

INTERNAL CHARTER OF THE BOARD OF DIRECTORS OF ETERNIT S.A.

1. PURPOSE

1.1. The purpose of this Internal Charter ("Charter") is to discipline and regulate the execution of the legal and statutory powers of the Board of Directors ("Board") of Eternit S.A. ("Eternit" or "Company"), as well as the relationship between the Board and other corporate organs, pursuant to the provisions of the Bylaws ("Bylaws") and the prevailing legislation.

1.2. The purpose of this Charter is also to discipline and regulate the execution of the legal and statutory powers of the Advisory Board and the Advisory Committees of the Board of Directors.

2. MISSION

2.1. The Board's mission is to promote the growth and sustainability of Eternit through an active and independent posture, always considering the interests of all shareholders. This objective shall be met through the establishment of the Company's strategic guidelines and the surveillance of the management activities of the Executive Board ("Executive Board").

3. SCOPE OF ACTION

3.1. The Board is a collegiate body, elected by the General Meeting pursuant to Law 6.404/76, and is governed by this Charter.

3.2. The Board shall establish the general business guidelines of the Company and decide on strategic questions observing the principles of corporate responsibility and ethics established in Eternit's Code of Ethics as well as adopting the following guidelines:

(i) to promote and comply with the corporate purpose of the Company and its controlled companies;

(ii) to protect the interests of the shareholders without losing sight of the other stakeholders;

(iii) to ensure the permanence of Eternit and its Controlled Companies both from the long-term and also the sustainability point of view, incorporating economic, corporate and environmental

considerations as well as good corporate governance in decisions of a business and operational nature;

(iv) to ensure and monitor the management of human, technological and financial resources with the purpose of preserving the sustainability of the Company's businesses.

(v) to ensure the integrity and development of the markets in which Eternit and its controlled companies operate;

(vi) to ensure the values and the purpose of the Company;

(vii) to adopt an agile management structure composed of qualified professionals and those of unquestionable reputation;

(viii) to formulate guidelines for the management of the Company and the controlled companies which shall be reflected in the annual budget;

(ix) to ensure that the strategies and guidelines are effectively implemented by the Executive Board, without, however, interfering with operating matters;

(x) to maintain and periodically revise the policy for internal controls and management of risks as well as monitoring their compliance by the Company;

(xi) to maintain and periodically revise guidelines for corporate governance and policies as well as monitoring their compliance by the Company; and

(xii) to prevent and administer situations of conflict of interest or difference of opinions such that the Company's interests always prevail.

4. COMPOSITION, MANDATE AND INSTALLATION

4.1. According to Eternit's Bylaws, the Board is made of up to 7 (seven) members, at least 20% of them being independent; all with a unified term of office of 2 (two) years, from the fiscal year 2016, re-election being permitted.

4.1.1. The Company adopts the definition of "Independent Director" as stated in the São Paulo Stock Exchange's (BM&FBOVESPA) Novo

Mercado Listing Regulations, those director(s) elected pursuant to Article 141, paragraphs 4 and 5 of Law 6.404/76 also being considered independent.

4.2. The election to the Board shall take place every two years through an Annual General Meeting (AGO) in conformity with the requirements contained in Eternit's Bylaws.

4.2.1. The term of a member of the Board elected on a date other than when the other members were elected, shall terminate on the same date as the termination date of the other Board members.

4.2.2. The management term of the members of the Board of the Company shall extend until the installation of the new administrators elected, every two years, at the general meeting.

4.3. Conditions to be satisfied prior to the investiture of the member of the Board:

(i) signature on the instrument of investiture, drafted to the Board Minutes Register, pursuant to the Law;

(ii) signature to the approval of the Novo Mercado Listing Regulations, whereby the member undertakes to comply with the rules contained therein as well as the rules established in the Bylaws, Internal Charters, Policies and Code of Conduct of the Company;

(iii) signature to the adherence agreement of the Manual for Disclosure and Use of Information and Securities Trading Policy of Eternit;

(iv) signature to the adherence agreement for other Manuals and/or Codes that the Company may adopt;

(v) provide a legally binding clearance certificate and private act to be filed at the registered offices of Eternit.

