ULTRAPAR HOLDINGS INC
Form 6-K
March 21, 2017
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Form 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report Of Foreign Private Issuer

Pursuant To Rule 13a-16 Or 15d-16 Of

The Securities Exchange Act Of 1934

For the month of March, 2017

Commission File Number: 001-14950

ULTRAPAR HOLDINGS INC.

(Translation of Registrant s Name into English)

Avenida Brigadeiro Luis Antonio, 1343, 9º Andar

São Paulo, SP, Brazil 01317-910

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ___X___ Form 40-F ______

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ______ No ___X___

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ______________ No ______X______

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ULTRAPAR HOLDINGS INC.

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ITEM

ULTRAPAR PARTICIPAÇÕES S.A.

Publicly Traded Company

CNPJ nº 33.256.439/0001- 39 NIRE 35.300.109.724

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS (02/2017)

Date, Time e Location:

March 13, 2017, at 2:30 pm, at the Company s headquarters, located at Av. Brigadeiro Luís Antônio, n. 1,343 th 9 floor, in the City and State of São Paulo.

Attendance:

Members of the Board of Directors, including participation by phone.

Deliberações:

1. Pursuant to Article 28, item i of the Company s Bylaws, the members of the Board of Directors discussed and determined the composition of the slate, to be proposed by this body, slate that will be competing in the election of the members of the Board of Directors to be held at the next annual shareholders meeting of the Company. The slate indicated by this Board will be composed of:

Alexandre Gonçalves Silva

Carlos Tadeu da Costa Fraga

Jorge Marques de Toledo Camargo

José Maurício Pereira Coelho

Lucio de Castro Andrade Filho

Nildemar Secches

Olavo Egydio Monteiro de Carvalho

Paulo Guilherme Aguiar Cunha

Pedro Wongtschowski

2. Pursuant to Article 20, paragraph 2 of the Company s Bylaws, the Board of Directors authorizes the Company s Board of Executive Officers to disclose the slate indicated hereby, providing all the documents required by the

applicable law and by the Bylaws.

3. The members of the Board of Directors were informed about the proposal of overall compensation for the management and for the Fiscal Council, which will be submitted to the shareholders at the time of the call notice of the Annual General Shareholders Meeting of the Company, and expressed their approval to such proposal.

4. The members of the Board of Directors, aiming to align long-term interests between executives and shareholders, as well as retain executives, decided to grant, pursuant to the terms of the plan approved at the Extraordinary Shareholders Meeting of the Company held on January 26, 2003, shares issued by the Company to certain executives, according to the proposal of the Compensation Committee s and the CEO, proposal filed at the Company s headquarters.

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(Minutes of the Meeting of the Board of Directors of Ultrapar Participações S.A., held on March 13, 2017)

5. The members of the Board of Directors, also aiming to align long-term interests among shareholders, executives and employees, as well as retain such executives and employees, discussed a proposal for a new stock-based incentive plan, as proposed by the Compensation Committee and the CEO, and decided to recommend and submit to the shareholders approval in the Company s Extraordinary Shareholders Meeting to be held with the Annual General Shareholders Meeting.

6. Finally, the Board of Directors decided to convene the Company s Annual General and Extraordinary Shareholders Meeting, both to be held on April 19, 2017.

Observations: The deliberations were approved, with no amendments or qualifications, by all the Board Members present.

As there were no further matters to be discussed, the meeting was closed, the minutes of this meeting were written, read and approved by all the undersigned members present.

Paulo Guilherme Aguiar Cunha Chariman

Lucio de Castro Andrade Filho Vice-Chairman

Alexandre Gonçalves Silva

Carlos Tadeu da Costa Fraga

Jorge Marques de Toledo Camargo

José Maurício Pereira Coelho

Nildemar Secches

Olavo Egydio Monteiro de Carvalho

Pedro Wongtschowski

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Manual for Shareholders Participation

Annual and Extraordinary

General Shareholders Meeting

of April 19, 2017

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Anexo III Proposta de destinação do lucro líquido do exercício, conforme Anexo 9-1-II da Instrução CVM nº 481/09;

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MESSAGE FROM THE MANAGEMENT

Dear Shareholders,

We are pleased to invite you to attend the Annual and Extraordinary General Shareholders Meeting (the Meeting) of Ultrapar Participações S.A. (Ultrapar or the Company), to be held on **April 19, 2017, at 16:00 p.m., in the Company s headquarters, located at Av. Brigadeiro Luís Antônio, nr 1,343, 9th floor, in the City and State of São Paulo, Brazil**, in accordance with the Call Notice, to be published in the newspapers Valor Econômico on March 20, 21 and 22, 2017 and Diário Oficial do Estado de São Paulo on March 18, 21 and 22, 2017, also available at the Company s website (www.ultra.com.br).

The preparation of this Manual for Shareholders Participation (the Manual) is aligned with the Company s philosophy towards the continuous improvement of its corporate governance practices, including the quality and convenience of the information provided to our shareholders.

The purpose of this document is to present the management proposals and to provide you with clarification and guidance regarding the matters to be discussed and procedures required for your attendance and power of attorney to participate in the Meeting, consolidating in a single file all documents published by Ultrapar in connection with the Meeting.

In addition to the information disclosed, we also inform you that Ultrapar s Investor Relations team will be available for additional clarification by e-mail Invest@ultra.com.br or telephone +55 11 3177-7014.

All shareholders of Ultrapar (including holders of common shares in the form of ADRs) may vote in all matters included in the agenda. Each common share entitles its holder to one vote in the Meeting s resolutions.

We count on your presence.

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CALL NOTICE

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ULTRAPAR PARTICIPAÇÕES S.A.

Publicly-Traded Company

CNPJ nr 33.256.439/0001-39 NIRE 35.300.109.724

Call Notice

ANNUAL AND EXTRAORDINARY GENERAL SHAREHOLDERS MEETING

The shareholders are hereby invited to attend the Annual and Extraordinary General Shareholders Meeting of Ultrapar Participações S.A. (Ultrapar or the Company), to be held on April 19, 2017, at 4:00 p.m., in the Company s headquarters, located at Av. Brigadeiro Luís Antônio, nr 1343, 9th floor, in the City and State of São Paulo (the Shareholders Meeting), in order to vote on the following matters:

1. Annual General Shareholders Meeting

1.1. Analysis and approval of the Management Report, Management accounts and financial statements of the fiscal year ended on December 31, 2016, together with the report from the Independent Auditors and the opinion from the Fiscal Council;

1.2. Allocation of net earnings for the fiscal year ended on December 31, 2016;

1.3. Setting of the number of members to be elected to the Board of Directors;

1.4. Election of the members of the Board of Directors;

1.5. Approval of the Management s compensation;

1.6. Based on the request for installation of the Fiscal Council submitted by shareholders representing more than 2% (two percent) of the voting shares issued by the Company, pursuant to article 161 of the Brazilian Corporate Law and CVM Instruction 324/00:

1.6.a. Election of the effective and alternate members of the Fiscal Council; and

1.6.b. Approval of their compensation.

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2. Extraordinary Shareholders Meeting

2.1. Proposal for a new stock-based compensation plan;

2.2. Incorporation of the total amount registered in the retained profits reserve, which will result in Ultrapar s capital increase, without the issuance of new shares; and

2.3. Amendment and consolidation of Ultrapar s Bylaws.

Election of the members of the Board of Directors Procedure to request the adoption of cumulative vote

The minimum percentage of voting capital necessary for requesting the adoption of cumulative vote for the election of members of the Board of Directors is 5% (five percent) of the voting shares, according to CVM Instruction 165/91, amended by CVM Instruction 282/98.

Pursuant article 21 of the Company s Bylaws and article 141, paragraph 1 of the Brazilian Corporate Law, such option shall be exercised by shareholders up to 48 (forty eight) hours prior to the Meeting.

Attendance at the Meeting

The shareholders, including holders of American Depositary Receipts (ADRs), of the Company may attend the Meeting in person or represented by proxies, upon the fulfilment of the requirements for attendance provided for in article 12 of the Company s Bylaws, presenting the documents listed under items Individual Shareholder, Corporate Shareholder and Investment Funds below. The status of shareholder will be evidenced by submitting a statement issued by the bookkeeping institution or by the custodian institution, indicating the number of shares held by them up to three days prior to the Meeting.

The Company will adopt for this Shareholders Meeting the remote voting system in accordance with CVM Instruction 481/09, allowing its shareholders to send, through their respective custodian institution or bookkeeping institution or directly to the Company, a Remote Voting Form, as provided by the Company together with other documents to be discussed at the Shareholders Meeting. The Company informs that the instructions for the exercise of the remote voting are described in the Manual for Shareholders Participation.

Holders of ADRs will be represented at the Meeting by the custodian of underlying shares of the ADRs pursuant to the terms of the deposit agreement, dated December 16, 1999, as amended (Deposit Agreement). The procedures for exercising voting rights in connection with the ADRs will be specified in a communication to be delivered to ADR holders by the depositary institution, pursuant to the terms of the Deposit Agreement.

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Individual Shareholder

- Original or certified copy of a photo identification (ID, Alien Resident Card, driver s license, officially recognized work card, or passport, in case of non-Brazilians); and
- Original or certified copy of the power-of-attorney, if applicable, and a photo identification of the proxy.

Corporate Shareholder

- Certified copy of the most recent consolidated bylaws or articles of incorporation and of the corporate action granting power of attorney (minutes of the meeting of election of the board members and/or power of attorney);
- Original or certified copy of photo identification of the proxy or proxies; and;
- Original or certified copy of the power of attorney, if applicable, and photo identification of the proxy.

Investment Funds

- Evidence of the capacity of fund manager conferred upon the individual or legal entity representing the shareholder at the Shareholders Meeting, or the proxy granting such powers;
- The corporate action of the manager, in case it is a legal entity, granting powers to the representative attending the Shareholders Meeting or to whom the power of attorney has been granted; and
- In the event the representative or proxy is a legal entity, the same documents referred to in Corporate Shareholder must be presented to the Company.

The documents listed above must be sent to the Investor Relations Department until 4:00 p.m. of April 17, 2017.

Availability of Documents and Information

In accordance with Ultrapar s Bylaws and with article 6 of CVM Instruction 481/09, the documents and information regarding the matters to be approved, as well as the General and Extraordinary Shareholders Meeting Manual and other relevant information and documents to the exercise of voting rights in the Meeting, were filed with the CVM and are available in CVM website (www.cvm.gov.br), in the Company s headquarters, in the BM&FBOVESPA website (www.bmfbovespa.com.br) and in the Company s website (www.ultra.com.br).

São Paulo, March 17, 2017.

PAULO GUILHERME AGUIAR CUNHA

Chairman of the Board of Directors

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ADDITIONAL PROCEDURES

The documents necessary for your participation in the Meeting are specified in the Call Notice.

We clarify that in the case of non-Brazilian investment funds and shareholders, a sworn translation of the documents shall not be required if the documents are originally in English or Spanish.

Ultrapar, aiming to facilitate the representation of its shareholders at the Meeting (excluding holders of common shares in the form of ADRs), provides in the end of this Manual a power-of-attorney model, through which shareholders may appoint the lawyers thereby indicated to represent them at the Meeting, at no cost and strictly in accordance with the powers granted. To the extent shareholders (excluding holders of common shares in the form of ADRs) opt to be represented at the Meeting using the model provided by the Company, the power of attorney must include all the representatives listed in the power-of-attorney model.

We kindly ask you to send the documents listed above to the Investor Relations Department, at Avenida Brigadeiro Luís Antônio, 1,343, 8th floor, CEP 01317-910, in the City and State of São Paulo, up to, 4:00 p.m. of April 17, 2017.

Remote Voting

The form and other supporting documents shall be filed at the Company within 7 days from the GESM date, that is, until 04/13/17.

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MANAGEMENT PROPOSAL

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MANAGEMENT PROPOSAL

Dear Shareholders,

The Management of Ultrapar Participações S.A. (Company) hereby presents to the Company s Shareholders the following Management Proposal, regarding the matters to be deliberated upon at the Company s Annual and Extraordinary General Shareholders Meeting, to be held on April 19, 2017, at 4:00 p.m.

1) At the General Shareholders Meeting:

1.1) Analysis and approval of the Management Report, Management accounts and financial statements referring to the fiscal year ended on December 31, 2016 together with the report from the Independent Auditors and the opinion from the Fiscal Council.

The Management s Report and financial statements of the fiscal year ended on December 31, 2016 were filed with the CVM on February 22, 2017, and published in wide-circulation newspapers on February 24, 2017. The mentioned documents (i) were approved by the Board of Directors at a meeting held on February 22, 2017 and (ii) obtained a favorable opinion from the Company s Fiscal Council. The financial statements were audited and received a report with an unqualified opinion from the Company s independent auditors, Deloitte Touche Tohmatsu. Such documents are available in **Exhibit I** of the present proposal. The Management discussion and analysis on the financial conditions of the Company, under the terms of item 10 of the Reference Form (*Formulário de Referência*), are available in **Exhibit II**. We propose the approval of the documents mentioned above by the Company s shareholders.

1.2) Allocation of net earnings for the fiscal year ended on December 31, 2016

Pursuant to item II of paragraph 1 of article 9 of CVM Instruction 481/09, and in the format of annex 9-1-II of the same instruction, we have made available information regarding the allocation of net earnings for the fiscal year ended on December 31, 2016 in **Exhibit III**. We propose the approval of the allocation of net earnings according to **Exhibit III**, which presents a correction in the allocation of the amounts to be distributed in the form of mandatory and complementary dividends that was included in Explanatory Note 23.g. Dividends and allocation of net income for the year for the Company s financial statements, with no impact on the total amounts to be distributed.

1.3) Setting of the number of members to be elected to the Board of Directors

According to the CVM s opinion expressed at a meeting held on 11/04/2014 (CVM Processes n. RJ2013/4386 and RJ2013/4607), the definition of the number of members of the Board of Directors, when the bylaws provide for a minimum and maximum number, shall be subject to a resolution at the General Shareholders Meeting. Our Bylaws establish that the Board of Directors shall be comprised of five (5) to nine (9) members, of which at least thirty percent (30%) must be Independent Directors, pursuant to Article 18 of the Company s Bylaws.

Therefore, we propose the maintenance of the current number of members to compose the Board of Directors in 9 (nine) members.

It is worth mentioning the possibility of a request for cumulative vote for the election of the members of the Board of Directors, provided that it is required by shareholders representing 5% (five percent) of the common shares, in accordance with CVM Instruction 165/91, as amended by CVM Instruction 282/98. In this hypothesis, the election will not be conducted through the nomination of a slate of candidates as described in article 21, paragraph 3 of the Company s Bylaws.

1.4) Election of the members of the Board of Directors.

Pursuant to paragraph 1 of article 20 of the Company s Bylaws, we propose the election of the slate formed by the candidates below as members of the Board of Directors.

- Alexandre Gonçalves Silva
- Carlos Tadeu da Costa Fraga
- Jorge Marques Toledo Camargo
- José Mauricio Pereira Coelho
- Lucio de Castro Andrade Filho
- Nildemar Secches

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- Olavo Egydio Monteiro de Carvalho

- Paulo Guilherme Aguiar Cunha

- Pedro Wongtschowski

We believe the proposed state of candidates presents a balanced combination of qualifications, based on expertise, experience and skills that are together relevant to the Company. The proposed composition is the same as the current Board, where four of the directors initiated their first term in 2015, when the last election of Ultrapar s Board of Directors occurred. Therefore, they represent a continuity in the work that has been developed by the Company s management.

Information on the professional background of the candidates is available in **Exhibit IV**, according to items 12.5 to 12.10 of the Reference Form.

1.5) Approval of the Management s compensation

We propose the approval of the Company s Management compensation proposal according to the terms presented in **Exhibit V**. In order to allow for a better understanding of the rationale of the present proposal, we disclose additional information regarding the Management s compensation policies and practices in **Exhibit VI**, according to item 13 of the Reference Form.

1.6) Based on the request for installation of the Fiscal Council made by shareholders representing more than 2% (two percent) of the voting shares issued by the Company:

1.6.a) Election of the members of the Fiscal Council

Considering that the Fiscal Council will be established by request of a shareholder representing more than 2% of voting shares issued by the Company, pursuant to article 161 of the Brazilian Corporate Law, paragraph 2, we propose the election of the following candidates as members of the Company s Fiscal Council, as well as their alternates.

As effective members of the Fiscal Council:

- Flavio César Maia Luz

- Geraldo Toffanello

- Nilson Martiniano Moreira

As alternate members of the Fiscal Council:

- Márcio Augustus Ribeiro

- Pedro Ozires Predeus

- Paulo Cesar Pascotini

Information on the professional background of the candidates is available in **Exhibit IV**, according to items 12.5 to 12.10 of the Reference Form.

1.6.b) Approval of their compensation

We propose the approval of the compensation of the members of the Fiscal Council for their term of office according to the terms presented in **Exhibit V**.

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2) At the Extraordinary Shareholders Meeting:

2.1) Proposal of a new stock-based incentive plan

We propose the approval of a new stock-based incentive plan to establish general terms and conditions to grant common shares issued by the Company held in treasury to executives or employees of the company or of other companies under its direct or indirect control. Such process might or might not include granting the beneficial ownership and rights of the shares; with subsequent vesting of the effective ownership. The plan aims at:

(i) stimulating expansion and sustainable results of the Company in order to meet its corporate goals, promoting the alignment of long-term interests among shareholders, executives, and employees; and

(ii) strengthening the ability to effectively attract, retain and motivate highly qualified executives and employees.

The information related to this item is available in **Exhibit VII**, under the terms of annex 13 of CVM Instruction 481/09 and also in **Exhibit VIII** (Stock-based remuneration plan).

2.2) Incorporation of the total amount recorded in the retained profit reserve, with the consequent increase in Ultrapar s capital, without the issuance of new shares

We propose the capital increase upon the incorporation of the total amount recorded in the retained profits reserve, with the consequent increase in Ultrapar s capital stock, in the amount of R$ 1,333,065,504.08 (one billion, three hundred and thirty-three million, sixty-five thousand, five hundred and four *Reais* and eight cents), from R$ 3,838,686,104.00 (three billion, eight hundred and thirty-eight million, six hundred and eighty-six thousand, one hundred and four *Reais*) to R$ 5,171,751,608.08 (five billion, one hundred and seventy-one million, seven hundred and fifty-one thousand, six hundred and eight *Reais* and eight cents), without the issuance of new shares, considering the complete execution of capital budget related to such reserve, with the consequent proposal to amend the Company s Bylaws according to item 2.3 described below. The information related to this item is available in **Exhibit IX**, according to annex 14 of CVM Instruction 481/09.

