



NORMATIVE INSTRUMENT

REF: IN-PRESI-RH-0115

Date: November 11, 2020

Review: 05

COMPENSATION POLICY

RECIPIENT: All JBS areas.

1. PURPOSE

Define criteria and responsibilities in the Compensation payment process applied by JBS.

2. RESPONSIBILITIES

All areas involved in the process and mentioned herein are responsible for complying with this Normative Instruction.

3. GENERAL PROVISIONS

3.1. The Corporate Compensation and Benefits area is responsible for:

3.1.1. Keeping salary and job structures updated through studies, distributing them across the JBS group and applying its rules;

3.1.2. Continuously assessing adherence to all rules and suggesting any changes;

3.1.3. Providing tools and systems compatible with the company's needs and training those involved in the process;

3.2. The business' Human Resources Office is responsible for ensuring the application of the policy, as well as informing Corporate of any necessary changes;

3.3. Managers are responsible for managing their team's salaries, using the criteria defined herein;

3.4. The compensation for employees of the JBS Aircraft department must comply with the Normative Instruction ["IN-PRESI-RH-0130-Compensation of JBS pilots and mechanics"](#).

4. PROCEDURES

4.1. Salary structure

4.1.1. The salary range structure shall be defined by grades. The corporate compensation area shall update jobs and grades for Job and Grade Maintenance;

4.1.2. Each grade will have 5 (five) pay levels, represented by ranges A, B, C, D and E, where C represents 100% of the median or market surveyed;



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- 4.1.3. The values of each table should represent the local market of each unit or use deflators in relation to the corporate pay table;
- 4.1.4. The pay table will be updated at the time of implementation of the closing of Union Negotiations, according to the Pay Table Update Procedure and the Procedure for the Application of Salary Agreement or Collective Agreement or Collective Bargaining;
- 4.1.5. All supervisory, specialist, coordination, management, executive offices and presidency positions will be covered by the corporate table, and their salary will be reviewed in July of each year based on the collective agreement adjustment percentage.
- 4.2. Job evaluations
 - 4.2.1. All JBS positions must be evaluated based on the role attributions to support job classification and the consequent correct assignment of the pay grade;
 - 4.2.2. The point method and evaluation committees will be used to ensure its correct classification;
 - 4.2.3. Corporate Compensation is responsible for describing job attributions and profile;
 - 4.2.4. Managers must ask the Corporate Compensation Management to assess the need for the creation, division and merger of positions.
- 4.3. New hire salaries
 - 4.3.1. It is recommended that new hire salaries be kept within the first range (A);
 - 4.3.2. Exceptionally, starting salaries may be established above this threshold depending on the degree of qualification and experience required of the candidate or due to market contingency;
 - 4.3.3. Upon hiring, factors such as internal balance within the area, the Unit and the company must be observed, comparing to the lowest salaries in force;
 - 4.3.4. In the first three months of work, counted from the date of hiring, there will be no salary changes, except by virtue of a Collective Agreement or Collective Bargaining.
- 4.4. Flow of approvals
 - 4.4.1. Pay increases must be submitted for approval by all those involved according to the following levels:



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APPROVAL FLOW - CORPORATE	Policy	
Pay Increase Within the Policy	Internal	External
a) Operational positions	Executive Officer	
b) Coordinators, Supervisors and Specialist	Executive Officer	
C) Officers, Managers	Executive Officer Global President	
APPROVAL FLOW - BUSINESSES	Policy	
Pay Increase Within the Policy	Internal	External
a) Operational positions	Executive Officer	Executive Officer
		HR Division Officer
b) Coordinators, Supervisors and Specialist	Executive Officer	Presidents
	HR Division Officer	Executive Officer
		HR Division Officer
C) Managers and Officers	Presidents	Presidents
	Executive Officer	Executive Officer
		HR Division Officer
D) Directors linked to the Division's Presidency	Division Presidents Mercosur President Global President	

4.4.2. In the event the approver is on paid leave, the replacement can be performed as follows:

Position	Substitute
a) President	Officer reporting directly to the Presidency
b) Executive Officer	Director reporting directly to the Executive Officer
c) HR Officer	Regional Managers reporting directly to the Officer

4.4.3. Recurring salary approvals for transfers must comply with Normative Instruction ["IN-PRESI-RH-0069-Transfer of employees between Units"](#); and the definition of substitute presented in item 4.4.2.