4.4. The election of the Chairman of the Board shall take place at the same Annual General Meeting at which the other directors were elected, it being incumbent on the chairman to coordinate the activities of the Board, decide its working agendas, chair its meetings and ensure the execution of its decisions pursuant to the Eternit's Bylaws.

5. DUTIES OF THE BOARD OF DIRECTORS

5.1. The Board shall express an opinion on Eternit's quarterly, semi-annual and annual financial statements, on the reports of the Executive Board as well as deciding the profits to be paid out.

5.2. At the end of each fiscal year, the Board shall approve the annual budget for the next fiscal year, submitted by the Executive Board, which in turn shall be responsible for providing the necessary input as to the execution of the budget at subsequent meetings.

5.3. Pursuant to Eternit's Bylaws, it is incumbent on the Board:

(i) to establish general guidelines for the Company's businesses;

(ii) to examine and approve the annual budget and the multiannual budget of up to 3 (three) years in which all forecasted investments with details shall be included both for the development of the Company's businesses as well as any others which may be proposed, including those relative to the diversification of the Company's activities, in line with its corporate objective;

(iii) to elect and remove the Officers of the Company as well as distribute among their number the exercising of special duties, the performance of which shall be under the responsibility of the designated Officers, who shall, in turn, inform the Executive Board on the progress and execution of the businesses which have been specifically allocated to their executive function, in compliance with the provisions of these Bylaws;

(iv) to inspect the management of the Company's officers;

(v) to examine the Company's books and documents at any time;

(vi) to request information on agreements already signed or in the process of being signed;

(vii) to convene the General Meeting when deemed convenient or pursuant to Article 132 of Law 6.404/76;

(viii) to express an opinion on the management report and the accounts of the Executive Board;

(ix) to choose and remove the independent auditors;

(x) to decide on the increase in the capital stock within the limit for authorized capital pursuant to the Bylaws of Eternit;

(xi) to decide on the issue of debentures in compliance with the provisions of the applicable legislation;

(xii) to express an opinion on any matter which the Chairman of the Executive Board understands should be submitted to it as well as on decisions and business that may significantly impact the Company's assets;

(xiii) to approve the buying and selling of real estate pertaining to the Company's fixed assets;

(xiv) to approve the granting of real guarantees by the Company;

(xv) to approve the matters pursuant to Article 25 and its sole paragraph in the Company's Bylaws;

(xvi) to decide at a special session, the granting of powers of attorney, providing to the proxies, acting jointly, or to one of the proxies with 1 (one) Officer, authorization to grant powers of attorney for the purposes of Article 24, item "(ix)" of the Company's Bylaws;

(xvii) at its sole discretion, to undertake the raising of semi-annual or quarterly financial statements as well as to declare dividends for account of profits recorded in these balance sheets, whether in the form of retained profits or profits for the fiscal year itself;

(xviii) to approve the payment of interest on equity, to the shareholders of the Company, which may be incorporated in the minimum mandatory dividend, pursuant to Article 33 of the Company's Bylaws;

(xix) to prepare and publish an opinion based on all and any public offering for acquisition, the objective of which is the shares issued by the Company pursuant to the BM&FBOVESPA S.A. Novo Mercado Regulations; and

(xx) to decide on a list of three companies specialized in the economic evaluation of companies for preparation of an evaluation report of the Company's shares in the cases of a public offering for the acquisition of shares for delisting a publicly held company or for delisting from the Novo Mercado, to be submitted for resolution of the General Meeting.

6. DUTIES AND OBLIGATIONS

6.1. The members of the Board shall exercise the functions as called for by the law and the Bylaws to achieve the purpose and interests of the Company, based on the strict observance of what is provided in this Internal Charter, always acting with the utmost independence possible in relation to the shareholder or shareholding group which has elected each member to his post.

6.2. In addition to complying with the legal duties inherent to the post, the members of the Board shall base their conduct on the highest ethical standards, observing and stimulating good practices of corporate governance.