2.3) Amendment and consolidation of Ultrapar s Bylaws

We propose the amendment and subsequent consolidation of Ultrapar s Bylaws, as described in **Exhibit X** of this document. The proposed amendments reflect mainly (i) a change in the capital stock, as mentioned in item 2.2 above, and (ii) the change of the name of the Compensation Committee and the number of members of this committee to better reflect the duties performed by the body.

The comparison table of proposed amendments to the Bylaws, as well as their rationale, in compliance with CVM Instruction 481/09, can be found in **Exhibit X**.

Availability of Documents and Information

In accordance with Ultrapar s Bylaws and with article 6 of CVM Instruction 481/09, of December 17, 2009, the documents and information regarding the matters to be approved, as well as other relevant information and documents necessary to the exercise of voting rights in the Meeting, were filed with the CVM and are available in CVM s website (www.cvm.gov.br), in the Company s headquarters, in the BM&FBOVESPA s website (www.bmfbovespa.com.br) and in the Company s website (www.ultra.com.br).

São Paulo, March 17, 2017.

PAULO GUILHERME AGUIAR CUNHA

Chairman of the Board of Directors

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EXHIBITS

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EXHIBIT I FINANCIAL STATEMENTS

NOTE : This Annex was previously filed on Ultrapar s Form 6-K dated February 22, 2017

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EXHIBIT II ITEM 10 OF THE REFERENCE FORM (MD&A)

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EXHIBIT II ITEM 10 OF THE REFERENCE FORM (MD&A)

10. Management discussion
10.1 - Management discussion & analysis:

Introduction

You should read this discussion together with our consolidated financial statements, filed with the CVM on February 22, 2017, including the Notes thereto, and other financial information included elsewhere in this document.

a. General financial and equity conditions

Company overview

Ultrapar is a multi-business Company with almost 80 years of history, with distinguished position in the markets in which it operates. Our five principal segments are:

- the LPG distribution business, conducted by Ultragaz;
- the fuels distribution business, conducted by Ipiranga;
- the chemical and petrochemical business, conducted by Oxiteno;
- the storage for liquid bulk business, conducted by Ultracargo; and
- the retail pharmacy business, conducted by Extrafarma.

Ultragaz distributes LPG to residential, commercial and industrial market segments. Ipiranga distributes gasoline, ethanol, diesel, NGV (natural gas for vehicles), fuel oil, kerosene, lubricants and ARLA through a network of 7.6 thousand service stations and directly to large customers. Oxiteno produces ethylene oxide and its main derivatives, and is a major producer of specialty chemicals, particularly surfactants. It produces approximately 1.1 thousand products used in various industrial sectors such as cosmetics, detergents, agrochemicals, packaging, textiles, paints and coatings. Ultracargo is the largest provider of storage for liquid bulk in Brazil. Extrafarma operates in distribution and retail pharmacy sector, with 315 stores at the end of 2016, one of the leaders in its operational area and the sixth largest drugstore chain in Brazil according to the ABRAFARMA ranking.

In 2016, Ultrapar implemented initiatives and projects that allow us to establish new sources of growth paths for our businesses. The execution of the sale and purchase agreements for the acquisitions of ALESAT, in the fuels distribution segment, and Liquigás, in the LPG distribution segment, and the creation of a new lubricants business in partnership with Chevron are examples of key initiatives for Ultrapar s future growth. Such initiatives did not affect the company s general financial and equity conditions.

On January 31, 2014 the transaction with Extrafarma was closed upon approval of the association by the Extraordinary General Shareholders Meetings of Ultrapar and Extrafarma. Extrafarma s results were consolidated in Ultrapar s financial statements as from February 1, 2014. Consequently, Ultrapar s financial statements for the periods prior to February 1, 2014 do not include Extrafarma s results and its operational data included in this release refer, for 2014, exclusively to the months from February to December.

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2016

In a year characterized by the worsening of the crises on both political and economic fronts, Brazil ended 2016 with a combination of slowing business activity and a deterioration in disposable incomes and employment, thus curbing consumption and creating a challenging business environment. In the second half, there were some sporadic signs of improvement and inflation rates declined paving the way for cuts in the basic interest rate from 14.25% at the end of 2015 to 13.75% in 2016. The average R$/US Dollar exchange rate in 2016 was R$ 3.49 compared with R$ 3.33 in 2015, a devaluation of 5% of the Real on average albeit with an appreciating tendency of 17% during 2016. The number of light vehicles licensed during the year amounted to 2.0 million, making for a 2% growth in the fleet in 2016. The downturn in the global economy and the decisions of production of the OPEC member countries had influenced international oil prices, which began the year at US$ 36/barrel (Brent) and closed 2016 at US$ 55/barrel. In the petrochemical market, ABIQUIM (the Brazilian Chemical Industry Association) data indicated an increase of 5% in 2016 in National Apparent Consumption. Sales in the retail pharmacy sector, according to data from members of Abrafarma (the Brazilian Association of Pharmacies and Drugstores), grew 11% in 2016. In 2016, Ultrapar s net sales and services amounted to R$ 77.4 billion, EBITDA amounted to R$ 4,216.7 million and net earnings amounted to R$ 1,570.6 million. Net debt to EBITDA ratio in the end of 2016 was 1.4 times, slightly above the ratio at the end of 2015. Ultrapar ended 2016 with total assets of R$ 24.2 billion and shareholders equity of R$ 8.6 billion.

2015

The business environment remained challenging in 2015, with the combination of economic slowdown, higher unemployment levels, inflation above target, rising interest rates and depreciation of the Real. Political instability created hurdles to approve tax adjustments necessary to Brazil, resulting in the downgrade of the sovereign rating by credit rating agencies. With the purpose of curbing soaring inflation rates found over the year, the Brazilian Central Bank raised the basic interest rate, from 11.75% at the end of 2014 to 14.25% at the end of 2015. GDP expectations for 2015, according to data published in the Focus Bulletin of the Central Bank of Brazil, began the year with a perspective of growth of 0.5% and ended with an expected drop of almost 4%. The average Real/Dollar exchange rate in 2015 was R$ 3.33/US$ as compared to R$ 2.35/US$ in 2014, an increase of 42%. The number of light vehicles licensed totaled 2.5 million units, allowing the fleet to a 3% estimated growth in 2015. The deceleration in global economy and the decisions of production of the OPEC member countries had influence on the international oil price, which started the year at a price of US$ 56/barrel (Brent), remained stable in the first semester and ended 2015 at a price of US$ 36/barrel. The drop in oil prices and the increases in oil derivatives prices by Brazilian refineries maintained average domestic prices above international benchmarks. In the petrochemical market, ABIQUIM data showed a drop of 7% in 2015 in the national apparent consumption. Sales in the retail pharmacy sector, according to data from members of ABRAFARMA, continued to grow in nominal terms although at a lower level, showing a 12% increase in 2015. In 2015, Ultrapar s net sales and services amounted to R$ 75.7 billion, EBITDA amounted to R$ 3,953.3 million and net earnings amounted to R$ 1,513.0 million. Net debt to EBITDA ratio in the end of 2015 was 1.2, slightly below the index at the end of 2014. Ultrapar ended 2015 with total assets of R$ 21.0 billion and shareholders equity of R$ 8.0 billion.

2014

Deterioration of macroeconomic environment continued in 2014, as in 2013. The scenario was formed by the combination of inflation above the target, weak economic activity, expansionary fiscal policy and rising interest rates. With the purpose of curbing soaring inflation rates verified over the year, the Brazilian Central Bank raised the basic interest rate of the economy, from 10% at the end of 2013 to 11.75% at the end of 2014. GDP growth expectations in 2014, measured by the Central Bank s Focus report, started 2014 with a perspective of 2.0% and 2015 are recently pointing towards a negative progression. Despite the weak performance of the Brazilian economy, in contrast to a rebound of the U.S. economy, the Real remained relatively stable against the dollar until third quarter, when the devaluation started. The average Real to dollar exchange rate in 2014 was R$ 2.35/US$ compared to R$ 2.16/US$ in 2013, but reaching R$ 2.66/US$ at the end of 2014. The number of light vehicles licensed totaled 3.3 million in 2014, which lead to a 6% growth of the fleet in 2014. Sales in the retail pharmacy sector, according to data from members of ABRAFARMA, grew 13% in 2014, continuing the growth seen in recent years. In 2014, Ultrapar s net sales and services amounted to R$ 67.7 billion, EBITDA amounted to R$ 3,157.9 million and net earnings amounted to R$ 1,251.2 million. Net debt to EBITDA ratio in the end of 2014 was 1.3, stable compared to the ratio at the end of 2013. Ultrapar ended 2014 with total assets of R$ 19.5 billion and shareholders equity of R$ 7.7 billion.

b. Capital structure and possibility of redemption of shares

Capital structure

Ultrapar s capital as of December 31, 2016 amounted to R$ 3,838.7 million, composed by 556,405,096 common shares, without par value.

2016

Ultrapar s gross debt at the end of the fiscal year 2016 was R$ 11,417.1 million with a gross cash position of R$ 5,701.8 million, resulting in a net debt position of R$ 5,715.3 million, an increase of R$ 786.8 million in relation to 2015, in line with the growth of the Company. On December 31, 2016, shareholders equity amounted R$ 8,558.6 million, resulting in a net debt to shareholders equity ratio of 67%.

2015

Ultrapar ended the fiscal year 2015 with a gross debt of R$ 8,901.6 million and cash of R$ 3,973.2 million, resulting in a net debt of R$ 4,928.4 million, an increase of R$ 953.4 million compared to 2014, in line with the growth of the company. On December 31, 2015, shareholders equity amounted to R$ 7,974.1 million, resulting in a net debt to shareholders equity ratio of 62%.

2014

Ultrapar ended the fiscal year 2014 with a gross debt of R$ 8,375.2 million and cash of R$ 4,400.1 million, resulting in a net debt of R$ 3,975.1 million, an increase of R$ 549.2 over 2013, in line with the Company s growth. On December 31, 2014, shareholders equity amounted to R$ 7,726.6 million, resulting in a net debt to shareholders equity ratio of 51%.

In September 2013, Ultrapar entered into an association agreement with Extrafarma. The transaction was closed on January 31, 2014 upon the approval of the association by the Extraordinary General Meetings of Ultrapar and Extrafarma. Extrafarma s results were consolidated in Ultrapar s financial statements as from February 1, 2014.

Consequently, Ultrapar s financial statements for the periods prior to February 1, 2014 do not include Extrafarma s results and its operational data included in this document refer exclusively to the months from February to December 2014. As a consequence of the closing of the transaction, 12,021,100 new common, nominative book-entry shares with no par value of Ultrapar were issued, totaling an increase in equity of R$ 640.7 million. In addition, Ultrapar issued subscription warrants that, if exercised, would lead to the issuance of up to 4,007,031 shares in the future, broken down into 801,409 shares related to subscription warrants working capital and 3,205,622 shares related to subscription warrants indemnification. On June 30, 2014 the company identified that the subscription warrants working capital shall not be exercised by the former shareholders of Extrafarma. Accordingly, the company reversed full provision for the issuance of 801,409 shares related to subscription warrants working capital. On June 22, 2015, the agreement related to the final adjustment of working capital and net debt of the transaction was executed by and between the parties in the amount of R$ 26.0 million, that was received by Ultrapar in 3Q15. The number of shares of subscription warrants indemnification may be exercised from 2020, it is adjusted according to the variations of provisions for tax, civil, and labor risks, and contingent liabilities related to the period beginning before January 31, 2014. The fair value of subscription warrants indemnification is calculated based on the share price of Ultrapar (UGPA3) and are reduced by the dividend yield until 2020, since the exercise is possible only from 2020, and they are not entitled to receive dividends until that date. The value of the association totaled R$ 719.9 million. For more information, see Notes 3.a and 22 to our 2014 financial statements.

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(R$ million)	2016	% of shareholders equity	2015	% of shareholders equity	2014	% of shareholders equity
Gross debt	11,417.1	133%	8,901.6	112%	8,375.2	108%
Cash and financial investments	5,701.8	67%	3,973.2	50%	4,400.1	57%
Net debt	5,715.3	67%	4,928.4	62%	3,975.1	51%

c. Capacity to meet our financial commitments

Our principal sources of liquidity derive from (i) cash, cash equivalents and financial investments, (ii) cash generated from operations and (iii) financings. We believe that these sources are sufficient to satisfy our current funding requirements, which include, but are not limited to, working capital, capital expenditures, amortization of debt and payment of dividends.

Periodically, we assess the opportunities for acquisitions and investments. In 2016, Ultrapar signed agreements for the acquisitions of ALESAT, in the fuel distribution segment, and Liquigás, in the LPG distribution segment, and for the creation of a new lubricants business with Chevron. We consider different types of investments, either directly or through joint ventures, or associated companies, and we finance such investments using cash generated from our operations, debt financing, through capital increases or through a combination of these methods.

We believe we have sufficient working capital to satisfy our current needs. In addition to the cash flow generated from our operations during the year, as of 31 of December 2016, we had R$ 5,686.7 million in cash, cash equivalents and short-term investments. The gross indebtedness due between January and December 2017, including estimated interests on loans, totals R$ 3,039.9 million. Furthermore, the investment plan for 2017 totals R$ 2,173.7 million.

We anticipate that we will spend approximately R$ 15.2 billion in the next five years to meet long-term contractual obligations, including the amortization of existing loans and financings, and respective payment of interests, as well as the 2017 budgeted capital expenditures.

(R$ million)	2017-2021
Contractual obligations	1,763.3
Investment plan for 2015	2,173.7
Financing[1]	8,423.9
Estimated interest payments on financing[2]	2,531.1
Hedging instruments[3]	337.7
Total	**15,229.6**

[1] Does not include currency and interest rate hedging instruments.

[2] Includes estimated interest payments on short-term and long-term loans. Information of our derivative instruments is not included. The fair value information of such derivatives is available in Note 31, filed with the CVM on February 22, 2017. To calculate the estimated interest on loans certain macroeconomic assumptions were used, including, on average for the period, (i) CDI of 11.5% p.a., (ii) exchange rate of the Real against the U.S dollar of R$ 3.40 in 2017, R$ 3.66 in 2018, R$ 3.93 in 2019, R$ 4.21 in 2020 and R$ 4.51 in 2021, (iii) TJLP of 7.5% p.a. and (iv) IGP-M of 4.6% in 2017, 4.5% in 2018, 4.5% in 2019 and 4.5% in 2020.

(3) The currency and interest rate hedging instruments were estimated based on projected U.S. dollar futures contracts and the futures curve of DI x Pre contract quoted on BM&FBOVESPA as of December 30, 2016 and on the futures curve of LIBOR (ICE Intercontinental Exchange) on December 31, 2016. In the table above, only hedging instruments expected to generate losses at the time of settlement were considered.

See Item 10.1.f. Indebtedness level and debt profile , Item 10.8.b. Other off-balance sheet arrangements and Item 10.10.a.i. Quantitative and qualitative description of the investments in progress and the estimated investments for further information.

We expect to meet these cash requirements through a combination of cash generated from operating activities and cash generated by financing activities, including new debt financing and the refinancing of some of our indebtedness.

d. Sources for financing working capital and investments in non-current assets

We reported cash flow from operations of R$ 2,513.7 million, R$ 3,201.7 million and R$ 2,650.7 million in 2016, 2015 and 2014, respectively. In 2016, our cash flow from operations was R$ 688.0 million lower than that of 2015, despite the 7% EBITDA growth and lower investment in working capital in the comparison with 2015. Due to the use of the indirect method of cash flow, interest on financial liabilities and variations on the exchange rates were R$ 818.8 million in the operational cash flow in 2016 compared to 2015. Excluding the effects of interests on financial liabilities and exchange rates, operational cash flow increased by R$ 130.8 million. In 2015, our operational cash flow was R$ 551.0 million higher than that of 2014, mainly due to the growth in operations, partially offset by an increase in investment in working capital, that grew from a divestment of R$ 99.0 million to an investment of R$ 436.2 million in 2015.

Cash flow of investing activities used an amount of R$ 1,848.8 million, R$ 801.8 million and R$ 1,540.2 million in 2016, 2015 and 2014, respectively. In 2016, Ultrapar continued with an investment strategy focused on the continuing growth of scale and competitiveness, better serving an increasing number of customers. In 2016, 2015 and 2014, we invested R$ 1,637.9 million, R$ 1,334.2 million and R$ 1,215.7 million in additions to fixed assets, equipment and intangible assets, net of disposals. In addition, capital investments in ConectCar amounted to R$ 47.3 million, R$ 41.1 million and R$ 28.5 million in 2016, 2015 e 2014, respectively.

Cash flows from financing activities totaled a cash generation of R$ 928.4 million in 2016 and cash used of R$ 2,520.7 million and R$ 539.3 million in 2015 and 2014, respectively. In 2016, cash flow used by financing activities increased in R$ 3,449.1 million compared to 2015, mainly as a result of lower use of resources for amortization of debt and an increase of R$ 1,307.8 million in new loans and financings, that strengthened the cash position and extended the Company s debt profile. In 2015, cash flow used by financing activities increased in R$ 1,981.4 million compared to 2014, mainly as a result of increased use of resources for amortization of debt and interest payment and for acquisition of shares issued by the Company (share buyback program). Accordingly, cash and cash equivalents totaled R$ 4,274.2 million in 2016, R$ 2,702.9 million in 2015 and R$ 2,827.4 million in 2014.

e. Sources for financing working capital and investments in non-current assets to be used in case of deficiencies in liquidity

In 2016, 2015 and 2014, we did not present deficiencies in liquidity. We believe that Ultrapar has own resources and operational cash generation sufficient to finance its needs for working capital and investments estimated for 2017. In addition, if necessary, we have access to third party financing resources.

f. Indebtedness level and debt profile

Our total indebtedness, considering all current liabilities and non-current liabilities, grew by 22%, from R$ 12,738.9 million as of December 31, 2015 to R$ 15,601.1 million as of December 31, 2016.

Our gross financial debt increased by 28% from R$ 8,901.6 million as of December 31, 2015 to R$ 11,417.1 million as of December 31, 2016. Our short-term financial debt was equivalent to 22% of our gross debt as of December 31, 2016 and to 12% as of December 31, 2015.

