

AZUL S.A.
Publicly-held Company
Corporate Taxpayers' Registry (CNPJ/MF) No. 09.305.994/0001-29
Board of Trade (NIRE): 35.300.361.130

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
HELD ON AUGUST 05, 2019**

1. Date, time and place: August 05, 2019, at 11:00 a.m., at the headquarters of the Company, located at Avenida Marcos Penteados de Ulhôa Rodrigues, 939, 8º andar, Edifício Jatobá, Condomínio Castelo Branco Office Park, Tamboré, CEP 06460-040, in the city of Barueri, State of São Paulo.

2. Call Notice and Attendance: Call notice was given to all members of the Board of Directors, pursuant to Article 17 of the Bylaws, and the totality of the members of the Board of Directors attended the meeting, in person or remotely, and expressly voted through letter, facsimile or digitally certified e-mail, pursuant to Article 17, Paragraph 1, of the Bylaws.

3. Board: Chairman: David Gary Neeleman; Secretary: Joanna Camet Portella.

4. Agenda: To pass a resolution on: **(A)** the increase of the capital stock of the Company, within the limits of its authorized capital, through the issuance of preferred shares resulting from the exercises of stock options of the Company from April to June, 2019, under the Stock Options Plan of Azul S.A. ("First Plan"), and the Second Stock Options Plan of Azul S.A. ("Second Plan"), and the Third Stock Options Plan of Azul S.A. ("Third Plan"), as approved, respectively, by the General Shareholders' Meetings held on December 11, 2009; July 30, 2014, and March 10, 2017, as amended; **(B)** the individual and consolidated Financial Statements for the 2019 second quarter ended June 30, 2019, together with the independent auditor's report on the quarterly information related to such period; **(C)** based on the Phantom Stock Option Plan of the Company ("Phantom Stock Option Plan"), approved by the Board of Directors in a meeting held on November 06, 2018, the approval and ratification of the general conditions of the Second Program of the Phantom Stock Option Plan ("Second Program of the Phantom Stock Option Plan"), as approved by the Compensation Committee, which shall comprise the grant of up to 405,000 phantom stock options of the Company; and **(D)** based on the Restricted Shares Plan of Azul S.A. ("RSU Plan"), approved at the Company's General Shareholders' Meeting held on June 30, 2014, as amended, the approval and ratification of the general conditions of the Company's Sixth Restricted Shares Program ("Sixth Program of the RSU Plan"), as approved by the Compensation Committee, which shall comprise the grant of up to 170,000 preferred shares of the Company.

5. Unanimous Resolutions: The meeting was installed and after discussing the matters of the agenda, the board members in attendance unanimously and without any restrictions decided to approve:

(A) as a result of the exercises of stock options of the Company, within the limits of its authorized capital, approve the increase of the capital stock of the Company, through the issuance of 1,940,237 preferred shares, out of which (i) 153,260 shares are issued at the issue price of R\$3.42 per share, as set forth in the First Program of the First Plan; (ii) 5,600 shares are issued at the issue price of R\$6.44 per share, as set forth in the Second and Third Programs of the First Plan; (iii) 35,000 shares are issued at the issue price of R\$15.16 per share, as set forth in the Second Plan, (iv) 1,737,893 preferred shares are issued at the issue price of R\$11.85 per share, as set forth in the First Program of the Third Plan; (v) 1,484 shares are issued at the issue price of R\$17.27 per share, as set forth in the Second Plan; (vi) 1,484 shares are issued at the issue price of R\$19.37 per share, as set forth in the Second Plan; and (vii) 5,516 shares are issued at the issue price of R\$22.57 per share, as set forth in the Second Plan, pursuant to the subscription bulletins filed at the headquarters of the Company. The preferred shares shall have, from the issuance date, the same characteristics and conditions of the preferred shares which are already in existence, including the rights to dividends and equity payments that may be eventually distributed by the Company.

As a result of the foregoing resolution, the amendment of the capital stock of the Company, which shall raise from the current R\$ 2,214,757,207.04 (two billion, two hundred and fourteen million, five hundred and seventy-five thousand, two hundred and seven Brazilian Reais and four centavos) to R\$ 2.236.620.922,17 (two billion, two hundred and thirty-six million, six hundred and twenty thousand, nine hundred and twenty-two Brazilian Reais and seventeen centavos), divided into 1,258,080,441 (one billion, two hundred and fifty-eight million, eighty thousand, four hundred and forty-one) shares, out of which 928,965,058 (nine hundred and twenty-eight million, nine hundred and sixty-five thousand, fifty-eight) are common shares and 329.115.383 (three hundred and twenty-nine million, one hundred and fifteen thousand, three hundred and eighty-three) are preferred shares, all registered and without par value.

The Board of Directors shall submit to the General Shareholders' Meeting the proposal of amendments to Articles 5, *caput*, and 6, *caput*, of the Bylaws, to reflect the new capital stock and the outstanding authorized capital.