6.3. Besides the duties pursuant to the Law and those enshrined in the applicable regulations and required under the Bylaws, it is the duty of all members of the Board:

(i) to come to the meetings of the Board already prepared, having examined the documents placed at their disposal and to participate actively and diligently in the said meetings;

(ii) to take part in the Board's activities by seeking to create value for the Company and defending the long-term interests of all the shareholders;

(iii) to inform the Board on an annual basis as to any other boards (Management, Fiscal and Consultative), including committees, of which they are a part, in addition to their principal activity. Any significant change in these positions shall be notified with immediate effect;

(iv) the members of the board of directors shall be given sufficient time to assiduously and actively perform their functions, the participation in more than 5 (five) management boards not being permitted for the purposes of calculating the number of management boards for each director, this excluding the participation in

management boards of controlled corporations, affiliates, controlling companies or under common control.

(v) to maintain the confidentiality as to all and any information on the company to which they have access in the course of exercising their position, complying with the established practices, and to which they subscribed in the "Manual for Disclosure and Use of Information and Securities Trading Policy of Eternit S.A.", in item 3.10, which covers the theme "Insider Information and Duty of Confidentiality", as well as demanding the same confidential treatment from the professionals providing them with advisory services, using confidential information only for exercising their functions as directors, failure to do so implying being held accountable for the act which contributed to improper disclosure of the information;

(vi) to inform the Company as to the ownership and trading of securities issued by the company itself, by its controlling or controlled companies, in these two cases, conditional on the companies being publicly held. In addition, directors shall notify the securities which are owned by the spouse from which they are not legally separated, by a partner, by any dependent included in their annual income tax return pursuant to Article 11 of CVM Instruction 358/02.

(vii) whenever so requested by the Chairman, the Board of Directors or by the Company, the members of the Board shall return any documents obtained in their quality as members of the Board, the said members not being permitted to retain any copy, registration or annotation.

(viii) to refrain from intervening, in isolation or jointly with a third party, in any businesses with Eternit, its controlled and affiliate companies and further between the companies and controlled and affiliate companies of administrators, as well as any other corporations which, with any of these persons, are de facto or de jure members of the same group, except with prior and specific approval of the Board;

(ix) prior to a resolution wherein for any reason they have a personal or conflicting interest with that of the company with respect to a given matter submitted for Board examination, to abstain from its discussion and voting, a fact which shall be recorded in the minutes; and

(x) to ensure the adoption of good corporate practices by Eternit.

7. RESTRICTIONS ON BOARD DIRECTORS

7.1. Members of the Board may not:

(i) grant, offer, approve or take a decision on financial loans, of property or rights, whether of a moveable and/or fixed nature, cost free and/or remunerated, to any shareholders, controllers or otherwise, as well as to the members themselves of the Board of Directors and/or to the members of the Executive Board, except against a resolution of the General Meeting and in accordance with the Bylaws of Eternit, without limitation on benefits granted to the statutory executives or not which were guaranteed under the regular adoption of a Human Resources policy of the Company pursuant to the internal norms as established;

(ii) receive any improper or disproportional advantage due to the position they occupy;

(iii) use to their own benefit or a third party, with or without loss to Eternit, commercial and investment opportunities of which they have cognizance due to the exercising of their position;

(iv) being relapse in the exercising or protection of Eternit's rights or, with a view to obtaining advantages for themselves or for third parties, failing to take advantage of business opportunities of interest to Eternit;

(v) acquire, for resale at a profit, property or rights known to be necessary for Eternit or which the latter is intending to acquire;

(vi) make use of insider information to gain advantage for themselves or for third parties;

(vii) trade Eternit's securities prior to the disclosure of an act or material fact with respect to the Company's business of which they are cognizant. The restriction is also applicable to the period of 15 (fifteen) days prior to the disclosure of the Company's quarterly (ITR) and annual (DFP) information and financial statements, pursuant to Article 15 of CVM Instruction 358/02; and

(viii) participate directly or indirectly in the management of corporations competing with Eternit or to its controlled companies.