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The table below shows our financial indebtedness for each period:

Loans	Currency	Weighted average financial charges as of December 31, 2016	Principal amount of outstanding debt and accrued interest as of		
			12/31/2016	12/31/2015	12/31/2014
Foreign currency denominated loans:					
Foreign loan	US$	LIBOR(1) + 0.7%	942.5	1,111.7	603.0
Foreign loan	US$	+2.1	486.5	576.6	
Foreign loan	US$	LIBOR(1) + 1.4%	332.6	397.6	158.0
Financial institutions	US$	LIBOR(1) + 3.0%	195.0		
Advances on foreign exchange contracts	US$	+3.0%	111.1	222.5	184.1
Financial institutions	US$	+2.7%	109.9	142.8	113.9
Financial institutions	US$	LIBOR(1) + 3.0%	195.0	77.8	53.3
Foreign currency advances delivered	US$	+2.7%	32.6	50.1	25.4
Financial institutions	MX$	+6.6%	24.6		
Financial institutions	MX$(2)	TIIE(2) + 1.0%	9.6	27.1	32.3
BNDES	US$	+6.0%	7.1	24.1	33.2
Financial institutions	Bs$(7)	+24.0%	0.4		
Financial institutions	US$	+5.3%	2,412,1		664.1
Brazilian *Reais* denominated loans:					
Banco do Brasil floating rate	R$	107.4% do CDI	2,956.5	3,115.8	2,873.6
Debentures 1st and 2nd issuances IPP	R$	107.1% do CDI	1,914.5	1,413.1	1,409.5
Debentures 5th issuance	R$	108.3% do CDI	832.4	833.1	874.3
BNDES	R$	TJLP (3) + 2.4%	307.6	409.3	531.0
Export Credit Note floating rate	R$	101.5% do CDI	158.8	158.6	
Banco do Nordeste do Brasilia	R$	8.5%(4)	47.1	66.1	85.1
FINEP	R$	+4.0%	48.7	61.7	74.8
BNDES	R$	+5.5%	40.3	49.7	62.6
Finance leases	R$	IGP-M(5) + 5.6%	48.6	45.5	45.9
BNDES	R$	SELIC(6) + 2.3%	71.4	30.9	
BNDES EXIM	R$	TJLP(3) + 3.5%	62.1		
Export Credit Note	R$	+8.0%		27.0	25.7
FINEP	R$	TJLP(3) + 0.9%	34.6	11.2	9.1
Working capital loans Extrafarma fixed rate	R$	+10.3%		1.2	3.4
BNDES EXIM	R$	SELIC(6) + 3.9%	28.1		
Fixed finance leases	R$	CDI + 2.8%	0.1	0.3	0.5
FINAME	R$	TJLP(3) + 5.7%	0.1	0.3	0.5

Floating finance leases	R$	+15.6%	0.0	0.1	0.7
Banco do Brasil fixed rate	R$	+12.1%		503.9	503.9
Total loans			**11,214.8**	**8,854.2**	**8,367.8**
Currency and interest rate hedging instruments			202.4	47.4	7.4
Total			**11,417.1**	**8,901.6**	**8,375.2**

(1) LIBOR *London Interbank Offered Rate*.

(2) MX$ Mexican peso; TIIE Mexican interbank balance interest rate.

(3) TJLP (Long-Term Interest Rate) = set by the National Monetary Council, TJLP is the basic financing cost of BNDES. As of December 31, 2016, TJLP was fixed at 7.5% p.a.

(4) Contract linked to the rate of FNE (Northeast Constitutional Financing Fund) fund whose purpose is to promote the development of the industrial sector, managed by Banco do Nordeste do Brasil. As of December 31, 2016, the FNE interest rate was 10% p.a. FNE grants a discount of 15% on the interest rate for timely payments.

(5) IGP-M = General Index of Market Prices of Brazilian inflation, calculated by the *Fundação Getúlio Vargas*.

(6) SELIC basic interest rate set by the Brazilian Central Bank

(7) Bs$ = Bolívar.

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Our consolidated debt as of December 31, 2016 had the following maturity schedule:

Year	Maturities
	(R$ million)
2017	2,475.6
2018	3,203.4
2019	1,699.0
2020	694.0
2021	554.2
2022 thereafter	2,791.0
Total	**11,417.1**

See Item 10.1.c. Capacity to meet our financial commitments .

i. Relevant loan and financing contracts

Notes in the foreign market

In October 2016, the subsidiary Ultrapar International issued US$ 750 million in notes in the foreign market, maturing in October 2026, with interest rate of 5.25% p.a., paid semiannually. The notes were guaranteed by the Company and its subsidiary IPP.

As a result of the issuance of the notes in the foreign market, the Company and its subsidiary are required to perform certain obligations, including:

Restriction on sale of all or substantially all assets of the Company and subsidiaries Ultrapar International and IPP.

Restriction on encumbrance of assets exceeding US$ 150 million or 15% of the amount of the consolidated tangible assets.

The Company and its subsidiaries are in compliance with the levels of covenants required by this debt. The restrictions imposed on the Company and its subsidiaries are customary in transactions of this nature and have not limited their ability to conduct their business to date.

Foreign loans

1) The subsidiary IPP has foreign loans in the amount of US$ 440 million. IPP also contracted hedging instruments with floating interest rate in U.S. dollar and exchange rate variation, changing the foreign loans charges, on average, to 102.1% of CDI (see Note 30). IPP designated these hedging instruments as a fair value hedge; therefore, loans and hedging instruments are both measured at fair value from inception, with changes in fair value recognized through profit or loss. The foreign loans are secured by Ultrapar.

The maturity of the foreign loans is distributed as follows:

Maturity	**US$ (million)**	**Cost in % of CDI**
March/17	70.0	99.5
September/17	150.0	103.7
July/18	60.0	103.0
September/18	80.0	101.5
November/18	80.0	101.4
Total / average cost	440.0	102.1

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2) The subsidiary Oxiteno Overseas has a foreign loan in the amount of US$ 60 million with maturity in January 2017 and interest of LIBOR + 1.0% p.a., paid semiannually. Ultrapar, through its subsidiary Cia. Ultragaz, contracted hedging instruments with floating interest rates in dollar and exchange rate variation, changing the foreign loan charge to 94.0% of CDI (see Note 31). The foreign loan is guaranteed by Ultrapar and its subsidiary Oxiteno S.A. On December 20, 2016, the subsidiary Oxiteno Overseas contracted a new foreign loan in the amount of US$ 60 million with maturity on June 22, 2020 and interest of LIBOR + 2.0% p.a., paid quarterly. The proceeds from the operation were received in January 2017 and used in the settlement of existing loan. The Company, through the subsidiary Cia. Ultragaz, contracted hedging instruments subject to floating interest rates in dollar and exchange rate variation, changing the foreign loan charge to 105.9% of CDI. The foreign loan is guaranteed by the Company and its subsidiary Oxiteno Nordeste.

3) The subsidiary LPG International has a foreign loan in the amount of US$ 30 million with maturity in December 2018 and interest rate of LIBOR + 1.85% p.a, paid quarterly. The foreign loan is guaranteed by Ultrapar and its subsidiary IPP.

4) The subsidiary Global Petroleum Products Trading Corporation has a foreign loan in the amount of US$ 12 million with maturity in December 2018 and interest rate of LIBOR + 1.85% p.a, paid quarterly. The foreign loan is guaranteed by Ultrapar and its subsidiary IPP.

During these contracts, the Company shall maintain the following financial ratios, calculated based on its audited consolidated financial statements:

Maintenance of a financial ratio, determined by the ratio between consolidated net debt and consolidated EBITDA, at less than or equal to 3.5.

Maintenance of a financial ratio, determined by the ratio between consolidated EBITDA and consolidated net financial expenses, higher than or equal to 1.5.

Ultrapar is compliant with the levels of covenants required by these loans. The restrictions imposed on Ultrapar and its subsidiaries are usual for this type of transaction and have not limited their ability to conduct their business to date.

BNDES

Ultrapar and its subsidiaries have financing from BNDES for some of their investments and for working capital.

During the term of these agreements, the Company must maintain the following capitalization and current liquidity levels, to be verified in the annual consolidated audited financial statements:

Capitalization level: shareholders equity / total assets equal to or above 0.3; and

Current liquidity level: current assets / current liabilities equal to or above 1.3.

Ultrapar is in compliance with the levels of covenants required by these loans. The restrictions imposed on the Company and its subsidiaries are usual for this type of transaction and have not limited their ability to conduct their business to date.

Financial Institutions

The subsidiaries Oxiteno Mexico S.A. de C.V., Oxiteno USA LLC and Oxiteno Uruguay have loans to finance investments and working capital.

In February 2016, subsidiary Oxiteno USA entered into a loan agreement in the amount of US$ 40 million, due in February 2021 and bearing interest of LIBOR + 3% p.a., paid quarterly. The loan is guaranteed by Ultrapar and the subsidiary Oxiteno Nordeste and the proceeds of this loan will be used to fund the construction of a new alkoxylation plant in the state of Texas.

In September 2016, subsidiary Oxiteno USA renegotiated a loan in the notional amount of US$20 million, changing the maturity from October 2017 to September 2021, with interest of LIBOR + 3% p.a., paid quarterly. The loan is guaranteed by Ultrapar and the subsidiary Oxiteno S.A.

Banco do Brasil

The subsidiary IPP has floating interest rate loans with Banco do Brasil to finance the marketing, processing, or manufacturing of agricultural goods (ethanol).

In 2016, the subsidiary IPP renegotiated the following loans with Banco do Brasil:

- R$167 million of the notional amount, changing the maturity from February 2016 to February 2019, with floating interest rate of 114% of CDI; and

- R$100 million and R$909.5 million of the notional amount, changing the maturities from May 2016 and January 2017, respectively, to May 2020, May 2021 and May 2022, with floating interest rate of 110.9% of CDI.

These loans mature, as follows (including interest until December 31, 2016):

Maturity	
July/17	177,259
November/17	101,364
January/18	177,259
April/18	101,364
February/19	170,013
May/19	1,209,440
May/20	339,949
May/21	339,949
May/22	339,950
Total	2,956,547

Debentures

1) In December 2012, the subsidiary IPP made its first issuance of public debentures, in a single series of 60,000 simple, nominative, registered debentures, nonconvertible into shares and unsecured, which main characteristics are as follows:

Face value unit: R$ 10,000.00

Final maturity: November 16, 2017

Payment of the face value: Lump sum at final maturity

Interest: 107.9% of CDI

Payment of interest: Semiannually

Reprice: Not applicable

2) In January 2014, the subsidiary IPP made its second issuance of public debentures, in a single series of 80,000 simple, nominative, registered debentures, nonconvertible into shares and unsecured, which main characteristics are as follows:

Face value unit: R$ 10,000.00

Final maturity: December 20, 2018

Payment of the face value: Lump sum at final maturity

Interest: 107.9% of CDI

Payment of interest: Semiannually

Reprice: Not applicable

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3) In March 2015, the Company made its fifth issuance of debentures, in a single series of 80,000 simple, nonconvertible into shares, unsecured debentures, which main characteristics are as follows:

Face value unit: R$ 10,000.00

Final maturity: March 16, 2018

Payment of the face value: Lump sum at final maturity

Interest: 108.25% of CDI

Payment of interest: Annually

Reprice: Not applicable

4) In May 2016, the subsidiary IPP made its fourth issuance of public debentures, in one single series of 500 simple, nominative, registered debentures, nonconvertible into shares and unsecured, which main characteristics are as follows:

Face value unit: R$ 1,000,000.00

Final maturity: May 25, 2021

Payment of the face value: Annual as from May 2019

Interest: 105.0% of CDI

Payment of interest: Semiannually

Reprice: Not applicable

The proceeds from the issue will be used in the purchase of ethanol by the subsidiary. The subsidiary has the obligation to prove the allocation of the proceeds within 12 months from subscription.

Export Credit Note

The subsidiary Oxiteno Nordeste has export credit note contract in the amount of R$ 156.8 million, with maturity in May 2018, and floating rate of 101.5% of CDI, paid quarterly.

In March 2016, the subsidiary Oxiteno Nordeste settled the export credit note in the amount of R$ 17.5 million, on the maturity date, with interest rate of 8% p.a., and also settled its respective hedging instrument.

In August 2016, the subsidiary Oxiteno Nordeste settled the export credit note in the amount of R$ 10.0 million, on the maturity date, with interest rate of 8% p.a., and also settled its respective hedging instrument.

ii. Other long-term relations with financial institutions

In addition to the relationships mentioned in items 10.1.f.i. Relevant loan and financing contracts and 10.1.g. Limits of use of contracted loans and financing, Ultrapar maintains long term relationships with financial institutions (i) in connection with the ordinary course of the business, such as the payroll of its employees, credit and collection, payments and currency and interest rate hedging instruments and (ii) through a long-term contract between Ipiranga and Itaú Unibanco for the provision of financial services and management of the Ipiranga-branded credit cards.

In October 2015, Itaú Unibanco acquired 50% of ConectCar, a company that operates in the segment of electronic payment for tolls, parking lots and fuel. Ipiranga holds the remaining 50% interest of the company.

iii. Subordination of debt

Our secured debt as of December 31, 2016, amounted R$ 56.6 million. Except for secured debt, there is no subordination among our existing debt contracts.

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iv. Any restrictions imposed on the issuer, especially related to indebtedness limits and the hiring of new debt, to dividend distribution, to the sale of assets, to the issuing of new securities and to change of control, and if the issuer has complied with these restrictions.

Ultrapar and its subsidiaries are subject to some covenants required by loans contracted. The restrictions imposed on Ultrapar and its subsidiaries are those usual for transactions of this nature and have not limited their ability to conduct their business to date.

As a result of foreign loans, the Company shall maintain the following financial ratios, calculated based on its audited consolidated financial statements:

Maintenance of a financial ratio, determined by the ratio between consolidated net debt and consolidated EBITDA, at less than or equal to 3.5; and

Maintenance of a financial ratio determined by the ratio between consolidated EBITDA and consolidated net financial expenses, higher than or equal to 1.5.

During the life of the agreements entered into with BNDES, Ultrapar must keep the following capitalization and current liquidity levels, as verified in annual consolidated audited balance sheet:

Capitalization level: shareholders equity / total assets equal to or above 0.30; and

Current liquidity level: current assets / current liabilities equal to or above 1.3.

The Company is compliant with the covenants levels required by financing contractors.

g. Limits of use of contracted loans and financings and percentages already used

The Company has certain financing contracts with BNDES whose amounts were only partially received. As of December 31, 2016, the total value of such contracts amounted R$ 33 million, sum that had not been yet used.

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h. Main changes in each item of the financial statements

Ultrapar Consolidated

(R$ million)	Information as of			Variation %	
	12/31/2016	12/31/2015	13/31/2014	12/31/2016 vs. 12/31/2015	12/31/2015 vs. 12/31/2014
ASSETS					
Cash, cash equivalents and financial investments	5,686.7	3,506.2	4,269.2	62%	-18%
Trade accounts receivable	3,502.3	3,167.2	2,604.1	11%	22%
Inventories	2,761.2	2,495.2	1,925.0	11%	30%
Recoverable taxes	541.8	628.8	593.5	-14%	6%
Other	519.8	114.0	110.6	356%	3%
Total Current Assets	13,011.8	9,911.4	9,502.4	31%	4%
Investments	141.7	103.7	70.5	37%	47%
Property, plant and equipment and intangibles assets	9,159.6	8,732.8	8,250.1	5%	6%
Financial investments	15.1	467.0	130.9	-97%	257%
Trade accounts receivable	227.1	152.2	143.8	49%	6%
Deferred income tax	417.3	306.0	462.6	36%	-34%
Escrow deposits	778.8	740.8	696.8	5%	6%
Other	408.3	299.1	223.3	37%	34%
Total Non-Current Assets	11,147.9	10,801.7	9,978.0	3%	8%
TOTAL ASSETS	**24,159.7**	**20,713.1**	**19,480.4**	**17%**	**6%**
LIABILITIES					
Loans and debentures	2,475.6	1,097.9	3,442.4	125%	-68%
Trade payables	1,709.7	1,460.5	1,279.5	17%	14%
Salaries and related charges	362.7	404.3	294.6	-10%	37%
Taxes payable	311.0	385.7	273.2	-19%	41%
Other	628.0	485.0	402.4	29%	21%
Total Current Liabilities	5,486.9	3,833.4	5,692.1	43%	-33%
Loans and debentures	8,941.5	7,803.8	4,932.8	15%	58%
Provision for tax, civil and labor risks	727.1	684.7	623.3	6%	10%
Post-employment benefits	119.8	112.8	108.4	6%	4%
Other	325.7	304.3	397.2	7%	-23%
Total Non-Current Liabilities	10,114.2	8,905.5	6,061.7	14%	47%

TOTAL LIABILITIES	**15,601.1**	**12,738.9**	**11,753.8**	**22%**	**8%**
SHAREHOLDERS EQUITY					
Capital	3,838.7	3,838.7	3,838.7	0%	0%
Reserves	5,023.8	4,354.2	3,723.0	15%	17%
Treasury shares	(483.9)	(490.9)	(103.0)	-1%	377%
Others	149.0	243.0	239.3	-39%	2%
Non-controlling interest	30.9	29.1	28.6	6%	2%
TOTAL SHAREHOLDERS EQUITY	**8,558.6**	**7,974.1**	**7,726.6**	**7%**	**3%**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY.	**24,159.7**	**20,713.1**	**19,480.4**	**17%**	**6%**

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Main changes in the consolidated balance sheet accounts on December 31, 2016 compared with December 31, 2015

Assets

Current assets

Current assets totaled R$ 13,011.8 million as of December 31, 2016, an increase of R$ 3,100.4 million compared to December 31, 2015, mainly due to increases in cash, equivalents and financial investments, inventory and accounts receivable.

Cash, cash equivalents and financial investments

Cash, cash equivalents and financial investments totaled R$ 5,686.7 million in December 31, 2016, an increase of R$ 2,180.5 million compared to December 31, 2015, mainly due to new loans and financings in the period.

Trade accounts receivable

Trade accounts receivable totaled R$ 3,502.2 million in December 31, 2016, an increase of R$ 335.2 million compared to December 31, 2015, mainly due to an increase in days sales outstanding (DSO) the average collection period for Ipiranga.

Inventories

Inventories amounted to R$ 2,761.2 million as of December 31, 2016, an increase of R$ 266.0 million compared to December 31, 2015, mainly due to (i) increases in ethanol and gasoline costs throughout the year, increasing the final inventory balance of Ipiranga, and (ii) the adjustment of prices of medicines set by the Chamber for the Regulation of the Medical Pharmaceuticals (CMED) and a larger number of newly opened stores, both increasing Extrafarma s inventory.

Non-current assets

Non-current assets totaled R$ 11,147.9 million as of December 31, 2016, an increase of R$ 346.2 million compared to December 31, 2015, mainly due to increases in fixed and intangible assets and financial investments.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets totaled R$ 9,159.6 million as of December 31, 2016, an increase of R$ 426.8 million compared to December 31, 2015, mainly due to investments in expansion carried out throughout 2016, offset by depreciation and amortization during the period.

