

REGULATION OF THE LONG-TERM INCENTIVE PLAN WITH RESTRICTED STOCK - IRB BRASIL RE

This Regulation establishes the rules of the Long-Term Incentive Plan with Restricted Stock proposed by the Compensation Committee and approved by the Board of Directors on March 28, 2018.

1. Definitions

Shareholders: the individuals or legal entities that hold shares of the Company;

Company: IRB-BRASIL RESSEGUROS S.A.;

Subsidiary: All companies whose share capital is or will be controlled, directly or indirectly, by the Company;

Participant: Anyone to whom Restricted Stock is granted under the conditions of the Regulation and respective annual plans, after having signed the respective Grant Agreement;

Restricted Stock: the common shares that have already been or will be issued by the Company, as well as the common shares that are in treasury and are granted to the Participants, subject to restrictions for release under the Plan and the respective Annual Plans;

Restricted Stock Annual Plan: Represents the conditions and detail of the other terms that, based on the Plan Regulation, are approved by the Board of Directors for a given year;

Vesting Period/ Schedule: The period defined in the annual plans, which may be from 3 to 5 years, in which the Stock remains restricted and/or conditional to the achievement of results. The period starts with the signature of the Grant Agreement; and

Grant Agreement: Particular document signed between the Company and the Participant, and by which Restricted Stock is granted to the Participants.

2. Introduction to the *Restricted Stock Plan*

The incentives granted under this Plan and the definition of its conditions are the prerogative of the Company. Adherence to the Plan stems from the incentive package to statutory directors, provided that all eligibility criteria have been met.

The Restricted Stock Plan consists of the granting of stock by the Company, with a total value equivalent to the Long-Term Incentive value approved by the

Board of Directors for each executive, at the time of acquisition of the shares and subsequent transfer of ownership according to the terms defined in Item 9 below.

Compulsory charges shall be collected at the moment of the granting of the shares or payment of the cash value, via payroll.

3. Objectives of the Long-Term Incentive Plan with Restricted Stock

The purpose of the Plan is to grant Restricted Stock to the Participants with a view to:

- i. Compose the remuneration package of senior Executives, maintaining the competitiveness with the market, in order to attract and retain the best professionals;
- ii. Align the interests of Executives and Shareholders;
- iii. **Encourage the "ownership" feeling;**
- iv. Stimulate the growth of the Company's market value, broadening its long-term vision in an enterprising and sustainable way.

4. Management of the Restricted Stock Annual Plan

The Board of Directors, with advice from the Compensation Committee and the Personnel Office, will administer the Restricted Stock Annual Plans.

The Board of Directors shall have broad powers to take all necessary and appropriate measures for the management of the Restricted Stock Annual Plans, in compliance with the general conditions of the Restricted Stock Plan Regulations and the guidelines established by the Company's Shareholders' Meeting, including:

- i. Creation and application of general rules regarding the granting of Restricted Stock, under the terms of the Plan, and the solution of questions regarding the interpretation of the respective terms;
- ii. Eligibility of the Participants and the authorization to grant Restricted Stock in their favor, establishing all the conditions for acquiring rights related to the Restricted Stock to be granted, as well as the modification of such conditions when necessary or convenient; and
- iii. Authorization for the sale of Treasury Shares to satisfy the grant of Restricted Stock pursuant to this Plan.

In exercising its powers, the Board of Directors shall be subject only to the limits established by law, the regulations of the Brazilian Securities and Exchange Commission (CVM) and the Regulations in question. It should be noted that the Board of Directors may treat differently the executives or other companies under its control that are in a similar situation and is not bound by any rule of isonomy or analogy to extend to all the conditions that it considers applicable only to some.

5. Eligibility

The Board of Directors establishes the following statutory positions as eligible for the Long-Term Incentive Plan with Restricted Stock:

- i. Chairman;
- ii. Deputy CEO, Chief Financial Officer and Investor Relations Officer; and
- iii. Risks and Compliance Vice President.

6. Shares subject to the Plan

For the purposes of this Plan, the Participants will be granted common shares and the Company may, at the discretion of the Board of Directors, use shares held in treasury. Preferably, the shares destined to the cost of the Annual Plans will have their origin in buy-back in the market, subject to the law and the accounting and fiscal regulations in force.

The dilution of the Company's equity value with the implementation of this Long-Term Incentive Plan will be up to 1%.

7. Restrictions on Acquisition of Rights to Restricted Stock

Restrictions shall consist of defining the eligibility of the Participants and/or the accomplishment of objectives and goals aligned with the interests of the Shareholders.

While the rights to the Restricted Stock are not fully exercised, under the terms and conditions set forth, the Participant may not engage, sell, assign, dispose or transfer, directly or indirectly, the Restricted Stock.