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4.4.4. For the New Business division, all changes must be approved by the President of the division, regardless of position and status.

4.5. Qualification

4.5.1. It is the horizontal pay evolution on the grade of the employee whose salary position is below the C range, offered to the employee who presents satisfactory performance and meets expectations;

4.5.2. Any and all adjustments based on qualification must be included in the area's budget;

4.5.3. Increases resulting from qualification may be granted as long as 12% is observed, limited to the next pay range;

4.5.4. It is recommended that each move based on qualification be analyzed in order to avoid creating internal relativity problems, such as pay differences for the same position within the same area;

4.5.5. Qualification changes do not imply a change in position.

4.6. Merit

4.6.1. It is the horizontal pay evolution on the grade of the employee whose salary position is above the C range;

4.6.2. Any and all adjustments based on merit must be included in the area's budget;

4.6.3. Increases resulting from merit may be granted as long as the 10% limit is observed, limited to the next pay range;

4.6.4. It is recommended that each move based on merit be analyzed in order to avoid creating internal relativity problems;

4.6.5. Merit adjustments may not be granted to employees who have values equal to or greater than pay range E;

4.6.6. Merit changes do not imply a change in position.

4.7. Promotions

4.7.1. Vertical salary evolution on the employee's grade, with changes in salary, grade and position to a higher level than the current one;



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4.7.2. Promotions shall be granted to employees who will occupy a hierarchically superior position, of a higher grade than the one occupied at the time of the change;

4.7.3. The salary must be in the 1st range of the new position, limiting the adjustment to 30%;

4.7.4. When the adjustment necessary to reach the "A" range is greater than 30%, it must be evaluated by the manager and the Human Resources area in order to define whether it will be staggered quarterly in installments not exceeding 30% or if it will be kept below range "A";

4.8. Job changes

4.8.1. Job changes at the time of promotions or when reviewing structures, changing the name of the position or in the case of new jobs within the same grade, without implying a salary change.

4.9. Changes

4.9.1. All salary changes must be approved before being communicated to the employee;

4.9.2. Pay increases must observe the 6 (six)-month interval and the percentage of increase may be staggered during this period;

4.9.3. There can be no salary changes in December;

4.9.4. The Human Resources department must register the change in the system until the last day of the month prior to the change;

4.9.5. Under no circumstances will there be retroactive changes without approval from the Division's Human Resources Office;

4.9.6. Increases must be granted within the month following approval;

4.9.7. No salary changes are allowed in the months of collective agreement or bargaining;

4.9.8. No salary changes are allowed in the months in which the employee is on paid leave;

4.9.9. Increases arising from a collective agreement or bargaining will be applied in proportion to the employee's time in the company;

4.9.10. It is suggested that in every change, the performance of the professional, the Unit, the business area, as well as the performance of the company in the market, be evaluated;

4.9.11. For changes, employees must not have had any unjustified absences, suspensions or warnings in the last 6 (six) months;



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4.9.12. For employees who participate in the Performance Assessment, changes can only be conducted for those who achieve the result adherent or above.

4.10. Interns

4.10.1. Interns will be compensated through a grant determined by a single table, which must observe regional issues, be divided into third last, second last and final year, and have a workload of 4 and 6 hours;

4.10.2. Interns shall occupy a position within the approved framework.

4.11. Apprentices

4.11.1. Apprentices shall be compensated at the current minimum wage, state or municipal wage floor when applicable;

4.11.2. Apprentices shall occupy a position within the approved framework.