Liabilities

Current liabilities

Current liabilities amounted R$ 5,486.9 million as of December 31, 2016, an increase of R$ 1,653.6 million compared to December 31, 2015, mainly due to an increase in loans and debentures

Loans and debentures

Loans and debentures totaled R$ 2,475.6 million as of December 31, 2016, an increase of R$ 1,377.7 million compared to December 31, 2015, mainly due to transfer of the amount due in 2017 from non-current liabilities to current liabilities, partially offset by the payment of loans maturing in 2016. See Non-current liabilities Loans and debentures.

Trade payables

Trade payables amounted to R$ 1,709.7 million as of December 31, 2016, an increase of R$ 249.1 million compared to December 31, 2015, mainly concentrated in Ipiranga suppliers.

Non-current liabilities

Non-current liabilities totaled R$ 10,114.2 million as of December 31, 2016, an increase of R$ 1,208.6 million compared to December 31, 2015. The increase in non-current liabilities is mainly due to the increase in loans and debentures.

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Loans and debentures

Loans and debentures totaled R$ 8,941.5 million as of December 31, 2016, an increase of R$ 1,137.8 million compared to December 31, 2015, mainly due to new loans and financings.

Shareholders equity

Ultrapar s shareholders equity amounted to R$ 8,558.6 million on December 31, 2016, an increase of R$ 584.4 million compared to December 31, 2015, as a result of an increase in profit reserves, due to earnings generated in 2016.

Main changes in the consolidated balance sheet accounts on December 31, 2015 compared with December 31, 2014

Assets

Current assets

Current assets totaled R$ 9,995.4 million as of December 31, 2015, an increase of R$ 493.0 million compared to December 31, 2014, mainly due to inventory increases and trade accounts receivable.

Trade accounts receivable

Trade accounts receivable amounted to R$ 3,167.2 million on December 31, 2015, a R$ 563.1 million increase compared with December 31, 2014, mainly due to increases in ethanol, diesel and gasoline costs throughout the year.

Cash, cash equivalents and financial investments

Cash, cash equivalents and financial investments totaled R$ 3,506.2 million as of December 31, 2015, a decrease of R$ 763.0 million compared to December 31, 2014, mainly due to (i) the amortization of financing and higher interest payments due to the increase in interest rates during 2015, (ii) organic investments made in 2015, and (iii) growth in dividend payments and in the share repurchase program, increasing shareholder returns, partially offset by cash generated from our operations.

Inventories

Inventories amounted to R$ 2,495.2 million as of December 31, 2015, an increase of R$ 570.2 million compared to December 31, 2014, mainly due to increases in ethanol, diesel and gasoline costs throughout the year.

Non-current assets

Non-current assets totaled R$ 10,970.7 million as of December 31, 2015, an increase of R$ 992.6 million compared to December 31, 2014, mainly due to increases in fixed and intangible assets and financial investments.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets totaled R$ 8,732.8 million as of December 31, 2015, an increase of R$ 482.7 million compared to December 31, 2014, due to investments in expansion carried out throughout 2015, partially offset by depreciation and amortization during the period.

Liabilities

Current liabilities

Current liabilities amounted R$ 3,833.4 million as of December 31, 2015, a decrease of R$ 1,858.7 million compared to December 31, 2014, mainly due to a reduction in loans and debentures, partially offset by increases in suppliers.

Loans and debentures

Loans and debentures totaled R$ 1,097.9 million in December 31, 2015, a decrease of R$ 2,344.5 million compared to December 31, 2014, mainly due to the payment of loans maturing in 2015, partially offset by the transfer of the amount due in 2016 from non-current liabilities to current liabilities. See Non-current liabilities Loans and debentures.

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Trade payables

Trade payables amounted to R$ 1,460.5 million as of December 31, 2015, an increase of R$ 181.0 million compared to December 31, 2014, mainly concentrated in Ipiranga suppliers due to higher ethanol, diesel and gasoline costs throughout 2015.

Non-current liabilities

Non-current liabilities totaled R$ 9,158.5 million as of December 31, 2015, an increase of R$ 3,096.8 million compared to December 31, 2014. The increase in non-current liabilities is mainly due to the increase in loans and debentures.

Loans and debentures

Loans and debentures totaled R$ 7,803.8 million as of December 31, 2015, an increase of R$ 2,870.9 million compared to December 31, 2014, mainly due to new loans contracted, resulting in the extension of the Ultrapar s debt maturity.

Shareholders Equity

Ultrapar s shareholders equity amounted to R$ 7,974.1 million on December 31, 2015, a R$ 247.5 million increase compared with December 31, 2014, as a result of an increase in profit reserves, due to earnings generated in 2015, partially offset by the increase of treasury shares due to the share repurchase program.

Main changes in the consolidated statements of income

Main changes in the consolidated statements of income for the year ended December 31, 2016 compared with the year ended December 31, 2015

(R$ million)	**Year ending December 31 2016**	**% of net sales and services**	**Year ending December 31 2015**	**% of net sales and services**	**Percent change 2016-2015**
Net revenue from sales and services	77,353.0	100%	75,655.3	100%	2%
Cost of products and services sold	(70,342.7)	91%	(68,933.7)	91%	2%
Gross profit	**7,010.2**	**9%**	**6,721.6**	**9%**	**4%**
Selling, marketing, general and administrative expenses	(4,097.4)	5%	(3,837.9)	5%	7%
Other operating income, net	199.0	0%	50.6	0%	293%
Income from disposal of assets	(6.1)	0%	27.3	0%	-122%
Operating income	**3,105.7**	**4%**	**2,961.5**	**4%**	**5%**
Financial results	(842.6)	1%	(703.3)	1%	20%
Equity in earnings (losses) of affiliates	7.5	0%	(10.9)	0%	-169%
Income and social contribution taxes	(700.0)	1%	(734.3)	1%	-5%
Net income	**1,570.6**	**2%**	**1,513.0**	**2%**	**4%**

Net income attributable to:					
Shareholders of Ultrapar	1,561.6	2%	1,503.5	2%	4%
Non-controlling shareholders of the subsidiaries	9.0	0%	9.5	0%	-5%
EBITDA	**4,216.7**	**5%**	**3,953.3**	**5%**	**7%**
Depreciation and amortization	1,103.5	1%	1,002.6	1%	10%

EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization, and EBIT Earnings Before Interest and Taxes, are presented in accordance with CVM Instruction No. 527, issued by CVM on October 4, 2012. The calculation of EBITDA from net earnings is presented below:

R$ million	2016	2015	(%) 2016 v 2015
Net earnings	**1,571**	**1,513**	**4%**
(+) Income and social contribution taxes	700	734	
(+) Financial expenses (income), net	843	703	
(+) Depreciation and amortization	1,104	1,003	
EBITDA	**4,217**	**3,953**	**7%**

The EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) presented in this document represents the net income before (i) income and social contribution taxes, (ii) net financial expense (income) and (iii) depreciation and amortization, presented in accordance with ICVM 527/12. The purpose of including EBITDA information is to provide a measure used by the management for internal assessment of our operating results, besides being a directly or indirectly related measure to a portion of our employee profit sharing plan. It is also a financial indicator widely used by investors and analysts to measure our ability to generate cash from operations and our operating performance. We also calculate EBITDA in connection with covenants related to some of our financing, as described in note 14 to the financial statements. We believe EBITDA allows a better understanding not only of our financial performance but also of our capacity of meeting the payment of interest and principal from our debt and of obtaining resources for our investments and working capital. Our definition of EBITDA may differ from, and, therefore, may not be comparable with similarly titled measures used by other companies, thereby limiting its usefulness as a comparative measure. Because EBITDA excludes net financial expense (income), income tax and social contribution, depreciation and amortization, it provides an indicator of general economic performance that is not affected by debt restructurings, fluctuations in interest rates or changes in income tax and social contribution, depreciation and amortization. EBITDA is not a measure of financial performance under accounting practices adopted in Brazil or IFRS. EBITDA should not be considered in isolation, or as a substitute for net income, as a measure of operating performance, as a substitute for cash flows from operations or as a measure of liquidity. EBITDA has material limitations that impair its value as a measure of a company s overall profitability since it does not address certain ongoing costs of our business that could significantly affect profitability such as financial expenses and income taxes and depreciation and amortization.

Overview on sales volume

	2016	2015	Percent change 2016-2015
Ipiranga (000 m^3)	23,507	25,725	-9%
Oxiteno (000 tons)	738	725	2%
Ultragaz (000 tons)	1,760	1,697	4%
Ultracargo (000 m^3)	672	655	3%
Extrafarma (number of stores)	315	254	24%

Ipiranga s sales volume recorded a decline of 9% compared with 2015. Fuel sales volume for light vehicles (Otto cycle) reported a decrease of 9%, in spite of the effective growth of 2% in the light vehicle fleet, reflecting economic conditions, a worsening in employment levels and the increase in the relative prices of fuel compared to household income. Diesel volume was also down 9%, mirroring weakness in the economy overall. Volume sold at Oxiteno was 2% higher in 2016 as a result of a 17% expansion in commodities, in search of increased efficiency in the use of capacity and dilution of plant, above all in 1H16 to compensate for the 1% decline in specialty chemicals, a reflection of weak economic activity in Brazil. Sales volume at Ultragaz was 4% higher in 2016, with a 3% growth in the LPG bottled segment, the result of investments to increase the numbers of resellers, and 6% growth in the bulk segment due to investments in the capture of new customers. Ultracargo s total average storage posted an increase of 3% due mainly to greater fuel handling at the Suape and Aratu port terminals although offset by the partial interruption of activities at the Ultracargo terminal in Santos in 2015 due to the fire in April of that year. Excluding operations in Santos, handling was up by 8%. Extrafarma ended 2016 with 315 stores, a 24% increase (61 stores) compared to 2015. Over the course of the year, 71 new stores were opened and ten closed.

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Net revenue from sales and services

(R$ million)	2016	2015	Percent change 2016-2015
Ipiranga	66,407.3	65,349.8	2%
Oxiteno	3,700.7	4,082.5	-9%
Ultragaz	5,365.5	4,621.2	16%
Ultracargo	355.4	315.5	13%
Extrafarma	1,578.2	1,336.3	18%

In 2016, Ultrapar reported net revenue from sales and services of R$ 77,353 million, a growth of 2% in relation to 2015 due to revenue growth in all the businesses with the exception of Oxiteno. Ipiranga posted a 2% increase in net revenue despite lower sales volume mainly due to (i) the increase in diesel and gasoline costs by Petrobras in October 2015 and also higher ethanol prices, (ii) the greater share of gasoline in the overall sales mix in 2016, and (iii) the strategy of constant innovation in service station services and convenience, resulting in greater customer satisfaction and loyalty. Oxiteno s net revenue was 9% down, largely due to 15% lower average prices in US Dollars, as a consequence of lower international commodities prices and a greater share of these products in the sales mix. Decrease in net revenue was partially offset by the depreciation of 5% in the Real against the US dollar and increased sales volume. Ultragaz reported net revenues 16% higher, mainly due to (i) the increases in the cost of bottled and bulk LPG at the refineries in 2015 and 2016, (ii) higher volume sold, the result of commercial initiatives for capture of new customers and resellers, (iii) the adoption of differentiation and innovation strategies, and (iv) the increased share of the bulk segment in the composition of total sales mix. Ultracargo s net revenue was 13% higher mainly due to the increase in average storage and higher average tariffs at the terminals. Excluding operations at the Santos terminal, net revenue was 18% higher. Extrafarma reported an 18% increase in gross revenue due to the larger average number of stores and growth of 21% in same store sales (sales in stores opened over 12 months).

Cost of products and services sold

(R$ million)	2015	2014	Percent change 2016-2015
Ipiranga	61,877.4	61,236.8	1%
Oxiteno	2,781.7	2,809.8	-1%
Ultragaz	4,467.2	3,884.6	15%
Ultracargo	199.0	151.9	31%
Extrafarma	1,071.9	900.9	19%

Ultrapar reported cost of goods sold and services provided at R$ 70,343 million in 2016, an increase of 2% in relation to 2015 due to growth recorded at all the businesses with the exception of Oxiteno. Cost of goods sold by Ipiranga was 1% higher, due to increases in diesel and gasoline costs in October 2015 and correspondingly higher ethanol costs, partially attenuated by lower sales volume. Cost of goods sold by Oxiteno fell by 1% due to lower payroll costs offset by higher sales volume, a 5% depreciation in the Real against the US dollar and increased prices of certain raw materials. Ultragaz s cost of goods sold was 15% higher mainly due to (i) the increase in LPG costs, (ii) higher volumes, and (iii) higher unit freight costs due to the increase in product sourcing from more distant routes. Ultracargo s cost of services provided reported growth of 31% due to higher costs with payroll and terminal maintenance. Additionally, since January 2016, some expenses have been reclassified as costs, in 2016 amounting to R$ 16 million. In Extrafarma, the cost of goods sold was 19% higher due to greater sales volume and the annual price adjustment in medicines authorized by the Chamber for the Regulation of the Medical Pharmaceuticals Market (CMED).

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Gross profit

Ultrapar posted a gross profit of R$ 7,010 million in 2016, an increase of 4% relative to 2015, due to increases in gross profits at Ipiranga, Ultragaz and Extrafarma.

Selling, marketing, general and administrative expenses

(R$ million)	2015	2014	Percent change 2016-2015
Ipiranga	2,257.6	2,087.2	8%
Oxiteno	616.4	690.8	-11%
Ultragaz	615.5	525.4	17%
Ultracargo	99.7	100.6	-1%
Extrafarma	511.1	427.5	20%

Ultrapar s selling, marketing, general and administrative expenses totaled R$ 4,097 million in 2016, 7% more than 2015 due to the effects of inflation on expenses and to particular aspects in each business. Selling, marketing, general and administrative expenses of Ipiranga increased by 8% due to (i) higher expenses with studies and projects for expansion and innovation, (ii) expansion in the service station and franchise network and (iii) the effects of inflation in the period, offset in part by reduced freight on lower sales volume. In Oxiteno, selling, marketing, general and administrative expenses fell 11%, mainly due to lower personnel expenses, offset by the depreciation of the Real on logistics and international units expenses, aimed by increased sales volume. Ultragaz s selling, marketing, general and administrative expenses increased by 17% due to (i) higher expenditure on studies and projects for expansion and innovation, (ii) higher expenses with systems and support for commercial initiatives, and (iii) greater spending with advertising and marketing, highlighting key aspects of the current strategy focused on consumer convenience and services. Selling, marketing, general and administrative expenses of Ultracargo fell 1% mainly due to expenses that were considered as costs as from January 2016 and partially offset by higher payroll expenses. In Extrafarma, selling, marketing, general and administrative expenses recorded a 20% rise. The increase reflects an 18% average increase in the number of stores, the effects of inflation on payroll expenses and expenses with the launch of the new brand, partially offset by actions implemented for improving retail pharmacy management standards.

Depreciation and amortization

Total costs and expenses with depreciation and amortization in 2016 were R$ 1,104 million, 10% higher than 2015 due to investments made during the course of 2016.

Income from disposal of assets

In 2016, Ultrapar recorded a net expense from the sale of assets of R$ 6 million against net revenues of R$ 27 million in 2015, mainly due to reduced land sales by Ipiranga.

Operating profit

Ultrapar recorded operating income of R$ 3,106 million in 2016, 5% up on 2015, due to higher operating profit at Ipiranga, Ultragaz and Ultracargo.

Financial result

Ultrapar s financial result showed a net expense of R$ 843 million in 2016, R$ 139 million more than 2015, mainly due to (i) higher CDI rates in the period, (ii) higher net debt, and (iii) currency rate fluctuations in the period.

Net income

Ultrapar reported a consolidated net income for 2016 of R$ 1,571 million, 4% more than the net income recorded in 2015, due to growth in EBITDA between the periods, partially offset by higher financial expenses and higher amortization and depreciation, the result of investments executed during the period.

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EBITDA

(R$ million)	2015	2014	Percent change 2016-2015
Ipiranga	3,080.5	2,768.8	11%
Oxiteno	458.9	739.8	-38%
Ultragaz	446.6	357.0	25%
Ultracargo	171.2	26.3	551%
Extrafarma	37.1	28.7	29%

Ultrapar s consolidated EBITDA was R$ 4,217 million in 2016, a growth of 7% in relation to 2015 due to an increase in EBITDA at Ipiranga, Ultragaz, Ultracargo and Extrafarma. Ipiranga s EBITDA in 2016 amounted to R$ 3.080 million, up 11% compared to 2015, despite lower sales volume, mainly due to (i) the strategy of constant innovation in service station services and convenience, (ii) the better sales mix and (iii) the reduction of the average fuels cost, made possible by imports. Oxiteno posted a 2016 EBITDA of R$ 459 million, a year-over-year decline of 38%, mainly due to (i) the variation in currency rates and in prices of certain raw materials, both moving in opposite directions in the comparison between 2016 and 2015, and (ii) the greater share of commodities in the product mix, attenuated by higher sales volume and by a 5% depreciation of the Real against the US dollar(R$ 0.16/US$). Ultragaz s EBITDA amounted to R$ 447 million, 25% more than in 2015, the result of commercial initiatives for the capture of new customers and resellers and the strategy of differentiation and innovation. Ultracargo reported an EBITDA of R$ 171 million in 2016, a growth of R$ 145 million due to recoveries against insurance claims and greater handling movement. Excluding Santos operations and the effects of the fire, Ultracargo s remaining port terminals recorded an EBITDA of R$ 100 million, 7% greater than 2015. Extrafarma reported an EBITDA of R$ 37 million, a year-over-year increase of 29% due to sales growth and actions taken to improve pharmaceutical retail management standards, partially attenuated by the larger number of stores yet to reach full maturity.