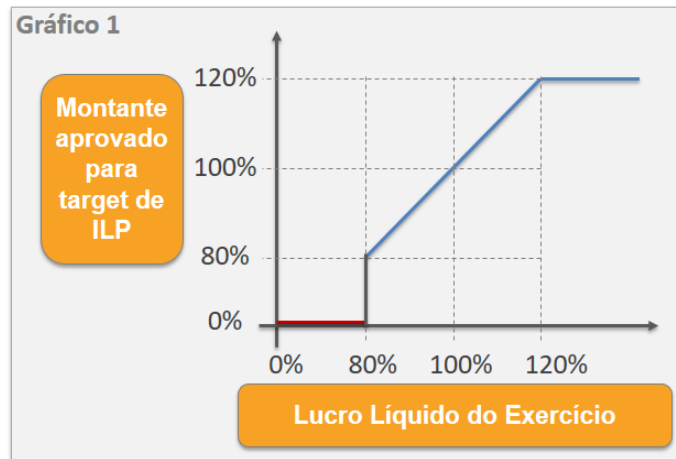
8. Award, Goal and Award Curve

The concession of Restricted Stock will occur annually, as of the effective date of this Long-Term Incentive Plan.

The determination of the rights to the Restricted Stock will occur after the publication of the Company's annual results.

It is established that the indicator for the calculation of this Plan is the Net Profit for the Fiscal Year and that the trigger (start) for the concession of Restricted Stock will be the achievement of at least 80% of the annual budget of the aforementioned indicator.

According to the level of achievement of the established goal, the level of awards may vary, and in case of exceeding the targets, the award may be leveraged up to 120% of the amount approved for the Long-Term Incentive (ILP), as shown in Chart 1.



Annually, it is the responsibility of the Board of Directors to review and/or change the Plan indicator.

To determine the number of shares to be granted, the following calculation shall be made:

Amount of ILP (according to Chart 1)

Average value of the share in the 30 trading sessions prior to the publication of the annual result

9. Vesting and Payment

It is hereby established that the Restricted Stock Annual Plan will have a four-year vesting schedule and the shares shall be granted as follows:

Year 0: Granting of Restricted Stock

Year 1: 0

Year 2: 1/3

Year 3: 1/3

Year 4: 1/3

The payment method will take place via the granting of shares, through payroll and with the payment of the mandatory charges.

The planned Vesting is completed on the anniversary date of the approval of the Plan by the Board of Directors.

10. Impact

The dilution of the Company's equity value with the implementation of this Long-Term Incentive Plan will be up to 1%.

11. Admissions and Dismissals of the Company

In the cases of admissions and/or promotions to positions eligible to the Plan, restricted stock shall be granted in the proportion of 1/12, according to the number of months worked in the respective year of effectiveness of the Plan.

In the event of departure of the Participant, Restricted Stock within the Vesting Period will follow the definitions below, by way of termination:

- i. Termination on the Company's initiative: proportional to the period worked (Pro-rata).
- ii. Definitive Retirement, Death or Disability: all unvested restricted shares shall be made available to the Participant within 90 days. The pro rata value of the last year worked will be paid up to 90 days after the publication of the annual result. It should be considered retirement by PREVIRB, for those statutory executives who are retired or who may retire by the INSS.
- iii. Voluntary Termination (Termination Request) and Termination for Cause: the right to the unvested shares shall be cancelled.

Exceptional situations will be analyzed by the Compensation Committee and submitted to validation by the Board of Directors.

12. Other Provisions

No provision of the Restricted Stock Plan shall confer upon any Participant the right to remain a member of management and/or employee of the Company, nor shall it interfere, in any way, with the right of the Company, at any time and subject to legal and contractual conditions, to terminate the Participant's employment contract and/or discontinue the Participant's term of office.

Any significant legal changes in the regulation of corporations, publicly-held companies, labor relations and/or tax effects of a stock option plan may lead to a full review of the Annual Plan.

The Board of Directors shall regulate the omissions and will consult the Company's Shareholders' Meeting when it deems convenient.

In the event of a direct or indirect change in the Company's shareholding control, the Plan already established must be honored.

In cases of merger, demerger, with or without extinction of the spun-off company, incorporation or transformation of the Company, as well as in case of incorporation of shares, the Plan and programs already established shall be respected, making the necessary adjustments

in the number of Restricted Stock shares, including compliance with the exchange ratios used for the purposes of the above operations.

In the event of a change in the number, type and class of shares of the Company, as a result of reverse split, split, stock bonuses, as well as cases of conversion of shares of one type or class into another, or conversion into shares of other securities issued by the Company, the necessary adjustments shall be made to the Plan already established, notably in relation to the number of Restricted Stock shares, with the purpose of avoiding distortions and losses to the Company or to the Participants.

It is the responsibility of the Extraordinary Shareholders' Meeting to approve and therefore amend, suspend or terminate the Plan, as well as to amend the bylaws in order to define the Board of Directors' competence to determine the issue of Shares and the conditions under which such issuances may occur. Among the reasons that may cause the change or extinction of the Plan, are the occurrence of factors that generate a serious change in the economic scenario and that jeopardize the Company's financial situation.

The Company may, by resolution of the Board of Directors, impose restrictions on the shares acquired, in relation to their transfer, and may reserve to the Company repurchase options and/or preemptive rights in the event of the disposal by the Participant of such Restricted Stock.