(B) the individual and consolidated Financial Statements for the 2019 second quarter ended June 30, 2019, together with the independent auditor's report issued by Ernst & Young Auditores Independentes S.S., without any restrictions, and in accordance with the Audit Committee's favorable opinion.

(C) the general conditions of the Second Program of the Phantom Stock Option Plan, as approved by the Compensation Committee, pursuant to Annex I hereto, which shall comprise the grant of up to 405,000 Phantom Stock; and

(D) the general conditions of the Sixth Program of the RSU Plan, as approved by the Compensation Committee, pursuant to Annex II hereto, which shall comprise the grant of up to

170,000 preferred shares of the Company.

The Board of Executive Officers of the Company is hereby authorized to take all measures and practice all acts required to implement the resolutions hereby approved and the Board of Directors ratifies the relevant acts already practiced by the Board of Executive Officers.

6. Drafting and Reading of the Minutes: With nothing further to discuss, the works were closed and the meeting was adjourned for the time required to draft these minutes. The meeting was resumed and these minutes were read, approved, and signed by all members in attendance. *(signatures)* Board: David Gary Neeleman – Chairman; and Joanna Camet Portella – Secretary. Members of the Board of Directors: David Gary Neeleman, Sergio Eraldo de Salles Pinto, Michael Paul Lazarus, Carolyn Luther Trabuco, Gelson Pizzirani, Decio Luiz Chieppe, Renan Chieppe, José Mario Caprioli dos Santos, Henri Courpron, John Gebo e Gilberto de Almeida Peralta.

This is a true copy of the original minutes drawn up in the minutes book.

Barueri, August 05, 2019.

David Gary Neeleman
Chairman

Joanna Camet Portella
Secretary

ANNEX I

Second Program of the Phantom Stock Option Plan of Azul S.A.

A. Selected Participants

Executives of the Group selected by the Compensation Committee, at its exclusive discretion, who will be entitled to the Phantom Stock Options, pursuant to the Phantom Stock Option Plan of Azul S.A.

B. Global Amount

The global amount of phantom stock options for the Second Program shall correspond to 405,000 Phantom Stock.

C. Beginning of the Vesting Period

July 7, 2019.

D. Vesting Period

Pursuant to the Plan, each Beneficiary will become vested in the granted Phantom Stock Options, based on four (4) equal annual portions ("Vesting Period"). Each Beneficiary will become vested, in the first portion, one (1) year after the commencement of the vesting period and, in the last portion, four (4) years after the commencement of the vesting period. Once the Beneficiary becomes vested in the granted Phantom Stock Options, the Phantom Stock Options may be exercised annually, twelve (12) months after the commencement of the Vesting Period.

E. Number of Phantom Stock Options

The number of Phantom Stock to be granted to the Executive shall be determined by the Compensation Committee based on the relevant levels of compensation and performance, and the price of the Phantom Stock.

F. Exercise price of the Phantom Stock Options

The exercise price of each Phantom Stock Option granted under the Second Program corresponds to R\$ 42.09.

G. Exercise Period

Each Beneficiary will have a period of up to four (4) years, from the end of the Vesting Period of each portion, to exercise his or her Phantom Stock Options ("Term"), unless otherwise set forth by the Board of Directors, subject to the fulfillment of the requirements set forth in item D above. For the avoidance of any doubts, the Beneficiary must exercise the portion vesting in the first year of the Vesting Period, as well as the portion vesting in the third year of the Vesting Period, within four (4) years.

ANNEX II

Sixth Restricted Stock Program of Azul S.A.

A. Selected Participants

Any key employees of the Company selected or to be selected by the Compensation Committee, as eligible to receive the stock options under the Sixth Program.

B. Global Amount

The global amount of stock for the Sixth Program shall correspond to 170,000 preferred shares of the Company.

C. Beginning of the Vesting Period

July 7, 2019.

D. Vesting Period

The Selected Participant shall become vested in the restricted stocks granted under the Plan, proportionally, in four (4) annual equal installments, the first installment shall vest after one (1) year from the Beginning of the Vesting Period, the second installment shall vest after two (2) years from the Beginning of the Vesting Period, the third installment shall vest after three (3) years from the Beginning of the Vesting Period, and the fourth installment shall vest after four (4) years from the Beginning of the Vesting Period. In case of Sale of the Company, the abovementioned periods may be accelerated and each Selected Participant shall become automatically vested in all Restricted Stock.

E. Number of Restricted Stock.

The number of Restricted Stock to be granted to the Executive shall be determined by the Compensation Committee based on the relevant levels of compensation and performance, and the price of the Restricted Stock.

F. Price of the Restricted Stock

The value of each Restricted Stock granted pursuant to the Sixth Program corresponds to the Company's preferred share price (AZUL4) at the closing of today's trading session at B3.

G. Exercise Period

The Selected Participants shall only become vested in the Restricted Stock to the extent that the Vesting Periods are complied with in accordance with item D above.