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Main changes in the consolidated statements of income

Main changes in the consolidated statements of income for the year ended December 31, 2015 compared with the year ended December 31, 2014

(R$ million)	Year ending December 31 2015	% of net sales and services	Year ending December 31	% of net sales and services 2014	Percent change 2015-2014
Net revenue from sales and services	75,655.3	100%	67,736.3	100%	12%
Cost of products and services sold	(68,933.7)	91%	(62,304.6)	92%	11%
Gross profit	**6,721.6**	**9%**	**5,431.7**	**8%**	**24%**
Selling, marketing, general and administrative expenses	(3,837.9)	5%	(3,289.0)	5%	17%
Other operating income, net	50.6	0%	106.9	0%	-53%
Income from disposal of assets	27.3	0%	37.0	0%	-26%
Operating income	**2,961.5**	**4%**	**2,286.6**	**3%**	**30%**
Financial results	(703.3)	1%	(445.4)	1%	58%
Income and social contribution taxes	(10.9)	0%	(16.5)	0%	-34%
Equity in earnings (losses) of affiliates	(743.3)	1%	(573.5)	1%	28%
Net income	**1,513.0**	**2%**	**1,251.2**	**2%**	**21%**
Net income attributable to:					
Shareholders of Ultrapar	1,503.5	2%	1,241.6	2%	21%
Non-controlling shareholders of the subsidiaries	9.5	0%	9.7	0%	-1%
EBITDA	**3,953.3**	**5%**	**3,157.9**	**5%**	**25%**
Depreciation and amortization	1,002.6	1%	887,8	1%	13%

EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization, and EBIT Earnings Before Interest and Taxes, are presented in accordance with CVM Instruction No. 527, issued by CVM on October 4, 2012. The calculation of EBITDA from net earnings is presented below:

R$ million	2015	2014	(%) 2015v2014
Net earnings	**1,513**	**1,251**	**21%**
(+) Income and social contribution taxes	743	573	
(+) Financial expenses (income), net	703	445	
(+)Depreciation and amortization	1,003	888	
EBITDA	**3,953**	**3,158**	**25%**

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The EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) presented in this document represents the net income before (i) income and social contribution taxes, (ii) net financial expense (income) and (iii) depreciation and amortization, presented in accordance with ICVM 527/12. The purpose of including EBITDA information is to provide a measure used by the management for internal assessment of our operating results, besides being a directly or indirectly related measure to a portion of our employee profit sharing plan. It is also a financial indicator widely used by investors and analysts to measure our ability to generate cash from operations and our operating performance. We also calculate EBITDA in connection with covenants related to some of our financing, as described in note 14 to the financial statements. We believe EBITDA allows a better understanding not only of our financial performance but also of our capacity of meeting the payment of interest and principal from our debt and of obtaining resources for our investments and working capital. Our definition of EBITDA may differ from, and, therefore, may not be comparable with similarly titled measures used by other companies, thereby limiting its usefulness as a comparative measure. Because EBITDA excludes net financial expense (income), income tax and social contribution, depreciation and amortization, it provides an indicator of general economic performance that is not affected by debt restructurings, fluctuations in interest rates or changes in income tax and social contribution, depreciation and amortization. EBITDA is not a measure of financial performance under accounting practices adopted in Brazil or IFRS. EBITDA should not be considered in isolation, or as a substitute for net income, as a measure of operating performance, as a substitute for cash flows from operations or as a measure of liquidity. EBITDA has material limitations that impair its value as a measure of a company s overall profitability since it does not address certain ongoing costs of our business that could significantly affect profitability such as financial expenses and income taxes and depreciation and amortization.

Overview on sales volume

	2015	**2014**	**Percent change 2015-2014**
Ipiranga (000 m^3)	25,725	25,614	0%
Oxiteno (000 tons)	725	780	-7%
Ultragaz (000 tons)	1,697	1,711	-1%
Ultracargo (000 m^3)	655	715	-8%
Extrafarma (number of stores)	254	223	14%

At Ipiranga, the volume sold in 2015 slightly increased by 0.4% over 2014. In 2015, sales volume of gasoline, ethanol and natural gas for vehicles (Otto cycle) increased by 2% compared to 2014, as a result of an estimated 3% growth of the light vehicles fleet and investments made in new service stations and conversion of unbranded service stations, partially offset by the effects of higher unemployment rates over the year and the consequent impact on household consumption. The total volume of diesel decreased by 2% due to the weak performance of the economy. At Oxiteno, specialty chemicals sales had an 8% decrease compared to the previous year, mainly due to the effects of the Brazilian economy slowdown, resulting in a 7% decrease in total volume compared to 2014. Ultragaz s sales volume had a 1% decrease compared to 2014, mainly due to the economy slowdown in bulk segment, partially offset by the capture of new customers in the residential and small and medium-sized companies segments and condominiums and the 1% growth in bottled segment. Ultracargo s average storage had an 8% reduction over 2014, mainly as a result of the partial stoppage of the Santos terminal due to the fire occurred in the beginning of April, partially offset by the increased demand of fuels in Suape and Aratu. Extrafarma ended the year with 14% growth over 2014 in the average number of stores, compared to a growth of 8% ABRAFARMA, gaining two positions when compared to December 2014 in the ABRAFARMA ranking, ending the year in 6th position.

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Net revenue from sales and services

(R$ million)	2015	2014	Percent change 2015-2014
Ipiranga	65,349.8	58,830.1	11%
Oxiteno	4,082.5	3,413.6	20%
Ultragaz	4,621.2	4,091.3	13%
Ultracargo	315.5	346.5	-9%
Extrafarma[1]	1,336.3	1,101.3	21%

[1] For the months from February to December 2014.

Ultrapar s net revenue from sales and services amounted to R$75,655 million in 2015, a 12% growth over 2014. In the same comparison, Ipiranga s net sales and services increased by 11% mainly due to the rise in diesel and gasoline costs in refineries in November 2014 and September 2015, besides the increase of CIDE, PIS and Cofins taxes on gasoline and diesel as from February 2015, impacting ethanol costs. Oxiteno reported a growth of 20% in net sales and services, primarily due to the 42% weaker Real and its strategic focus on specialty chemicals, partially offset by the lower sales volume and the decrease in the prices of main raw materials. Ultragaz s net sales and services was R$4,621 million in 2015, 13% higher than 2014, mainly due to the increase in the cost of LPG in refineries for use in the bulk segment in December 2014, September 2015 and December 2015, and in the bottled segment in September 2015. Ultracargo s net sales and services totaled R$316 million, a 9% decrease compared to 2014, mainly due to the partial stoppage of the Santos terminal as a result of the fire accident. Extrafarma s net sales and services grew by 21% due to the higher average number of stores and the 11% increase in same store sales excluding mobile phones (sales in stores with more than 12 months).

Cost of products and services sold

(R$ million)	2015	2014	Percent change 2015-2014
Ipiranga	61,236.8	55,338.9	11%
Oxiteno	2,809.8	2,624.7	7%
Ultragaz	3,884.6	3,478.5	12%
Ultracargo	151.9	141.9	7%
Extrafarma[1]	900.9	752.4	20%

[1] For the months from February to December 2014.

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The cost of products sold and services provided by Ultrapar was R$ 68,934 million in 2015, an increase of 11% compared to 2014. The cost of goods sold by Ipiranga was 11% higher than 2014, mainly due to the increases in diesel and gasoline costs by Petrobras and the increase of CIDE tax on such costs and higher sales volume. Oxiteno s cost of products sold had a 7% increase over 2014, mainly due to the 42% weaker Real, partially offset by a 22% reduction in unit variable costs in dollar and a decrease in sales volume. Ultragaz s cost of goods sold was 12% higher compared to 2014, due to the increase in the cost of LPG for use in the bottled and bulk segments by Petrobras and the effects of inflation on personnel expenses. The cost of the services provided by Ultracargo increased by 7% compared to 2014, due to the effects of inflation, mainly on personnel expenses. The cost of products sold by Extrafarma increased by 20%, due to increased sales volume and the annual adjustment in the prices of medicines, set by the Chamber for the Regulation of the Medical Pharmaceuticals Market (CMED).

Gross profit

Ultrapar reported a gross profit of R$ 6,722 million in 2015, a growth of 24% compared to 2014, due to the increase in gross profits in all business units, except Ultracargo, which reported a decrease due to the fire occurred in Santos.

Selling, marketing, general and administrative expenses

(R$ million)	**2015**	**2014**	**Percent change 2015-2014**
Ipiranga	2,087.2	1,871.1	12%
Oxiteno	690.8	522.7	32%
Ultragaz	525.4	444.2	18%
Ultracargo	100.6	94.1	7%
Extrafarma[1]	427.5	332.5	29%

[1] For the months from February to December 2014.

Ultrapar s selling, marketing, general and administrative expenses amounted to R$ 3,838 million in 2015, a 17% growth compared to 2014, due to the effects of inflation on expenses and particular effects on each business. Ipiranga s selling, marketing, general and administrative expenses increased by 12% compared to 2014 due to (i) the expansion of the distribution network, (ii) higher freight expenses mainly due to the rise in diesel costs and (iii) higher expenses with variable compensation, in line with the earnings progression. Oxiteno s selling, marketing, general and administrative expenses increased by 32% compared to 2014 due to (i) higher expenses with variable compensation, in line with the earnings progression, (ii) the effects of the weaker Real on expenses with logistics and international units, and (iii) the effects of inflation. Ultragaz s selling, marketing, general and administrative expenses increased by 18% compared to 2014 mainly due to (i) higher expenses with variable compensation, in line with the earnings progression, (ii) the effects of inflation on expenses, and (iii) higher expenses with advertising and marketing in the relaunch campaign of the Ultragaz brand, highlighting the attributes of its current strategy focused on convenience and services for consumers. Ultracargo s selling, marketing, general and administrative expenses increased by 7%, excluding expenses related to the fire highlighted below under Other operating results . Extrafarma s selling, general, administrative and commercial expenses increased by 29% due to (i) the 14% increase in the average number of stores, (ii) the inclusion of expenses for the structuring for a more accelerated growth during 2014, (iii) the beginning of the operation of the new distribution center of Ceará at the end of 2014, and (iv) due to the effects of inflation on expenses, partially offset by lower integration expenses.

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Depreciation and amortization

Total costs and expenses with depreciation and amortization in 2015 was R$ 1,003 million, R$ 115 million or 13% higher compared to 2014, due to the investments made over the period.

Income from disposal of assets

Ultrapar recorded in 2015 a net revenue from the sale of assets of R$ 27 million, R$ 10 million less than the revenue recorded in 2014.

Operating profit

Ultrapar reported an operating profit of R$ 2,962 million in 2015, a growth of 30% compared to 2014, due to the higher operating income obtained in Ipiranga, Oxiteno and Ultragaz.

Financial result

Ultrapar s financial results reported net expenses of R$ 703 million in 2015, a R$ 258 million increase compared to 2014, mainly due to (i) higher CDI during the period, (ii) the higher net debt, in line with the growth of the company, (iii) the exchange rate fluctuations in the period and (iv) PIS/COFINS contributions on financial revenue as from July.

Net income

Ultrapar s consolidated net earnings for 2015 reached R$ 1,513 million, 21% above the net income reported in 2014, mainly due to the EBITDA growth between the periods, partially offset by the increase in financial expenses and higher expenses and costs with depreciation and amortization costs, as a result of investments made over the period.

EBITDA

(R$ million)	**2015**	**2014**	**Percent change 2015-2014**
Ipiranga	2,768.8	2,288.0	21%
Oxiteno	739.8	403.7	83%
Ultragaz	357.0	305.5	17%
Ultracargo	26.3	166.9	-84%
Extrafarma[1]	28.7	29.8	-4%

[1] For the months from February to December 2014.

Ultrapar s consolidated EBITDA amounted to R$ 3,953 million in 2015, up 25% compared to 2014. Ipiranga reported EBITDA of R$ 2,769 million in 2015, a growth of 21% compared to 2014, primarily due to (i) the strategy of constant innovation in services and convenience in service stations, generating greater customer satisfaction and loyalty, (ii) increased sales volume in Otto cycle, and (iii) effects of import and inventory gains resulting from the economic adjustments in the Brazilian fuels market. Oxiteno reported EBITDA of R$ 740 million, an 83% increase over 2014, mainly due to the effect of a weaker Real against US dollar and its strategic focus on specialty chemicals, partially offset by lower sales volume. Ultragaz s EBITDA totaled R$ 357 million, 17% higher than 2014, mainly due to the company s commercial initiatives, specially in capturing residential and small and medium-sized companies and condominiums, as well as the expansion of its resellers. Ultracargo s EBITDA totaled R$ 26 million in 2015, an 84% decrease mainly due to the lower handling, due to the partial stoppage of the Santos terminal and its fire related expenses. Excluding Santos operations, other Ultracargo s terminals reported an EBITDA of R$ 93 million, a 5% decrease mainly due to the effects of economy slowdown on handling of chemicals. Extrafarma reported EBITDA of R$ 29 million, a 4% decrease as compared to 2014, due to the initiatives for a more accelerated growth, including the beginning of the operation of the new distribution center of Ceará and the increased pace of new drugstores openings, the benefits of which shall be generated in the next years, partially offset by the increase in same store sales.

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10.2 Comments on:

a. Company s operating results, especially:

i. Description of major components of revenues

More than 90% of consolidated net revenues of Ultrapar is generated by the fuel and LPG distribution businesses. Therefore, the main components of these revenues come from diesel, gasoline and ethanol sales by Ipiranga and from LPG sales by Ultragaz. See Item 10.2.c. effect of inflation, changes in prices of main inputs and products, foreign exchange and interest rates on the Company s operating results and financial results .

ii. Factors that materially affected operating results

See Item 10.1.h. Main changes in each item of the financial statements Main changes in consolidated income statement .

b. Changes in revenues attributable to changes in prices, exchange rates, inflation, changes in volumes and introduction of new products and services

See Item 10.1.h. Main changes in each item of the financial statements Main changes in consolidated income statement and See Item 10.2.c. effect of inflation, changes in prices of main inputs and products, foreign exchange and interest rates on the Company s operating results and financial results .

c. Effect of inflation, changes in prices of main inputs and products, foreign exchange and interest rates on the Company s operating results and financial results, if relevant

LPG business

Between 2003 and the end of 2007, LPG prices charged to LPG distributors in Brazil have been stable, despite increases in oil and LPG prices in the international markets, which were partially offset by the appreciation of the Real compared to the U.S. dollar. However, since 2008 Petrobras has increased LPG refinery price for commercial and industrial usage, as shown below:

(% increase)	Jan/08	Apr/08	Jul/08	Jan/10	Dec/14	Sep/15	Dec/15	Dec/16
Commercial and industrial LPG	15%	10%	6%	6%	15%	11%	4%	12%

The LPG refinery prices for residential use remained unchanged from May 2003 to September 2015, when Petrobras increased prices by 15%. In the last years, Petrobras practice was not to immediately reflect volatility of international prices of oil and its derivatives in the Brazilian market. We cannot guarantee that this trend will continue. Any sharp increase in LPG prices charged to LPG distributors could have an impact on Ultragaz s results if it is unable to maintain its operational margins or sales volume.

LPG bulk sales are correlated to economic growth. Thus, an acceleration or deceleration in Brazilian GDP growth can affect our sales volume, since the segment represented approximately 30% of the volume sold by Ultragaz. Bottled LPG is an essential good and, therefore, it has a relatively low correlation with economic performance.

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Chemical and petrochemical business

The specialty chemicals volume in the Brazilian market is correlated to economic performance. Therefore, an acceleration or deceleration in the Brazilian GDP can affect our sales volume, as Oxiteno s specialty chemicals sales in Brazil represented 56% of its total sales in 2016. In the end of 2008, Oxiteno concluded certain capacity expansions that, combined to the increase of 70 thousand tons per year in the ethoxylate unit of Camaçari in 2010 and of 90 thousand tons per year of ethylene oxide also in Camaçari in 2011, allowed an increase in sales volume, exports and, therefore, in the share of international units in volume sold. As the Brazilian market grows, Oxiteno aims at (i) increasing the volume sold in the domestic market once the logistics costs are usually lower than those of sales outside Brazil, and (ii) increasing sales volume of specialties, products of higher value added than commodities. In 2016, sales of specialty chemicals represented 83% of the total volume sold by Oxiteno, lower than the percentage of 85% sold in 2015.

In 2012, Oxiteno expanded its activities to the United States, through the acquisition of a specialty chemicals plant in Pasadena, Texas, with production capacity of 32 thousand tons per year, and to Uruguay, through the acquisition of American Chemical, a specialty chemicals Company, with production capacity of 81 thousand tons per year. In 2014, Oxiteno invested in the continuity of the expansion of the production capacity in Coatzacoalcos. In 2015, Oxiteno announced investments of US$ 113 million to build a new ethoxylation unit in its site in Texas, which is expected to be completed in 2017. The new facility will reach a production capacity of 170 thousand tons per year in its final stage. In 2016, Oxiteno invested R$ 288 million for maintenance of its units and for the new site in Texas.

Almost all of Oxiteno s products prices and variable costs are linked to U.S. dollar. Therefore, a sharp appreciation or depreciation of the U.S. dollar could have an impact on Oxiteno s contribution margin in the future. Considering the exchange rate in 2014, the depreciation of the Real against the U.S. dollar was of 13%. In 2015, Real depreciated 47% against the U.S. dollar. In 2016, the Real appreciated 14% against the U.S. dollar. From December 31, 2016, to February 28, 2017, the Real appreciated 5% against the U.S. dollar.

Oxiteno s main raw material is the ethylene, which is produced from naphtha in Brazil. Generally, naphtha prices in Brazil fluctuate with oil prices. In 2014, the slowdown in the global economy and the decisions of the OPEC member countries on oil production influenced the international oil price, which started the year at US$ 111/barrel (Brent) and remained stable until the third quarter, but ended 2014 at US$ 62/barrel. In 2015, oil prices ended at US$ 38/barrel, down 39% compared to 2014. In 2016, oil prices ended at US$ 54/barrel, up 42% compared to 2015. From December 31, 2016, to January 31, 2017, oil prices increased by 2%. A sharp variation in ethylene prices would impact Oxiteno s results if it is not able to keep operating margins. The second most important raw material for Oxiteno is the palm kernel oil, whose international prices increased from US$ 903/ton in December 2015 to US$ 1,747/ton in December 2016.

The increase in demand for chemical and petrochemical products in Brazil during the last years and the ongoing integration of regional and world markets have contributed to the increasing integration of the Brazilian petrochemical industry into the international marketplace. As a consequence, events affecting the petrochemical industry worldwide could have a material effect on our business and results of operations. The chemical industry performance worldwide was strongly affected by the world financial crisis in 2009, which caused the demand for chemical products to decrease in several countries. Due to the growth of the Brazilian chemicals market, Oxiteno faces tougher competition from certain foreign producers since 2009, including ethylene oxide and derivatives producers with access to natural-gas-based raw materials.

