to the market:

- 1) whenever the above-mentioned persons are aware of a Material Fact or Event connected with the Company's businesses;
- 2) whenever an option or mandate is in progress or granted for the purpose of acquiring or selling shares issued by the Company by the Company itself; and
- 3) whenever there is the intention of carrying out a merger, total or partial spin-off, consolidation, transformation or corporate restructuring.

## **2 - Exceptions to general restrictions on securities trading**

The trading restrictions envisaged in this policy in sub-items (1), (2) and (3) above do not apply to the Company itself (except for sub-item (2)), executive officers, directors and Audit Board members, employees with access to material information and members of other technical or advisory bodies of the Company, from the date of signing of the Declaration of Compliance (CVM Instruction 358/02, article 13, paragraph 7), when carrying out transactions within the ambit of this policy.

## **3 - Restrictions on Trading after Disclosure of Material Fact or Event**

In the events envisaged above, even after the disclosure of a Material Fact or Event, the following will still apply:

1. the prohibition on trading of Company securities by executive officers and directors, whenever an acquisition or sale of Company shares is being carried out by the Company itself or if an option or mandate has been granted to that end; and
2. the prohibition on trading of securities, if the Company determines it could influence the conditions of transactions involving the Company shares so as to result in losses for the Company or its shareholders (CVM Instruction 358/02, article 13, paragraph 5), and such additional restriction must be informed by the Investor Relations Officer.

The prohibition in sub-item (1) above applies to transactions with Company shares carried out exclusively on the dates the Company itself trades or informs its stock brokers that it will trade its own shares. For this effect, said stock brokers will be instructed by the Investor Relations Officer of the Company to not register on such dates any transactions between the Company and Shareholders who elect members of the Board of Directors or Audit Board of the Company, executive officers, members of the Board of Directors and Audit Board.

## **C – INDIVIDUAL INVESTMENT PLAN**

An Individual Investment Plan (“Plan”) is understood as the individual plans for acquisition of securities filed in the Company’s registered office, by which the subject persons indicated their intention of investing their own funds, for the long term, in securities issued by the Company.

To that effect, the Plan must be filed for more than thirty (30) days with the Investor Relations Officer, indicating, on an irrevocable basis, the dates and amounts or number of transactions to be carried out by the participants, within the validity period of the Plan established by the interested party (not fewer than 12 months), after which the interested party must submit a brief report on the respective developments.

Except in case of *force majeure*, duly justified in writing, the securities acquired under the Plan cannot be sold before ninety (90) days from the date of acquisition.

The above-mentioned thirty (30) day restriction will not apply to the first Plan registered after this policy comes into force.

## **D - PROHIBITIONS**

### **1 – Prohibition on Trading during the period prior to disclosure or publication, as applicable, of earnings releases**

The subject persons and whoever, by virtue of their position, function or job in the Company, is aware of information related to Material Fact or Event about the Company and who signed the Declaration of Compliance, cannot trade Securities within fifteen (15) days prior to the disclosure or publication, as applicable, of:

- ✓ the quarterly financial information (ITR) of the Company;
- ✓ the standardized financial statements of the Company; and
- ✓ the financial statements of the Company.

The Individual Investment Programs must strictly comply with this restriction.

### **2 - Prohibition on Resolution related to the Acquisition or Sale of Shares Issued by the Company (CVM Instruction 358/02, article 14)**

The Board of Directors of the Company may not resolve on the acquisition or sale of Company shares until information related to the following is not disclosed, through a Material Fact or Event notice:

- ✓ execution of any agreement or contract for the transfer of controlling interest in the Company; or
- ✓ grant of option or power of attorney for the transfer of controlling interest in the Company; or
- ✓ the intention to carry out a merger, full or partial spin-off, consolidation, transformation or corporate restructuring.

If, after the approval of the buyback program, a fact that fits any of the above three hypotheses takes place, the Company will immediately suspend the transactions with shares issued by itself until the disclosure of the respective Material Fact or Event.