8. CHAIRMAN OF THE BOARD OF DIRECTORS

8.1. The chairman of the Board has the following duties, without limitation on others attributed to him by the Bylaws and the Law:

- (i) to assure the efficacy and good performance of the Board;
- (ii) to ensure compatibility of the activities of the Board with the interests of the Company, the shareholders and other stakeholders;
- (iii) to ensure the efficacy of the monitoring and evaluation system of the Board, the Company, the Board itself, the Executive Board and, individually, of the members of each one of these bodies;
- (iv) to ensure compatibility of the activities of the Board with the interests of Eternit, its shareholders and other stakeholders;
- (v) with the collaboration of the Board secretary, to organize and coordinate the agenda of the meetings, with input from other directors and, if the case, the chief executive officer and other officers;
- (vi) to coordinate the activities of other members of the Board;
- (vii) to ensure that the members of the Board receive full and timely information on items contained in the agenda of meetings;
- (viii) to propose on an annual basis, the nomination of: (a) a secretary, preferably not a director, and (b) a spokesperson;
- (ix) to submit a proposal to the Board for the aggregate annual compensation as well as its pro-rata distribution, prepared with the support of Human Resources Directorship, if installed, to be subsequently submitted for the approval of the General Meeting;
- (x) once input from the Board committees has been considered, to propose the Board's annual budget, covering the hiring of outside professionals, if necessary;
- (xi) to chair the meetings of the Board and the General Meetings;

(xii) to propose the annual calendar of corporate events to the Board which should necessarily establish dates for the following events: (a) publication of annual financial statements; (b) disclosure of quarterly financial information; (c) holding of the Annual General Shareholders' Meeting; (d) holding of the Extraordinary General Meeting(s) as the case may be; (e) holding of meetings of the Board of Directors; and, (f) holding the meetings of the Board Committees, when installed;

(xiii) upon the election of a new member of the Board, to organize, jointly with the Chief Executive Officer, an induction and training program for the new director allowing him to take cognizance of the Company's activities and obtain information on the organization;

(xiv) jointly with the Chief Executive Officer, to organize the activities of the Committees; and

(xiv) to coordinate the activities of the Advisory Board.

8.2. The posts of chairman of the Board of Directors and that of the President or chief executive officer of the Company may not be accumulated by the same person.

9. SUBSTITUTION

9.1. In the event of absence or temporary impediment of the Chairman of the Board of Directors, the latter shall nominate, from among the remaining members of the Board of Directors, another member to substitute him.

9.2. In the event of absence or temporary impediment of any board member, the Board shall operate with its remaining members as long as the minimum number of 3 (three) directors is respected. In the event of temporary impediment not permitting the minimum number of directors to be reached, a General Meeting shall be immediately convened for the election of members permitting the due functioning of the Board.

10. ADVISORY BOARD

10.1. The Advisory Board is a support body to the Board of Directors, elected by the General Meeting, the principal responsibility of which is

to opine on the important problems of Eternit and its controlled companies.

10.2. Pursuant to Eternit's Bylaws, the Advisory Board is made up of at least 2 (two) members; all with a unified management term of office of one year, reelection being permitted.

10.3. The members of the Advisory Board are subject to the same rules of composition and installation as a board director pursuant to clause 4 of this Charter.

10.4. The members of the Advisory Board are subject to the same duties as the board director pursuant to clause 6 of this Charter as well as the norms relative to the duties and responsibilities of the Administrators pursuant to articles 153 to 159 of Law 6.404/76 (Corporate Law).

10.5. The members of the Advisory Board are subject to the same rules of restriction as the board directors pursuant to clause 7 of this Charter.

10.6. The chairman of the Board of Directors shall request the Advisory Board for an opinion on the important problems of Eternit and its controlled companies in addition to supplying clarifications and information requested by the respective organ, relative to its function.

11. FUNCTIONING OF THE BOARD OF DIRECTORS AND ADVISORY BOARD

11.1. ANNUAL CALENDAR

11.1.1. At the end of each fiscal year, the chairman of the Board shall propose the annual calendar of ordinary meetings for the next fiscal year. The first meeting shall take place in the first quarter of each year when a decision shall be taken with respect to at least:

(i) the annual calendar of ordinary meetings for the fiscal year;

(ii) the annual expenditures and investments programs; and

(iii) the formal evaluation of the results of the performance of the Company, Executive Board, Board of Directors, Advisory Board and, respectively, individually for each member.

11.1.2. The periodicity of the meetings shall be set in order to guarantee the effectiveness of the work of the Board and be held at least six (6) meetings for year.

11.2. CONVENING OF EXTRAORDINARY MEETINGS

11.2.1. The Board shall further meet on an extraordinary basis whenever convened in writing, by facsimile, e-mail or letter, with the notice of receipt, at the justified request of any of the Board's members, the convening notice to necessarily contain: date, starting and termination time, place and matters to be included on the meeting's agenda. The request shall be sent to the chairman of the Board, who will take the necessary steps for convening the meeting.

11.2.2. In the event that the chairman fails to attend the request of any other member of the Board within 15 (fifteen) days or remains inactive, silent or, further, is impeded, the meeting may be convened directly by at least two directors.

11.3. PLACE

11.3.1. The meetings of the Board, whether ordinary or extraordinary, shall be held preferably at Eternit's registered offices or at a previously designated location.

11.4. EXECUTIVE SESSIONS

11.4.1. The chairman of the Board shall include in the annual calendar, or may include in the convening notices of ordinary or extraordinary meetings, meetings or sessions designed for the evaluation of management without in-house directors being present.

11.4.2. The convening notice of the meeting of the Board in which there will be a session or sessions relating to the aforementioned item, shall be addressed to all the directors, including those impeded from participation.

11.4.3. The minutes of the sessions that cover item 11.4.1 shall be drafted and filed as an integral part of the Board meeting's minutes.

11.4.4. An in-house director is understood as an officer or employee of Eternit or its controlled companies.

11.5. INSTALLATION, CONVENING AND REPRESENTATION

11.5.1. The meetings of the Board, both ordinary and extraordinary, shall only be installed, upon the first convening notice, with the presence of the majority of existing members and, upon the second convening notice, with any number of members present.

11.5.2. Each existing member of the Board of Directors shall have the right to 01 (one) vote, whether personally or represented by one of their peers, through the presentation and delivery to the secretary, for filing at the registered offices of the Company of a specific power of attorney for the arranged meeting.

11.5.3. Notarization of signatures on the specific power of attorney under item 11.5.3 above as well as eventual voting instruments when prepared in the form of a private instrument, is waived.

11.5.4. The participation of directors in the meeting is permitted by telephone, videoconference or other means that assure their effective participation and the authentication of their vote, pursuant to the Bylaws, as long as their vote is recorded in a medium compatible with the chosen medium of communication, to be filed at the Company's registered offices. Under these circumstances, the director shall be deemed to be present at the meeting and for all legal purposes, his vote shall be included in the minutes of the said meeting.

11.5.5. The Directors that participate via conference call or video conference shall ensure that the matters addressed at the meeting shall not be witnessed by unauthorized third parties.

11.5.6. The presence of a full quorum of the directors shall permit the holding of meetings of the Board, irrespective of prior convening.

11.5.7. The meetings of the Board shall be chaired by the respective chairman or in his absence, by the member of the Board of Directors who will replace him. The chairman shall nominate the secretary to the meeting who shall preferentially not be a member of the Board.

11.5.8. Any Director that has an effective or potential conflict of interest or who is connected to any related party, the activities of which preponderantly imply the existence, be it effective or potential, of a conflict of interests with a certain issue to be examined by the Board, shall abstain from participating in the part of the meeting when this issue is analyzed.

11.6. PARTICIPATION IN THE ADVISORY BOARD

11.6.1. Whenever requested by the Chairman of the Board of Directors, the meetings of the Advisory Board shall be held jointly with the meeting of the Board of Directors.

11.6.2. The members of the Advisory Board have no voting rights in the meetings of the Board of Directors, their function being to render clarifications or information on issues for examination.

11.6.3. The same rules for the functioning of the Board of Directors apply to the Advisory Board pursuant to clause 11 of this Charter.

11.7. PARTICIPATION OF THIRD PARTIES

11.7.1. At his own initiative or at the request of any director, the chairman of the Board may convene officers and/or employees of the Company to attend the meetings and render clarifications or information on the matters to be examined.

11.8. DISPATCH OF DOCUMENTATION

11.8.1. Within 7 (seven) days prior to each meeting, the secretary or in his absence, the chairman of the Board or whoever may be designated by him, when possible, shall be sent information on the issues to be discussed at the meeting.

11.8.2. The issues submitted for examination of the Board shall be made through the proposal and/or manifestation of the Executive Board or of the Company's competent bodies together with a legal opinion, when necessary to the examination of the issue.

11.9. SECRETARY

11.9.1. The secretary of the meetings of the Board shall have the following duties:

(i) to organize the agenda of matters to be presented based on requests from directors and consultations with officers, and to submit the same to the chairman of the Board for subsequent distribution;

(ii) to arrange the convening to the meetings of the Board, making the directors cognizant – and eventual invited participants – of the place, date, time and day's agenda;

(iii) to act as secretary to the meetings, prepare and draft the respective minutes and other documents in the minutes register and collect the signatures of all participating directors as well as recording the presence of eventual invitees; and

(iv) to file the minutes and resolutions adopted by the Board with the competent organs and take the necessary steps for their publication in the official press and in a large circulation newspaper as the case may be.

11.10. MEETING AGENDAS

11.10.1. Aided by the secretary, the chairman of the Board, shall prepare the agenda of the meetings, having received input from other members of the Board and the chief executive officer and, as the case may be, the other officers, coordinators and secretaries of the specialized committees.

11.10.2. In spite of having been previously rejected, should two members of the Board insist on the inclusion of a given matter on the agenda, the chairman shall include it.

11.10.3. The manifestation of the members of the Board shall be in writing, and shall be received by the company within two days after taking cognizance of the decision of the chairman not to include the proposal on the meeting's agenda. Under these circumstances, the chairman shall send a new convening notice to the directors.

11.10.4. The agenda and the documentation necessary for the examination of the matters itemized therein shall be delivered to each member of the Board when possible, with 7 (seven) days prior to the date of the meeting. In the event of an extraordinary meeting, given the urgency of convening, it shall be incumbent on the chairman of the Board to decide on the minimum prior notice needed for delivering the agenda and the documentation.

11.10.5. The quorum for installation having been verified, the agenda of the day shall be conducted as follows:

(i) opening of the session;

(ii) initial clarifications by the chairman;

(iii) brief reading and without interruptions for discussion of the agenda of the day to be submitted for voting;

(iv) presentation, discussion, submission of proposals and voting of the matters on the day's agenda in the order proposed by the chairman; and

(v) presentation of proposals, opinions and communication of the directors.

11.10.6. Discussion and resolution of matters not contained in the convening notice are not permitted, with the exception of cases of extreme urgency, as deemed by the chairman of the Board of Directors.

11.10.7. With the unanimous agreement of the Board, the chairman may include a key matter on the agenda for decision, not included on the original agenda.

11.11. DISCUSSION, RESOLUTION AND MINUTES

11.11.1. Terminating the discussions, the chairman shall collect the vote of each member of the Board of Directors.

11.11.2. The sessions shall be adjourned or concluded, when circumstances so require, at the request of any director and with the approval of the Board.

11.11.3. In the event of adjournment of the session, the chairman shall arrange the date, time and place for its continuation, the need for a new convening notice of the members of the Board being waived.

11.11.4. The matters and resolutions adopted at the Board meetings shall be valid if voted favorably by the majority of the members present, drafted in the minutes, recorded in the Minutes Register for meetings of the Board and, whenever such resolutions are intended to produce effects in relation to third parties, their abstracts shall be filed and published by the appropriate Board of Trade.

11.11.5. The minutes shall be written clearly, registering all the decisions taken, abstention from voting due to conflicts of interests, responsibilities and timeframes. The minutes shall be signed by all those present and be formally approved.

11.11.6. In the event of decisions or debates which have involved disagreement among directors, the minutes shall be signed prior to the conclusion of the respective meetings.

11.11.7. As the case may be, the Chief Executive Officer shall ensure that measures have been taken for registering the minutes with the Board of Trade and Regulators as well as the customary disclosures and publications.

11.11.8. Resolutions of a strategic nature for the Company or which may place at risk legitimate interests may at the Board's discretion be deemed of a confidential nature as a whole or partially, not being disclosed in accordance with the prevailing legislation.

12. VACANCY

12.1. The definitive vacancy of a seat on the Board may be the result of removal from office, resignation, death, proven incapacity, invalidity, loss of mandate, decease or other events pursuant to the Law.

12.1.1. The director who fails to take part in 3 (three) consecutive ordinary meetings without justified reason or permission granted by the Board, shall forgo the position, resulting in it becoming vacant.

12.1.2. The resignation from the post of Director shall be made through written communication to the chairman of the Board, becoming effective at the Company as from receipt; and with third parties as from the filing of the resignation document at the Commercial Registry Office and publication.

12.2. Should a definitive vacancy of any seat on the Board arise, the substitute shall be nominated by the remaining directors and shall serve on the Board until the first General Meeting, should the remaining members not deem it preferable to maintain the post vacant.

12.3. In the event that the position of Chairman of the Board of Directors becomes vacant, the other members of the Board of Directors shall indicate one of the directors to act as chairman until the end of the respective term of office.

12.4. In the event of vacancies for the majority of positions on the Board of Directors of the Company, the General Meeting shall be

convened to arrange a new election. If all the vacancies on the Board of Directors of the Company become vacant, the Executive Board shall convene the General Meeting.

12.5. Whenever the election of the directors is made through the multiple vote process, the removal of any member of the Board shall result in the removal of the other directors, the General Meeting to hold a new election for all members of the Board.

12.6. In the event of a vacancy for a position on the Executive Board, arising from removal, resignation, death, proven incapacity, invalidity or loss of office or other events pursuant to the law, the Board shall meet within 15 (fifteen) days as from the date of the event and hold an election for the substituted officer in order to complete the relative term of office.

12.6.1. Resignation from the post is made via written communication to the Board, becoming effective in relation to the company, as from this moment, and in relation to third parties, following the filing of the resignation document in the commercial registration office and its publication, both measures of which may be undertaken by the resigning officer.

12.7. The same rules apply in the event of vacancies for members of the Advisory Board pursuant to clause 12 of this Charter.

13. COMMUNICATION BETWEEN THE BOARDS AND THE EXECUTIVE BOARD

13.1. In order to facilitate and organize the communication between members of the Board of Directors and the Advisory Board and the Executive Board, questions and request for information from members of the Board shall be sent to the chief executive officer of the Company.

14. BOARD COMMITTEES

14.1. To improve the performance of its functions, the Board of Directors may create or extinguish at its sole discretion, Committees answering to the Board of Directors ("Committees"). The Committees are set up with a view to providing support to the Board on topics which are material to the development of the Company with a view to adding value to assist in the conducting of the businesses.

14.1.1. Eternit's existing Committees are currently:

14.1.1.1. Finance and Audit Committee: The function of this committee is to examine and approve matters relating to Financial Control, Financial, Accounting, Internal Controls and Auditing, both internal as well as external, emanating from the Executive Board for the purpose of submitting them for resolution of the Board of Directors, when necessary, as well as to propose strategic guidelines for the areas which make up this committee.

14.1.1.2. Strategic Committee: The function of this committee is to examine and conduct matters relating to the area of Development and New Businesses, including Strategic Planning, emanating from the Executive Board for the purpose of submitting them for resolution of the Board of Directors, when necessary, as well as proposing strategic guidelines for the growth of the Eternit Group.

14.1.1.3. Legal Committee: The function of this committee is to examine and approve matters relating to Legal area for the purpose of submitting them for resolution of the Board of Directors, when necessary, as well as proposing strategic matters for the area which make up this committee and with a special focus on the chrysotile asbestos issue.

14.2. The Board also has the autonomy to create other Committees, working parties or commissions of a temporary or permanent nature at any time during the course of its term of office.

14.3. In addition to their respective members, members of the Committees shall be established at the initial meeting of the Board of Directors, following the election of the Executive Board. Each Committee shall have as members: one or more Directors from the Board of Directors or Advisory Board and, if necessary, one or more members of the Executive Board, any member of the Company's managerial staff or any persons from Eternit or from its controlled companies, or further, respective consultants and/or external auditors, when matters involving competency or specialization of such parties is being examined by the Committee.

14.3.1. The Chairman of the Board of Directors can join, by his own criteria, the committee meetings.

14.4. Management, employees of Eternit and its controlled companies, specialists and others whose contribution is useful to the

performance of committee work may participate as guests in the meetings of the committees.

14.5. Each Committee shall have a Coordinator, preferably an independent member, being the other members of the Committees indicated by the respective Coordinator, who may be nominated or removed at any time during the fiscal year as long as their inclusion or removal is approved by the other members.

14.6. The Committees shall meet according to its meeting schedules. Extraordinary meetings may be requested and arranged by any member of the Committee. It is incumbent on the Coordinator to establish the agenda for the meetings on the basis of necessities and/or suggestions of the other members, being responsible for submitting the agenda to all members of the Committee prior to the date of the meeting. The Coordinator of each Committee is responsible for the preparation of the report (minutes) of each meeting, the latter to be distributed to all the participants of the subsequent meeting of the Board. Finally, the report of each Committee shall be filed at the Company's registered offices.

14.7. The Committees shall examine matters applicable to its competency and prepare proposals for submission to the Board. The material necessary for examination by the Board shall be made available together with a recommendation on voting, the director coordinator requesting additional information if deemed necessary. Resolutions may be adopted by the Board of Directors only.

14.8. The members of the specialized Committees are subject to the same duties as the director pursuant to clause 6 of this Charter as well as the norms relative to the duties and responsibilities of Management pursuant to articles 153 to 159 of Law 6.404/76 (Corporate Law).

15. INTERACTION WITH THE FISCAL BOARD

15.1. Board of Directors shall meet periodically with the Fiscal Board, if and when installed, to handle matters of common interest.

15.2. The chairman of the Board shall provide clarifications and information requested by the Fiscal Board with respect to the latter's inspection function.

16. BUDGET AND COMPENSATION OF THE BOARDS

16.1. The Company's Board of Directors and Advisory Board shall have their own annual budget incorporated in the Company budget.

16.2. The annual budget of the Board of Directors and the Advisory Board shall encompass expenses relating to consultations with external professionals for obtaining specialized input on matters of key importance to the company as well as necessary for the presence of directors at the meetings of the company.

16.3. The Board Directors shall receive fixed and/or variable compensation on a monthly or annual, aggregate or individual basis as set out by the Annual General Meeting electing them and established in the Company's Bylaws, the disclosing of values paid as compensation to the Executive Board and Board of Directors separately being deemed a possibility as the case may be.

16.4. The Directors sitting on the Advisory Board shall receive fixed compensation on a monthly or annual, global or individual basis, as established by the Annual General Meeting which elected them, pursuant to the Company's Bylaws, the disclosing of values paid as compensation to the Executive Board and Board of Directors separately being deemed a possibility as the case may be.

16.5. The Board and Advisory Board Directors shall not receive any additional compensation as a result of their participation in Committees and/or Commissions, as is the case with the other members.

17. PERFORMANCE EVALUATION

17.1. The Board of Directors shall make an annual evaluation of its performance with a view to improving its functions based on pre-defined criteria and approved by the Board.

17.2. The performance evaluation shall encompass: the Board of Directors itself and the individual performance of each director; the Advisory Board and the individual performance of each advisory director and the performance of the Chief Executive Officer, to ensure the alignment with the short and long-term interests of the Company and its shareholders.

17.3. The Chief Executive Officer shall submit to the Board of Directors the global performance evaluation of the Executive Board

and the individual performance of each Officer, for respective approval.

18. CONFLICTS OF INTEREST

18.1. Should any member of the Board of Directors or Advisory Board believe that they are unable to take an unbiased view in relation to a matter under discussion, being influenced or taking decisions driven by motives distinct from the interests of the Company and its shareholders, they should immediately declare a conflict of interests or the existence of a private interest. Should the member fail to declare such a conflict of interests there is a risk that a third party may do so.

18.2. When a conflict of interest is identified in relation to any matter, the person involved must remove themselves, including in the physical sense, from the discussion and resolutions for such a matter, this temporary removal being registered in the minutes.

19. ISSUES NOT COVERED BY THE INTERNAL CHARTER

19.1. The Chairman of the Board shall rule *ad referendum* of the Board on issues not covered by this Internal Charter, doubts as to interpretation and eventual amendments to provisions.

20. VALIDITY AND AMENDMENTS

20.1 . This Internal Charter comes into effect on the date of its approval by the Board and shall be filed at Eternit's registered offices.

20.2. This Charter is of indeterminate validity and may be amended at any time by the Board of Directors on the proposal of the Chairman of the Executive Board or any Director.

20.3. Any statutory norms prior to this Charter are revoked.

This Charter was approved at a meeting of the Board of Directors on December 12, 2012 with amendments on October 23, 2013, August 06, 2014, August 05, 2015 and February 15, 2017.