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Fuel distribution business

In the recent past, the combined sales of gasoline, ethanol and natural gas (Otto cycle) in Brazil have been correlated mainly to the growth of the light vehicle fleet. According to ANFAVEA, in 2016 the light vehicle fleet continued to grow, with about 2.0 million new vehicles licensed in Brazil and estimated growth of 3% of the fleet compared to 2015, reaching about 41 million light vehicles. Additionally, we believe the current ratio of inhabitants per vehicle in Brazil is still low when compared to the rate seen in countries with similar level of development. According to 2014 data released by ANFAVEA (the last available data), the penetration of light vehicles in Brazil is about 20% of total inhabitants, while in Argentina is 32% and in Mexico is 27%. Since the end of 2015, Otto cycle has been presenting declaning year on year volume, due to worsening in employment levels and household income. Diesel sales, which in 2016 accounted for 51% of the volume sold by Ipiranga, have historically been correlated with Brazilian economic performance, particularly the agricultural and consumer goods segments. In 2016, the Brazilian diesel market, according to ANP data, presented reduction of 5% when compared to 2015, influenced by the weak performance of the economy and decrease in diesel consumption for thermoelectric power plants. The decrease in the fuel consumption could have a negative effect on the future volume sold by the Company and on its results.

In the last few years, Petrobras practice was not to immediately reflect the volatility of international prices of oil and its derivatives in the Brazilian market. Between January 2012 and September 2016, increases in prices occurred, on average, every eight months. In October 2016, Petrobras announced a new pricing policy for gasoline and diesel with the objective of, amongst other aspects, fluctuate prices according to international references on a monthly basis. Therefore, gasoline and diesel prices became directly influenced by the international prices and the Real/U.S. dollar exchange rate.

Under the new pricing policy, gasoline prices were lowered by 3.2% and 3.1% and increased by 8.1%, respectively, in October, November and December 2016. In the same occasions, diesel prices were decreased by 2.7% and 10.4% and increased by 9.5%.

(% adjustment)	Jun/12	Jul/12	Jan/13	Mar/13	Nov/13	Nov/14	Sep/15	Oct/16	Nov/16	Dec/16
Diesel	3.9%	6.2%	5.4%	4.9%	8.0%	5.0%	4.0%	-2.7%	-10.4%	9.5%
Gasoline	7.8%		6.6%		4.0%	3.0%	6.0%	-3.2%	-3.1%	8.1%

Effects of inflation over our operational costs and expenses

Ultrapar s operational costs and expenses are substantially in *Reais*, thus influenced by the general price levels in the Brazilian economy. In 2016, 2015 and 2014, the variation of IPCA (Consumer Prices Index), the index adopted by the Brazilian government to set inflation targets, was 6.3%, 10.7% and 6.4%, respectively. From December 31, 2016 to January 31, 2017, the variation of IPCA was 0.4%.

Financial result

The main macroeconomic factors that influence the financial results of Ultrapar are the foreign exchange and interest rates.

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Exchange rate

Most of the transactions of the Company are located in Brazil and, therefore, the reference currency for currency risk management is the Real. Currency risk management is guided by neutrality of currency exposures and considers the transactional, accounting, and operational risks of the Company and its exposure to changes in exchange rates. The Company considers as its main currency exposures the assets and liabilities in foreign currency and the short-term flow of net sales in foreign currency of Oxiteno. Ultrapar and its subsidiaries use exchange rate hedging instruments (especially between the Real and the U.S. dollar) available in the financial market to protect their assets, liabilities, revenues and disbursements in foreign currency and net investments in foreign operations, in order to reduce the effects of changes in exchange rates on its results and cash flows in *Reais* within the exposure limits under its Policy. Such foreign exchange hedging instruments have amounts, periods, and rates substantially equivalent to those of assets, liabilities, revenues and disbursements in foreign currency to which they are related. Assets and liabilities in foreign currencies are stated below, translated into *Reais* as of December 31, 2016, 2015 and 2014:

Assets and liabilities in foreign currency

(R$ million)	**12/30/2016**	**12/30/2015**	**12/30/2014**
Assets in foreign currency			
Cash, cash equivalents and financial investments in foreign currency (except for hedging instrument)	423.9	147.8	594.9
Foreign trade accounts receivable, net of provision for loss	323.4	188.8	190.3
Advances to foreign suppliers, net of accounts payable from imports	600.9	611.4	507.3
	1.348.2	948.0	1,292.5
Liabilities in foreign currency			
Financing in foreign currency	(4,736.3)	(2,630.3)	(1,867.2)
Accounts payable arising from imports, net of advances to foreign suppliers	(57.1)	(64.4)	(70.6)
	(4,793.4)	(2,694.7)	(1.937.8)
Foreign currency hedging instruments	2,206.4	2,667.2	783.3
Net asset position Total	(1,238.8)	920.5	138.0
Net asset (liability) position Income statement effect	24.8	(40.7)	(79.7)
Net asset (liability) position Shareholders equity effect	(1,263.6)	961.2	217.7

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Sensitivity analysis of assets and liabilities in foreign currency

The table below shows the effect of exchange rate changes in different scenarios, based on the net liability position of R$ 1,238.8 million in foreign currency:

(R$ million)	Risk	Scenario I 10%	Scenario II 25%	Scenario III 50%
(1) Income effect		2.5	6.2	12.4
(2) Equity effect	*Real* devaluation	(126.4)	(315.9)	(631.8)
(1) + (2)	**Net effect**	**(123.9)**	**(309.7)**	**(619.4)**
(3) Income effect		(2.5)	(6.2)	(12.4)
(4) Equity effect	*Real* valuation	126.4	315.9	631.8
(3) + (4)	**Net Effect**	**123.9**	**309.7**	**619.4**

The shareholders equity effect refers to cumulative translation adjustments of changes in the exchange rate on equity of foreign subsidiaries (see Notes 2.r and 23.f Cumulative Translation Adjustments), net investments hedge in foreign entities, cash flow hedge of firm commitments and highly probable transaction (see Note 2.c).

Interest Rate

The Company and its subsidiaries adopt conservative policies for borrowing and investing financial resources and for capital cost minimization. The financial investments of the Company and its subsidiaries are primarily held in transactions linked to the CDI, as set forth in Note 4. Borrowings primarily relate to financing from Banco do Brasil, BNDES and other development agencies, debentures and borrowings in foreign currency, as shown in Note 14. The Company attempts to maintain its financial interest assets and liabilities at floating rates.

The table below shows the financial assets and liabilities exposed to floating interest rates as of December 31, 2016, 2015 and 2014:

(R$ million)	Note	12/31/2016	12/31/2015	12/31/2014
CDI				
Cash equivalents	4	3,838	2,498	2,691
Financial investments	4	1,174	802	903
Asset position of foreign exchange hedging instruments CDI	31	28	31	114
Loans and debentures	14	(5,862)	(5,521)	(5,158)
Liability position of foreign exchange hedging instruments CDI	31	(2,182)	(2,225)	(750)
Liability position of hedging instruments from pre-fixed interest to CDI	31		(28)	(486)

Net liability position in CDI		**(3,003)**	**(4,444)**	**(2,686)**
TJLP				
Loans TJLP	14	(404)	(421)	(541)
Net liability position in TJLP		**(404)**	**(421)**	**(541)**
LIBOR				
Asset position of foreign exchange hedging instruments LIBOR	31	1,150	1,364	762
Loans LIBOR	14	(1,470)	(1,587)	(814)
Net liability position in LIBOR		**(320)**	**(223)**	**(53)**
TIIE				
Loans TIIE	14	(10)	(27)	(32)
Net liability position in TIIE		**(10)**	**(27)**	**(32)**
SELIC				
Loans SELIC	14	(99)	(31)	
Net liability position in SELIC		**(99)**	**(31)**	
Total net liability		**(3.837)**	**(5.145)**	**(3.311)**

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Sensitivity analysis of floating interest rate risk

The table below shows the incremental expenses and income that would be recognized in financial income in 2016, due the effect of floating interest rate changes in different scenarios:

(R$ million)	Risk	Scenario I	Scenario II	Scenario III
		10%	25%	50%
Exposure of interest rate risk				
Interest effect on cash equivalents and financial investments	Increase in CDI	40.1	100.3	200.6
Foreign exchange hedging instruments (assets in CDI) effect	Increase in CDI	0.3	0.8	1.6
Interest effect on debt	Increase in CDI	(80.8)	(202.1)	(404.2)
Interest rate hedging instruments (liabilities in CDI) effect	Increase in CDI	(57.4)	(110.1)	(198.0)
Incremental expenses		**(97.8)**	**(211.1)**	**(400.0)**
Interest effect on debt	Increase in TJLP	(3.0)	(7.6)	(15.2)
Incremental expenses		**(3.0)**	**(7.6)**	**(15.2)**
Foreign exchange hedging instruments (assets in LIBOR) effect	Increase in LIBOR	0.8	2.0	4.1
Interest effect on debt	Increase in LIBOR	(1.1)	(2.7)	(5.5)
Incremental expenses		**(0.3)**	**(0.7)**	**(1.4)**
Interest effect on debt	Increase in TIIE	(0.1)	(0.2)	(0.4)
Incremental expenses		**(0.1)**	**(0.2)**	**(0.4)**
Interest effect on debt	Increase in SELIC	(0.9)	(2.3)	(4.6)
Incremental expenses		**(0.9)**	**(2.3)**	**(4.6)**

10.3 Comments on material effects that the events below have caused or are expected to cause on the Company s financial statements and results:

a. Introduction or disposal of operating segment

There was no introduction or disposal of operating segment in the fiscal year 2016.

b. Establishment, acquisition or sale of ownership interest

There was no relevant establishment, acquisition or sale of ownership interest in the fiscal 2016 that have caused or are expected to cause significant effects on the Company s financial statements.

In 2016, Ultrapar signed agreements for associations and acquisitions, with prospective effects for the conclusion of each transaction, after the approval of CADE:

- On August 4, 2016, Ultrapar, by its subsidiary IPP, signed a JV agreement with Chevron for the creation of a new lubricants Company. In February 9, 2017, the transaction was approved, without restrictions, upon the opinion issued by the General Superintendency of CADE (SG).

- On June 12, 2016, Ultrapar, by its subsidiary IPP, signed a sale and purchase agreement for the acquisition of ALESAT and its assets. The conclusion of the acquisition is subject to certain conditions precedent, usual in this type of transactions, notably CADE s approval.

- On November 17, 2016, Ultrapar, by its subsidiary Companhia Ultragaz S.A, signed a sale and purchase agreement for the acquisition of Liquigás. The conclusion of the acquisition is subject to certain conditions precedent, usual in this type of transactions, and mainly the Antitrust Authority s approval.

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c. Unusual events or transactions

Not applicable.

10.4 Comments on:

a. Significant changes in accounting practices

All the financial information contained in Item 10 is presented the same accounting practices (IFRS).

2016:

There were no significant changes in accounting practices in the fiscal year 2016.

2015:

There were no significant changes in accounting practices in the fiscal year 2015.

2014:

There were no significant changes in accounting practices in the fiscal year 2014.

b. Significant effects of changes in accounting practices

Not applicable for fiscal year 2016 and 2015.

c. Exceptions and emphasis present in the auditor s opinion

None.

10.5 Comments on the Company s critical accounting policies

The presentation of our financial condition and results of operations requires our management to make judgments regarding the effects of matters that are inherently uncertain on the carrying value of our assets and liabilities and may affect the reported amount of them as well as our revenues and expenses. The financial statements include, among others, estimates mainly related to (i) determining the fair value of financial instruments (Notes 4, 14 and 30), (ii) the determination of the allowance for doubtful accounts (Notes 5 and 30), (iii) the determination of provisions for losses of inventories (Note 6), (iv) the determination of deferred income taxes amounts (Note 9), (v) useful life of property, plant and equipment (Note 12), (vi) the useful life of intangible assets and the determination of the recoverable amount of goodwill (Note 13), (vii) provisions for assets retirement obligations (Note 19), (viii) provisions for tax, civil and labor liabilities (Note 20), (ix) estimates for the preparation of actuarial reports (Note 18), (x) the fair value determination of the subscription warrants indemnification (Note 3.a and 30) and (xi) the determination of exchange rate used to translation of Oxiteno Andina financial statements (Note 2.r).

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The effective results and information of transactions may differ from these estimates when they materialize. Actual results may differ from those estimated under different variables, assumptions or conditions, even though our management believes that its accounting estimates are reasonable. The following paragraphs review the critical accounting estimates that management considers most important for understanding our financial condition, results of operations and cash flows. An accounting estimate is considered a critical accounting estimate if it meets the following criteria:

- The accounting estimate requires management to make assumptions about matters that were highly uncertain at the time the accounting estimate was made; and

- Different estimates that management reasonably could have used for the accounting estimate in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on our financial condition, results of operations or cash flows.

We have identified the following accounting policies as critical:

Allowance for doubtful accounts

We maintain allowances for doubtful accounts for estimated losses resulting from the subsequent inability of our customers to make required payments. The allowance for doubtful accounts is recorded in an amount we consider sufficient to cover any probable losses on realization of our accounts receivable from our customers, as well as other receivables, and is included as selling expenses; no adjustment is made to net sales and services revenue. In order to establish the allowance for doubtful accounts, our management constantly evaluates the amount and characteristics of our accounts receivable. When significant delays occur and the likelihood of receiving these payments decreases, a provision is made. In case receivables in arrears are guaranteed or there are reasonable grounds to believe they will be paid, no provision is made. If the financial conditions of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances would be required in future periods. However, because we cannot predict with certainty the future financial stability of our customers, we cannot guarantee that our reserves will continue to be adequate. Actual credit losses may be greater than the allowance we have established, which could have a significant impact on our selling expenses (see Notes 5 and 30).

Provisions for inventory losses

If net realizable values are below inventory costs, a provision corresponding to this difference is recognized. Provisions are also made for obsolescence of products, materials or supplies that (i) do not meet Ultrapar and its subsidiaries specifications, (ii) have exceeded their expiration date or (iii) are considered slow-moving inventory. This classification is made by management with the support of its industrial team. For further information on Ultrapar s provisions for inventory losses, see Note 6.

Income tax and social contribution

Current and deferred income tax (IRPJ) and social contribution tax on net income (CSLL) are calculated based on their effective rates, considering the value of tax incentives. Taxes are recognized based on the rates of IRPJ and CSLL provided for by the legislation in force on the last day of the financial statements. The current rates in Brazil are 25% for income tax and 9% for social contribution tax on net income. For further details about recognition and realization of IRPJ and CSLL, see Note 9.

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Provision for civil and labor tax risks

A provision for tax, civil and labor risks is recognized for quantifiable risks, when the chance of loss is more-likely-than-not in the opinion of management and internal and external legal counsel, and the amounts are recognized based on the evaluation of the outcomes of the legal proceedings (see Note 20).

Property, plant and equipment

Property, plant and equipment is recognized at acquisition or construction cost, including financial charges incurred on property, plant and equipment under construction, as well as maintenance costs resulting from scheduled plant outages and estimated costs to remove, to decommission or to restore assets (see Note 19).

Depreciation is calculated using the straight-line method, for the periods mentioned in Note 12, taking into account the useful life of the assets, which are reviewed annually. Leasehold improvements are depreciated over the shorter of the lease contract term and useful life of the property.

Intangible assets

Intangible assets include assets acquired by the Company and its subsidiaries from third parties, according to the criteria below (see Note 13):

> Goodwill is carried net of accumulated amortization as of December 31, 2008, when it ceased to be amortized. Goodwill generated since January 1, 2009 is shown as intangible assets corresponding to the positive difference between the amount paid or payable to the seller and the fair value of the identified assets and liabilities assumed of the acquired entity, and is tested annually for impairment. Goodwill is allocated to the business segments, which represent the lowest level that goodwill is monitored by the Company for impairment testing purposes.

> Bonus disbursements as provided in Ipiranga s agreements with reseller service stations and major consumers are recognized as distribution rights when paid and amortized using the straight-line method according to the term of the agreement.

> Other intangible assets acquired from third parties, such as software, technology, and commercial property rights, are measured at the total acquisition cost and amortized using straight-line method, over the periods mentioned in Note 13, taking into account their useful life, which is reviewed annually.

The Company and its subsidiaries have not recognized intangible assets that were generated internally. The Company and its subsidiaries have goodwill and brands acquired in business combinations, which are evaluated as intangible assets with indefinite useful life (see Note 13 items i and vi).

Impairment of Assets

The Company and its subsidiaries review, at least annually, the existence of any indication that an asset may be impaired. If there is an indication, the Company and its subsidiaries estimate the recoverable amount of the asset. Assets that cannot be evaluated individually are grouped in the smallest group of assets that generate cash flow from continuous use and that are largely independent of cash flows of other assets (cash generating units - CGU). The recoverable amount of assets or CGUs corresponds to the greater of their fair value net of applicable direct selling costs and their value in use.

The fair value less costs of disposal is determined by the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, net of costs of removing the asset, and direct incremental costs to bring an asset into condition for its sale, legal costs, and taxes.

To assess the value in use, the Company and its subsidiaries consider the projections of future cash flows, trends, and outlooks, as well as the effects of obsolescence, demand, competition, and other economic factors. Such cash flows are discounted to their present values using the discount rate before tax that reflects market conditions for the period of impairment testing and the specific risks of the asset or CGU being evaluated. In cases where the expected discounted future cash flows are less than their carrying amount, an impairment loss is recognized for the amount by which the carrying value exceeds the fair value of these assets. Losses for impairment of assets are recognized in profit or loss. In case goodwill has been allocated to a CGU, the recognized losses are first allocated to reduce the corresponding goodwill. If the goodwill is not enough to absorb such losses, the surplus is allocated to the assets on a pro-rata basis. An impairment of goodwill cannot be reversed. For other assets, impairment losses may be reversed only to the extent that the asset s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if the impairment had not been recognized.

In December 31, 2016, Ultrapar registered reduction in the recoverable amount of Oxiteno Andina (See Note 13 item i).

Provisions for assets retirement obligations

The Company and its subsidiaries have the legal obligation to remove Ipiranga s underground fuel tanks located at Ipiranga-branded service stations after a certain period. The estimated cost of the obligation to remove these fuel tanks is recognized as a liability when the tanks are installed. The estimated cost is recognized in property, plant, and equipment and depreciated over the respective useful lives of the tanks. The amounts recognized as a liability are monetarily restated using the National Consumer Price Index IPCA until the respective tank is removed (see Note 19). An increase in the estimated cost of the obligation to remove the tanks could result in negative impact in future results. The estimated removal cost is reviewed and updated annually or when there is significant change in its amount and change in the estimated costs are recognized in income when they become known.

Fair value of financial instruments

Our financial instruments are classified in accordance with the following categories:

Measured at fair value through profit or loss: financial assets held for trading, that is, acquired or incurred principally for the purpose of selling or repurchasing in the near term, and derivatives. The balances are stated at fair value. The interest earned, the exchange variation, and changes in fair value are recognized in profit or loss.

Held to maturity: non-derivative financial assets with fixed or determinable payments, and fixed maturities for which the entity has the positive intention and ability to hold to maturity. The interest earned and the foreign currency exchange variation are recognized in profit or loss, and balances are stated at acquisition cost plus the interest earned, using the effective interest rate method.

Available for sale: non-derivative financial assets that are designated as available for sale or that are not classified into other categories at initial recognition. The balances are stated at fair value, and the interest earned and the foreign currency exchange variation are recognized in profit or loss. Differences between fair value and acquisition cost plus the interest earned are recognized in other comprehensive income in the

Valuation adjustments . Accumulated gains and losses recognized in shareholders equity are reclassified to profit or loss in case of prepayment.

Loans and receivables: non-derivative financial assets with fixed or determinable payments or receipts, not quoted in an active market, except: (i) those which the entity intends to sell immediately or in the near term and which the entity classified as measured at fair value through profit or loss; (ii) those classified as available for sale; or (iii) those for which the Company may not recover substantially all of its initial investment for reasons other than credit deterioration. The interest earned and the foreign currency exchange variation are recognized in profit or loss. The balances are stated at acquisition cost plus interest, using the effective interest rate method. Loans and receivables include cash and banks, trade receivables, dividends receivable, and other trade receivables.

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The Company and its subsidiaries use financial instruments for hedging purposes, applying the concepts described below:

Hedge accounting fair value hedge: financial instruments used to hedge exposure to changes in the fair value of an item, attributable to a particular risk, which can affect the entity s profit or loss. In the initial designation of the fair value hedge, the relationship between the hedging instrument and the hedged item is documented, including the objectives of risk management, the strategy in conducting the transaction, and the methods to be used to evaluate its effectiveness. Once the fair value hedge has been qualified as effective, the hedge item is also measured at fair value. Gains and losses from hedge instruments and hedge items are recognized in profit or loss. The hedge accounting must be discontinued when the hedge becomes ineffective.

Hedge accounting cash flow hedge: financial instruments used to hedge the exposure to variability in cash flows that is attributable to a risk associated with an asset or liability or highly probable transaction or firm commitment that may affect the income statements. The portion of the gain or loss on the hedging instrument that is determined to be effective relating to the effects of exchange rate effect, is recognized directly in equity in accumulated other comprehensive income as Valuation adjustments while the ineffective portion is recognized in profit or loss. Gains or losses on the hedging instrument relating to the effective portion of this hedge that had been recognized directly in accumulated other comprehensive income shall be recognized in profit or loss in the period in which the hedged item is recognized in profit or loss or as initial cost of non-financial assets, in the same line of the statement that the hedged item is recognized. The hedge accounting shall be discontinued when (i) the Company cancels the hedging relationship; (ii) the hedging instrument expires; and (iii) the hedging instrument no longer qualifies for hedge accounting. When hedge accounting is discontinued, gains and losses recognized in other comprehensive income in equity are reclassified to profit or loss in the period which the hedged item is recognized in profit or loss. If the transaction hedged is canceled or is not expected to occur, the cumulative gains and losses in other comprehensive income in equity shall be recognized immediately in profit or loss.

Hedge accounting hedge of net investments in foreign operation: financial instruments used to hedge exposure on net investments in foreign subsidiaries due to the fact that the local functional currency is different from the functional currency of the Company. The portion of the gain or loss on the hedging instrument that is determined to be effective, referring to the exchange rate effect, is recognized directly in equity in accumulated other comprehensive income as cumulative translation adjustments, while the ineffective portion and the operating costs are recognized in profit or loss. The gain or loss on the hedging instrument that has been recognized directly in accumulated other comprehensive income shall be recognized in income upon disposal of the foreign operation.

In order to estimate fair values, we consider several variables, such as interest rates, discount rates, foreign exchange rates and future cash flows. Our most important sources of information concerning these variables are the market projections of future exchange and interest rates provided by the BM&FBOVESPA and BBA British Bankers Association. We believe BM&FBOVESPA and BBA British Bankers Association to be the most adequate and reliable sources of information available for our calculations. However, given the volatility inherent in financial markets, estimates concerning the variables used to calculate fair values are subject to constant change. As a consequence, our judgment related to, among other issues, the behavior of these variables, the selection of sources of information and the timing of calculation, directly affects the fair values of our financial instruments and the amount of gains or losses recorded in the income statement. Additional information regarding fair value of financial instruments is available in Notes 4, 14 and 30.

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Post-retirement benefits

Ultrapar and its subsidiaries offer their employees a defined contribution pension plan, managed by Ultraprev *Associação de Previdência Complementar*. Under the terms of the plan, every year each participating employee chooses his or her basic contribution to the plan. Each sponsoring Company provides a matching contribution in an amount equivalent to each basic contribution, up to a limit of 11% of the employee s reference salary, according to the rules of the plan. As participating employees retire, they may choose to receive either (i) a monthly sum ranging between 0.5% and 1.0% of their respective accumulated fund in Ultraprev or (ii) a fixed monthly amount which will exhaust their respective accumulated fund over a period of 5 to 25 years. The sponsoring Company and its subsidiaries do not guarantee the amounts or the duration of the benefits received by each employee that retires.

Ultrapar and its subsidiaries recognized a provision for post-employment benefits mainly related to seniority bonus, payment of Government Severance Indemnity Fund (FGTS), and health, dental care and life insurance plan for eligible retirees. The amounts related to such benefits were determined based on a valuation conducted by an independent actuary and are recorded in the financial statements in accordance with Resolution CVM 695/2012.

Significant actuarial assumptions adopted include:

Economic factors	**12/31/2016 % p.a.**
Discount rate for the actuarial obligation at present value	11.46
Average projected salary growth rate	8.90
Inflation rate (long term)	5.0
Growth rate of medical services	9.20

Demographic factors

Mortality Table for the life insurance benefit CSO-80

Mortality Table for the other benefits AT 2000 Basic decreased by 10%

Disabled Mortality Table RRB 1983

Disability Table RRB 1944 modified

Fair value of the Subscription Warrants indemnification

Indemnification subscription warrants fair value is measured based on the share price of Ultrapar (UGPA3) as of the date of the financial statements and is reduced by the dividend yield until 2020, since the exercise is possible only from 2020, and they are not entitled to dividends until that date. The quantity of shares of the subscription warrants indemnification is also adjusted according to the variation of the amounts of provisions and of tax, civil and labor risks contingent liabilities, relative to the period before January 31, 2014. For more information about Extrafarma s acquisition, see Note 22.

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Exchange Rate used in the translation of financial statements Oxiteno Andina

Due to the political and economic situation in Venezuela, the Company s management reassessed the exchange rate used in the translation of financial statements and changed, on December 31, 2015, the rate from SICAD Sistema Complementario de Administración de Divisas to SIMADI Sistema Marginal de Divisas, due to the fact that currently this exchange rate is the one that most closely matches the best expression of the Venezuelan economy. Thus, beginning December 31, 2015, the amounts in Bolivar have been translated to the U.S. dollar at the exchange rate of SIMADI and subsequently translated into Brazilian Reais using the official exchange rate published by the Central Bank of Brazil. Due to the Foreign Exchange Regulation No. 35, beginning March 10, 2016, the Company began to use the DICOM exchange rate in the translation. Assets and liabilities of the other foreign subsidiaries, which do not have administrative autonomy, are considered an extension of the activities of their parent company and are translated using the exchange rate at the end of the reporting year. Gains and losses resulting from changes in these foreign investments are directly recognized as financial income or loss. The gain recognized in income in 2016 amounted to R$ 3,425 (R$ 6,243 gain in 2015).

10.6. Issuer s off-balance sheet items

a. Assets and liabilities held by the issuer, whether directly or indirectly, off-balance sheet:

i. Operating leases, assets and liabilities

See Item 10.6.b. Other off-balance sheet arrangements .

ii. Receivables portfolios over which the entity has risks and liabilities, indicating respective liabilities

Not applicable.

iii. Future purchase and sale of products or services contracts

See Item 10.6.b. Other off-balance sheet arrangements .

iv. Unfinished construction contracts

Not applicable

v. Other future financing agreements

Not applicable.

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b. Other off-balance sheet arrangements

The following table shows our main off-balance sheet arrangements on December 31, 2016:

Contractual Obligations (off-balance sheet) (R$ million)		Payment due by period			
	Total	**Up to 1 year**	**between 1 and 3 years**	**between 3 and 5 years**	**More than 5 years**
Estimated planned funding of pension and other post-retirement benefit obligations[1]	728.4	24.0	51.8	57.1	595.5
Purchase obligations raw material[2]	1,584.6	294.8	589.5	589.5	110.8
Purchase obligations utilities[3]	47.1	21.6	25.5	0.0	0.0
Minimum movement obligations cargo[4]	99.7	11.0	21.9	21.9	44.9
Operating lease[5]	102.4	11.0	21.9	21.9	47.7
	2,562.2	**362.3**	**710.6**	**690.4**	**798.9**

(1) The estimated payment amount was calculated based on a 5.0% inflation assumption.

(2) Oxiteno Nordeste has a supply agreement with Braskem S.A. which establishes a minimum quarterly consumption level of ethylene and conditions for the supply of ethylene until 2021. Should the minimum purchase commitment not be met, the subsidiary would be liable for a fine of 40% of the current ethylene price for the quantity not purchased. The minimum purchase commitment clause was renegotiated, valid from 2013, and provides a minimum annual consumption of 205 thousand tons and a maximum of 220 thousand tons. Oxiteno S.A has a supply agreement with Braskem, valid until 2023, which establishes and regulates the conditions for supply of ethylene to Oxiteno based on the international market for this product. The minimum purchase is 22,050 tons of ethylene semiannually. Should the minimum purchase commitment not be met, the subsidiary would be liable for a fine of 30% of the current ethylene price for the quantity not purchased. The subsidiary has met the minimum purchase required since the beginning of the agreement. The estimated payment amount was calculated based on the acquisition price of ethylene at the end of 2016. (See Note 32.a).

(3) The purchase obligation relates to long-term contracts under which Oxiteno is required to purchase a minimum amount of energy annually.

(4) Tequimar has agreements with CODEBA Companhia Docas do Estado da Bahia and Complexo Industrial Portuário Governador Eraldo Gueiros in connection with its ports facilities in Aratu and Suape, respectively. Such agreements establish a minimum cargo movement of products (i) In Aratu, 397,000 tons per year until 2031, and of 900,000 tons per year from 2017 to 2022; e (ii) In Suape, 250,000 tons per year until 2027 and 400,000 tons per year in 2028 and 2029. If the annual movement is less than the minimum contractual movement, the subsidiary is liable to pay the difference between the effective movement and the minimum contractual movement based on the port tariff rates on the date established for payment. As of December 31, 2016, these rates per ton were R$ 6.99 for Aratu and R$ 2.90 for Suape. (See Note 32.a).

(5) The subsidiaries IPP, Extrafarma, and Cia. Ultragaz have operating lease contracts related to land and building of service stations, drugstores, and stores, respectively. Subsidiaries Cia. Ultragaz, Bahiana, Utingás Armazenadora S.A., Tequimar, Serma, and Oxiteno S.A. have operating lease contracts for the use of IT equipment. These contracts have terms of 36 and 45 months. The subsidiaries have the option to purchase the

assets at a price equal to the fair market price on the date of option, and management does not intend to exercise such option. Subsidiaries Cia. Ultragaz and Bahiana have operating lease contracts related to vehicles in their fleet.

Additionally, some subsidiaries issued collateral to financial institutions in connection with the amounts owed by some of their customers to such institutions (vendor financing). If a subsidiary is required to make any payment under these collaterals, this subsidiary may recover the amount paid directly from its customers through commercial collection. As of December 31, 2016, Ultrapar and its subsidiaries did not have losses in connection with these collaterals. (See Note 14.k).

Vendor

	2016
Term	Less than 213 days
Maximum amount of future payments related to these guarantees	R$30.8 million

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10.7 Off-balance sheet items

a. How such items change or may change revenues, expenses, operating income, financial expenses or other items of the issuer s financial statements

Contractual obligation included in Item 10.6.b. Other off-balance sheet arrangements would have the following effects on the Company s net sales and services, costs, expenses, operating income and financial income (expenses), throughout the period of the contract:

(R$ million)	Estimated planned funding of pension and other post-retirement benefit obligations	Purchase obligations materials	raw	Purchase obligations utilities	Minimum movement obligations cargo	Operating lease
Net sales and services						
Cost of sales and services	(92.6)	(1,584.6)		(47.1)	(102.4)	
Gross profit	(92.6)	(1,584.6)		(47.1)	(102.4)	
Operating expenses						
Selling expenses	(168.1)					(286.8)
General and administrative expenses	(467.7)					(16.6)
Income from sale of assets						
Other operating income, net						(103.9)
Operating income	**(728.4)**	**(1,584.6)**		**(47.1)**	**(102.4)**	**(407.3)**
Financial results						
Financial expenses						

b. Nature and purpose of the transaction

See Item 10.6.b. Other off-balance sheet arrangements .

c. Nature and amount of obligations assumed by and rights conferred upon the issue due to the transaction

See Item 10.6.b. Other off-balance sheet arrangements .

10.8. Discussion on the main elements of the issuer s business plan:

a. Investments

i. Quantitative and qualitative description of the investments in progress and the estimated investments

In 2016, Ultrapar s investments, net of disposals and repayments amounted to R$ 1,9 billion, indicative of continuing favorable opportunities for growth in scale and gains in productivity as well as for the modernization of the existing operations.

Investments at Ipiranga during the year totaled R$ 1,065 million (i) R$ 429 million in the expansion of its distribution network (through the conversion of unbranded service stations, opening of new service stations and new customers) and am/pm and Jet Oil franchises focused on the Midwest, Northeast and North regions of Brazil, (ii) R$ 64 million in the expansion of its logistics infrastructure through the construction and expansion of logistics facilities, (iii) R$ 101 million in modernization largely in logistics facilities, and (iv) R$ 471 million in maintenance of its activities, mainly in the renewal of contracts of its distribution network and the renovation of service stations. Out of the total amount invested, R$ 892 million were related to property, plant, equipment and intangible assets and R$ 173 million were related to the financing to clients, net of repayments. Total investments at Oxiteno in 2016 amounted to R$ 288 million, mainly due to the maintenance of its industrial units and to the new ethoxylation plant in the United States. Ultragaz invested R$ 225 million during 2016, allocated mainly in new clients in the bulk segment, replacement and acquisition of bottles and maintenance of its bottling facilities. In 2016, Ultracargo invested a total of R$ 79 million mainly directed towards modernization of terminal safety systems and the adaptation and maintenance of existing terminals infrastructure. Extrafarma invested R$ 143 million, mainly directed towards the opening of new drugstores and maintenance of the existing ones, as well as to the new distribution center in Pará, in replacement of the previously existing one in that state.

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Ultrapar s investment plan for 2017, without acquisitions, totals R$ 2,174 million. At Ipiranga, the plan contemplates investments of R$ 1,116 million (i) to maintain the pace of expansion and modernization of its distribution network and of am/pm and Jet Oil franchises, and in new distribution centers to supply the convenience stores, (ii) in the expansion of its logistics infrastructure, mainly through the construction and expansion of logistics facilities, and (iii) in the maintenance and modernization of its activities, mainly in the renewal of contracts of its distribution network and the renovation of service stations, as well as information systems to support its operations. Investments approved for Oxiteno amount to R$ 478 million in 2017. This amount includes US$ 77 million to the construction of the new ethoxylation unit at its Texas (USA) plant, which shall be concluded by the end of 2017. The new unit s capacity will be 170,000 tons per year at its final stage. The remaining amount will be directed to the n maintenance and modernization of its plants for higher productivity, as well as to information systems. At Ultragaz, investments of R$ 221 million will be focused mainly (i) on capturing new clients in the bottled and bulk segment, (ii) on the replacement and purchase of LPG bottles, (iii) on the expansion and maintenance of filling plants, and (iv) on IT with focus on systems to support its operations. Ultracargo will invest R$ 158 million, of which R$ 58 million in the expansion of Itaqui terminal, which shall be concluded by 2018 and in the adjustment, safety and maintenance of the infrastructure of its terminals At Extrafarma, we plan to invest R$ 178 million mainly in the opening and remodeling of stores, and in IT. The plan also comprehends the continued modernization of our IT platform in all businesses to serve even better our customers, to improve logistics efficiency, to develop new ways of selling and to expand relationships with our resellers and partners. The planning and execution capacity consistent with these strategic initiatives combined with inorganic investments will be instrumental to Ultrapar in consolidating a sustained growth trajectory and in maintaining the leadership already achieved in the segments in which it operates.

ii. Sources of financing investments

For further details on the sources of financing investments, see Item 10.1.d. Sources for financing working capital and investments in non-current assets e Item 10.1.e. Sources for financing working capital and investments in non-current assets to be used to in case of deficiencies in liquidity .

iii. Relevant disposals in process and forecasted disposals

There are no significant divestitures in progress or planned.

b. Disclosed acquisitions of plants, equipment, patents or other assets that may materially affect the issuer s production capacity

There is no disclosed acquisitions of plants, equipment, patents or other assets that may materially affect the issuer s production capacity.

c. New products and services

Oxiteno carries on a wide range of research and development activities, principally related to the application of specialty chemicals and improvements in production processes. As of December 31, 2016, 155 employees of Oxiteno were engaged in research and development and engineering activities. Oxiteno s research and development expenditures in 2016, 2015 and 2014 were R$ 50 million, R$ 41 million and R$ 36 million, respectively. In 2004, Oxiteno founded its own Science and Technology Council , with six of the world s major specialists in surfactants as members. These specialists, with experience in the surfactants industry or in the academic environment in the US, Europe and Latin America, follow the trends and opportunities in the sector. Since 2004, the council, currently composed of five specialists, has met once a year in São Paulo to analyze Oxiteno s research and development project portfolio, as well as the management methodology applied. Their recommendations enable Oxiteno to improve its research and development activities efficiency, as well as to broaden the reach of its partnerships with international entities. In addition, Oxiteno has created specific scientific councils with specialists of its main segments.

Oxiteno s investments in research and development have resulted in the introduction of 90 new applications for its products during the last three years. Oxiteno will continue to invest in research and development focused on developing new product applications to meet clients needs.

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Ipiranga constantly develops specific initiatives for each segment in which it operates, such as the offering of supply and technical support at large clients facilities. In the urban service stations segment, the wide range of non-fuel products and services and the constant pursue of excellence have been contributing significantly to the increase in the number of consumers and the client-loyalty for its service stations. Additionally, the offer of convenience and services at the service stations aims at greater satisfaction to the customers, and therefore more value added. In addition to fueling its vehicles the consumer can also shop at am/pm convenience stores, that has more than 600 bakeries, and at Ipirangashop.com and enjoy other services provided in many service stations of Ipiranga s network. In another pioneer initiative, Ipiranga launched in 2009 the program Km de Vantagens , a loyalty program in the fuel industry that grants rewards and benefits to customers and resellers that has strengthened as an important platform for customer relationship and for other initiatives of Ipiranga, currently with more than 24 million participants. Ipiranga s *Posto Ecoeficiente* project (Eco-Efficient service station) is one of the differentiation initiatives that reflect Ultrapar s innovation philosophy. It aggregates, in a single project, innovative solutions and sustainable technologies, in harmony with the profitability of the service station for the reseller. The *Posto Ecoeficiente* project involves solutions in the construction and operation of service stations that result in better use of resources, such as water and electricity, and reduction of wastage and residues. The *Postos Ecoeficientes* reached, in 2016, 1,191 service stations in Brazil. In 2012, among the initiatives of Ipiranga, we highlight the strengthening of *Posto Virtual* and the creation of ConectCar. ConectCar started its operations in 2013 and reached, in 2016, over 840 thousand customers, and is now available in almost all toll roads in Brazil. The chip installed on the vehicle windshield will allow the automatic opening of toll gates at lower costs, through a prepaid system and free tuition. Additionally, it can be used for fuels purchase. The client may buy the chip at Ipiranga s service stations, using the points of the loyalty program Km de Vantagens. In 2015, ConectCar announced a new strategic partner, Itaú Unibanco, which acquired 50% of Odebrecht Transport interest. This new partner provides ConectCar the opportunity to expand its services to new markets, continuing with its purpose of providing the customers with mobility, convenience, flexibility and, above all, differentiated benefits. In 2014, the novelty was the Beer Cave , a new beverage shopping experience for customers in am/pm stores. It is a cold room with a wide variety of labels of domestic and imported beers. Approximately 370 am/pm shops throughout Brazil implemented the novelty in 2016. Also in 2014, Ipiranga launched an integrated supply solution, concentrating logistics and distribution for am/pm stores in one single structure: am/pm supplies. This initiative aims to facilitate am/pm operations, improve the competitiveness of franchisees and ensure a higher quality product assortment, improving the quality of the service and adding more value to customers and franchisees. In 2016, am/pm supplies operated 4 distribution centers, located in the states of Rio de Janeiro, São Paulo, Paraná e Rio Grande do Sul, that supplied the stores with the main categories, except tobacco and ice cream. Also in 2015, Ipiranga new configurations of the am/pm store concept, which increases the offer of convenience in urban service stations by offering fresh products fruits, vegetables, meats and a broader range of fast foods. Ipiranga also launched, in the state of São Paulo, the am/pm Station , a model developed for service stations located in highways, offering long-distance travelers more comfort and personal care products. In 2016, Ipiranga developed and launched Abastece Aí, an initiative to integrate platforms and offer even more comfort and benefits to the final customer. Through the app, customers can program or decide in the gas station the option of refueling, which is recognized by the pump manager. Customers can also pick the benefits of his preference and end the refueling process safely with the Km de Vantagens password. Ipiranga also launched in 2016 the DT Clean gasoline, formulated with one of the latest additivities technology, that recovery the original performance of the engine, improves its service life and fuel efficiency.

10.9. Discussion on other relevant factors which affected the operational performance

In April 2015, a fire occurred in six ethanol and gasoline tanks operated by Ultracargo in Santos, which represented 4% of the subsidiary s overall capacity as of December 31, 2014. The Civil and Federal Police investigated the accident and its impacts, and concluded that it is not possible to determine the cause of the accident, neither to individualize active or passive conduct related to the cause, and there was no criminal charge against either individual or the subsidiary, by both authorities. As a result of this accident, some of the operations, which correspond to

150 thousand cubic meters, or 22.5% of Ultracargo s overall capacity, are still suspended. The decommissioning process, which comprised the removal of equipment and structures of the terminal affected by the fire, was concluded and the work for the reestablishment and recommissioning for the resumption of the overall terminal operation is underway. As a result of the evolution of the adjustment process with insurers, as of December 31, 2016, the insurance receivable in the amount of R$ 366.7 million and indemnities to customers and third parties in the amount of R$ 99.9 million were recorded. In addition, there are contingent liabilities related to lawsuits and extrajudicial lawsuits in the amount of R$ 96.4 million and R$ 16.6 million, respectively. During 2016, Ultracargo received R$ 78.9 million related to rescue, containment expenses and business interruption. As disclosed in Note 27, in 2016 the accident generated a revenue of R$ 76.4 (an expense of R$ 92.2 in 2015).

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EXHIBIT III ALLOCATION OF NET EARNINGS

(According to annex 9-1-II of CVM Instruction 481/2009)

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EXHIBIT III ALLOCATION OF NET EARNINGS

ULTRAPAR PARTICIPAÇÕES S.A.

ANNEX 9-1-II

Allocation of net earnings

(in thousands of *Reais*, except when otherwise mentioned)		**Year ended 12/31/2016**
1. Inform net earnings for the fiscal year		1.561.585
2. Inform the total amount of dividends and dividends per share, including prepaid dividends and interest on equity already declared[1]		
	Total amount	907.269
Amount per common shares (R$)	Interim dividends	0,80
Amount per common shares (R$)	Complementary dividends	0,87
3. Inform the percentage of distribution of net earnings for the fiscal year		58%
4. Inform the total amount of dividends and dividends per share based on the net earnings of previous years		
5. Inform, deducting prepaid dividends and interest on equity declared:		
a. The gross amount of dividends and interest on equity, individually, based on the number of shares of each type and class		
Gross amount	Dividends common shares	
b. Form and term of dividend and interest on equity payments		
	Form of payment	
	Payment term	
c. Any levy of monetary restatement and interest on dividends and interest on equity		
d. Date of declaration of payment of dividends and interest on equity taken into account for identification of shareholders entitled to receive dividends and interest on equity		
6. In the event of dividends or interest on equity declared based on net earnings with respect to semiannual balance sheets or shorter periods		
a.Inform the total amount of dividends or interest on equity declared		434.619

b.Inform the date of the respective payments	08.26.2016

7. Provide a comparative table indicating the following per share value of each type and class:

a. Net earnings for the fiscal year and for the three (3) previous years[2]

Amount per common shares (R$)	12.31.2016	2,86
Amount per common shares (R$)	12.31.2015	2,74
Amount per common shares (R$)	12.31.2014	2,26
Amount per common shares (R$)	12.31.2013	2,28

b. Dividends and interest on equity distributed in the three (3) previous years

	12.31.2015	871.309
Amount per common shares (R$)	Interim dividends	0,80
Amount per common shares (R$)	Complementary dividends	0,80
	12.31.2014	778.718
Amount per common shares (R$)	Interim dividends	0,71
Amount per common shares (R$)	Complementary dividends	0,71
	12.31.2013	743.527
Amount per common shares (R$)	Interim dividends	0,66
Amount per common shares (R$)	Complementary dividends	0,71

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(in thousands of *Reais*, except when otherwise mentioned)

a. Identify the amount allocated to legal reserve	78.078
b. Detail the method for the calculation of the legal reserve	Art. 193 Brazilian Corporate Law Of the net earnings for the fiscal year, 5% will be allocated, prior to any other destination, to the legal reserve, which shall not exceed 20% of the share capital.

9. If the company has preferred shares entitled to receive fixed or minimum dividends

a. Describe the method for calculation of fixed or minimum dividends

b. Inform whether the net earnings for the fiscal year is sufficient to fully pay fixed or minimum dividends

c. Identify if any unpaid portion is cumulative

d. Identify the total amount of fixed or minimum dividends to be paid with respect to each class of preferred shares

e. Identify fixed or minimum dividends to be paid with respect to each class of preferred shares

10. With respect to the mandatory dividend

a. Describe the method for calculation set in the bylaws	Bylaws Art. 55 item b) 50% (fifty percent) of adjusted net income to pay mandatory dividends to shareholders, offsetting the semi-annual and interim dividends that may have been declared.
b. Inform if the dividend is being fully paid	Yes
c. Inform to amount eventually retained	

11. In the event of retained mandatory dividend due to the company s financial condition

a. Inform the retained amount

b. Describe, in details, the company s financial condition, including any aspects relating to the liquidity analysis, working capital and positive cash flow

c. Justify the retaining of dividend

12. In the event of destination of net earnings to the contingency reserve

a. dentify the amount allocated to the reserve

b. Identify any probable loss and the reason therefore

c. Explain why the loss is considered probable

d. Justify the establishment of the reserve

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(in thousands of *Reais*, except when otherwise mentioned)

13. In the event of destination of net earnings to the unrealized profit reserve

a. Identify the amount allocated to the profit reserve

b. Inform the nature of unrealized profits which originated the reserve

14. In the event of destination of net earnings to statutory reserve[3]

a. Describe the statutory clauses which establish the reserve	Bylaws Art. 55 item c)
b. Identify the amount allocated to the reserve[4]	586.315
c. Describe how the amount was calculated	At the proposal of the management bodies, up to 45% (forty five percent) of adjusted net income will be used to create a reserve for investments, in order to preserve the integrity of corporate assets and strengthen the Company s capital, allowing new investments, up to 100% (hundred percent) of its capital, observing that the balance of this reserve, added to the balances of other profit reserves, except for unrealized profits reserves and reserves for contingencies, not exceeding 100% (hundred percent) of its capital, and once reached that limit, the Shareholders meeting may decide on the application of the excess in capital increase or in the distribution of dividends.

15. In the event of retention of profits under the capital budget

a. Identify the amount retained

b. Provide a copy of the capital budget

16. In the event of destination of net earnings to the tax incentive reserve

a. Identify the amount allocated to the reserve

b. Explain the nature of the destination

[1] The values presented in item 2 include the amount indicated in item 6, as well as the amount of R$ 472,650, according to approval in deliberation taken in the Board of Directors of the Company s Meeting on 02.22.2017, which were paid to shareholders from 03.10.2017 onwards. The values presented in item 2 include the mandatory and complementary dividends in the amount of R$ 780,793 and R$ 126,476, respectively, differently from what was included in note 23.g. Dividends and Allocation of Net Income to our consolidated financial statements, with no impact on the overall amount presented.

[2] Number of shares used for the earnings per share calculation does not include shares held in treasury of the Company.

[3] Investments statutory reserve made in accordance with Article 194 of the Brazilian Corporate Law and item c of Article 55 of the Company s Bylaws in order to preserve the integrity of corporate assets and strengthen the Company s capital, allowing new investments.

[4] In addition to the the adjusted net earnings, the amount also includes the realization of revaluation reserve, net of income tax and social contribution, in the amount of R$ 209 and expired dividends in the amount of R$ 9,868.

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EXHIBIT IV ITEMS 12.5 TO 12.10 OF THE REFERENCE FORM

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EXHIBIT IV ITEMS 12.5 TO 12.10 OF THE REFERENCE FORM

12. Annual General Meeting and Management

12.5. Information about the candidates for the Board of Directors and the Fiscal Council indicated or supported by the management

Board of Directors

ne	Date of birth	Profession	CPF	Elective position to be held	Expected election and investiture date	Term of office	Other positions held in the issuer	Was elected by the controller	Consecu term
andre çalves Silva	3/6/1945	Engineer	022.153.817-87	Board of Directors (Effective independent)	4/19/2017	Until 2019 AGM	Indicated in the table below	No	2
os Tadeu da a Fraga	7/14/1957	Engineer	465.343.697-53	Board of Directors (Effective Independent)	4/19/2017	Until 2019 AGM		No	2
e Marques oledo argo	4/28/1954	Geologist	114.400.151-04	Board of Directors (Effective Independent)	4/19/2017	Until 2019 AGM		No	2
Maurício ira Coelho	8/4/1966	Accountant	853.535.907-91	Board of Directors (Effective Independent)	4/19/2017	Until 2019 AGM		No	2
o de Castro rade Filho	4/1/1945	Engineer	061.094.708-72	Board of Directors (Effective)	4/19/2017	Until 2019 AGM	Indicated in the table below	No	18
emar hes	11/24/1948	Engineer	589.461.528-34	Board of Directors (Effective Independent)	4/19/2017	Until 2019 AGM	Indicated in the table below	No	13
ro Egydio teiro de ralho	2/24/1942	Engineer	007.260.107-82	Board of Directors (Effective Independent)	4/19/2017	Until 2019 AGM		No	12
o herme iar Cunha	3/1/1940	Engineer	008.255.498-68	Board of Directors (Effective)	4/19/2017	Until 2019 AGM		No	34
o gtschowski	4/24/1946	Engineer	385.585.058-53	Board of Directors (Effective)	4/19/2017	Until 2019 AGM	Indicated in the table	No	3

below

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Fiscal Council

Name	Date of birth	Profession	CPF	Elective position to be held	Expected election and investiture date	Term of office	Other positions held in the issuer	Was elected by the controller	Consecutive terms
Flavio César Maia Luz	7/27/1951	Engineer	636.622.138-34	Member of Fiscal Council (Effective)	4/19/2017	Until 2018 AGM		No	12
Geraldo Toffanello	10/12/1950	Accountant	075.257.060-72	Member of Fiscal Council (Effective)	4/19/2017	Until 2018 AGM		No	
Nilson Martiniano Moreira	7/26/1968	Accountant	583.491.386-53	Member of Fiscal Council (Effective)	4/19/2017	Until 2018 AGM		No	2
Márcio Augustus Ribeiro	12/27/1954	Engineer	006.211.088-80	Member of Fiscal Council (Alternate)	4/19/2017	Until 2018 AGM		No	10
Paulo Cesar Pascotini	7/20/1959	Accountant	246.904.300-04	Member of Fiscal Council (Alternate)	4/19/2017	Until 2018 AGM		No	3
Pedro Ozires Predeus	5/4/1944	Accountant	005.474.508-00	Member of Fiscal Council (Alternate)	4/19/2017	Until 2018 AGM		No	12

All the members now appointed to the Fiscal Council are considered independent members, pursuant to article 162 and paragraphs of the Brazilian Corporate Law.

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i. Main professional experience over the last 5 years
Board of Directos

Alexandre Gonçalves Silva

Company	Position	Main activity of the company	Company is part of the issuer s economic group or is controlled by a shareholder that holds a direct or indirect stake equal to or greater than 5%
Ultrapar Participações S.A.	Member of the Board of Directors (2015-current) Member of the Compensation Committee (2015-current)	Holding engaged in specialized distribution and retail, specialty chemicals and storage for liquid bulk.	Yes
Embraer S.A.	Chairman of the Board of Directors (2011-current) Member of the Board of Directors (2011 2012)	Publicly-traded company engaged in the production of aircrafts.	No
Fibria Celulose S.A.	Member of the Board of Directors (2009 current)	Company engaged in the production of eucalyptus pulp.	No
Tecsis Tecnologia e Sistemas Avançados S.A.	Member of the Board of Directors (2013 2016)	Company engaged in the production of blades for wind energy generation.	No
Companhia Nitro Química Brasileira	Member of the Board of Directors (2012 current)	Company engaged in the production of nitrocellulosis.	No
Votorantim Cimentos	Member of the Board of Directors (2016 current)	Company engaged in the production of cement.	No

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Carlos Tadeu da Costa Fraga

Company	Position	Main activity of the company	Company is part of the issuer s economic group or is controlled by a shareholder that holds a direct or indirect stake equal to or greater than 5%
Ultrapar Participações S.A.	Member of the Board of Directors (2015-current)	Holding engaged in specialized distribution and retail, specialty chemicals and storage for liquid bulk.	Yes
Petróleo Brasileiro S.A. Petrobras	Executive Manager of Exploration and Production of the Pre-salt (2012 February 2015)	Semi-public company engaged in the exploration and production of oil and gas; refining; natural gas supply; distribution; petrochemicals and fertilizers; electric energy generation; biofuels production; and transportation and marketing.	No
GranBio Investimentos S.A.	Member of the Board of Directors (2015-current)	Company with operations in the biofuel and biochemical segments.	No
GranEnergia Investimentos S.A.	Senior Vice President (2015 current)	Company engaged in providing services to the oil and gas industry.	No
Instituto Brasileiro de Petróleo, Gás e Biocombustíveis IBP	Member of the Board of Directors (2016-current)	Association of non-economic purposes focused on the development of the oil, natural gas and biofuels sector.	No

MRO Logistics S.A.	Member of the Board of Directors (2016-current)	Logistics operator in Brazil specializing in the management of MRO (maintenance, repair and operation) items for industries.	No
IPT Instituto de Pesquisas Tecnológicas	Member of the Orientation Board (2008 2012)	Technological research institute.	No
Universidade Federal do Rio de Janeiro (Federal University of Rio de Janeiro	Member of the Technological Park Council (2006 2012)	Public institution of higher education in Rio de Janeiro.	No

Jorge Marques de Toledo Camargo

Company	Position	Main activity of the company	Company is part of the issuer s economic group or is controlled by a shareholder that holds a direct or indirect stake equal to or greater than 5%
Ultrapar Participações S.A.	Member of the Board of Directors (2015-current)	Holding engaged in specialized distribution and retail, specialty chemicals and storage for liquid bulk.	Yes
Prumo Logística S.A.	Member of the Board of Directors and of the Strategy Committee (2014 current)	Logistics infrastructure company.	No
Instituto Brasileiro de Petróleo, Gás e Biocombustíveis IBP	President (2015 current) Member of the Board of Directors and Officer (2010 current)	Organization to promote the oil industry.	No
Nexans Brasil S.A.	Member of the Strategic Consultative Council (2014 current)	Electrical materials manufacturer.	No
McKinsey & Comp, Inc. Brasil	Senior Consultant (2012 current)	Consulting company.	No
Mills Estruturas e Serviços de Engenharia S.A.	Member of the Board of Directors (2011 current)	Brazilian specialized engineering services company.	No
Karoon Petróleo e Gás S.A.	Consultant of the Board of Directors (2011 2016)	Company engaged in the exploration and production of oil and gas,	No

		concentrated in the South America.	
Statoil do Brasil Ltda.	Senior Consultant (2010 2014)	Company engaged in the exploration and production of oil and gas.	No
Energy Ventures	Member of the Consultative Council and Operating Partner (2010 2015)	Venture capital fund focused on investments in new technologies for the oil industry.	No
Deepflex do Brasil Ltda.	Member of the Board of Directors (2010 2013)	Company engaged in the production of non-metallic flexible tubes for offshore production projects.	No

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José Maurício Pereira Coelho

Company	Position	Main activity of the company	Company is part of the issuer s economic group or is controlled by a shareholder that holds a direct or indirect stake equal to or greater than 5%