### **3 - Prohibition on Trading Applicable to Former Managers**

Without prejudice to the provisions above on the Individual Investment Plans, any executive officers and directors who withdraw from Company management before the public disclosure of transaction or fact that commenced during their

tenure in the management cannot trade securities of the Company. Among the following alternatives, the event that occurs first will always prevail:

- ✓ six (6) months after their exit; or
- ✓ until the disclosure, by the Company, of the Material Fact or Event to the market, except if, in the second case, the trading of Company shares after the disclosure of the Material Fact or Event could influence the conditions of such transactions, at a loss for the shareholders of the Company or the Company itself.

## **E - INDIRECT AND DIRECT TRADING**

The prohibitions on trading regulated in this policy apply to trading carried out, directly or indirectly, by subject persons, members of other technical or advisory bodies of the Company and also whoever, by virtue of their position, function or job in the Company, is aware of information related to any Material Fact or Event about the Company and who signed the Declaration of Compliance, even if the trading by such persons is carried out through:

- ✓ a company controlled by them; and
- ✓ third parties with whom a deed of trust or portfolio management or shares is maintained.

Trading carried out by investment funds in which the persons mentioned in the above item are members is not considered indirect trading, provided that:

- ✓ the investment funds are not exclusive; and
- ✓ the trading decisions of the fund manager cannot be influenced by members of the fund.

## **V - RESPONSIBILITIES**

### **1 - Responsibilities of the Investor Relations Officer in the follow-up of the policies**

The Investor Relations Officer of the Company is responsible for implementing and following up with the policies on (i) the disclosure and use of information, (ii) trading of securities issued by the Company and (iii) the Individual Investment Plans.

### **2 – Responsibility of Third Parties**

The provisions of these policies do not eliminate the responsibility, resulting from legal and regulatory provisions, attributed to third parties not directly connected to the Company and who are aware of any Material Fact or Event and yet trade securities issued by the Company.

## **VI – SANCTIONS FOR NONCOMPLIANCE WITH POLICIES**

Noncompliance with these policies by Subject Persons may draw civil, administrative and criminal sanctions under applicable laws and regulations.

Without prejudice to legal and regulatory sanctions, noncompliance by managers, Audit Board members and employees constitutes a breach of the Code of Conduct, being subject to penalties envisaged therein.

## **VII - AMENDMENT TO THE POLICY ON DISCLOSURE AND USE OF INFORMATION AND TRADING OF SECURITIES ISSUED BY ETERNIT**

These policies were approved by the Board of Directors of the Company and any amendment or revision must be submitted to the Board.

## **VIII – FINAL PROVISIONS**

The provisions above will be immediately effective as from their publication.

**Effectiveness:** as from 11/13/2018.

### **Persons responsible for the document:**

- ✓ **Prepared by:** Investor Relations
- ✓ **Reviewed by:** Investor Relations Department
- ✓ **Approved by:** Board of Directors

### **Record of changes:**

<b>Version</b>	<b>Item Modified</b>	<b>Main Reason</b>	<b>Date</b>
1	Original version	N/A	07/22/2002
2	Sundry	Adjustments resulting from ICVM 568/2015 and other instructions that amended ICVM 358.  Inclusion of sanctions.	11/13/2018

## Appendix I

### **Declaration of Compliance with the Policy on Disclosure and Use of Information and Trading of Securities Issued by Eternit**

By this Declaration, [add name and identification], resident and domiciled at [address], inscribed in the [individual taxpayers register] under no. [add no.] and bearer of identity card [identify if RG or RNE] no. [add number and issuing body], hereinafter simply referred to as “Declarant,” in the capacity of [indicate position, function or relationship with the company] of Eternit S. A., a corporation with registered office in the city and state of São Paulo, at Rua Dr. Fernandes Coelho, 85 – 8 andar, inscribed in the corporate taxpayers register (CNPJ) under no. 61.092.037/0001-81, hereinafter referred to as “Company,” hereby declares that I am fully aware of the rules in the Manual for Disclosure and Use of Information and the Policy on Trading of Securities Issued by Eternit (“Manual”), a copy of which the Declarant received and which establishes the internal policy on the use and disclosure of Material Information and the trading of securities issued by the Company, and agree to always act in compliance with such rules. The Declarant signs this Declaration of Compliance in three (3) copies of equal form and content in the presence of the two (2) undersigned witnesses.

[add place and date of signature] [add name of declarant]

Witnesses:

1.

Name:

RG:

CPF:

2.

Name:

RG:

CPF: