SLC AGRÍCOLA S.A.

EARNINGS ALLOCATION POLICY

1. Objective

1.1. This Earnings Allocation Policy ("Policy") aims to establish and inform shareholders, investors and other interested parties of the policy defined by the Board of Directors of SLC Agrícola S.A. ("Company") to prepare the proposal for the allocation of its results, in particular the distribution of dividends and interest on own capital to shareholders.

2. General Principle

2.1. The general principle of this Policy is to respect the economic and financial nature of the Company's business, providing, whenever possible, to remunerate shareholders, through the distribution of dividends and/or interest on own capital, in percentages higher than the minimum mandatory dividend of 25% of the adjusted net income provided for in the Company Bylaws, without compromising the investments necessary for the proper pursuit of its corporate purpose or impairing its long-term financial sustainability.

2.2. This Policy aims to allow shareholders, investors and other interested parties to better assess the Company, for the purpose of making investment decisions and other transactions with the Company.

3. General References

3.1. The references for this Policy are: (i) Brazilian Law no. 6.404, of December 15, 1976, as amended ("Business Corporation Act"), (ii) the rules provided for in Chapter VII of the Company's Bylaws, and (iii) the Brazilian Code of Corporate Governance – publicly-held company.

4. Reference Parameter for the Payment of Dividends and Interest on Own Capital

4.1. The Company will distribute a minimum mandatory dividend, in each fiscal year, of 25% (twenty-five percent) of the adjusted annual net income, as provided for in article 202 of the Business Corporation Law.

4.2. The Company, pursuant to its Bylaws, may pay or credit interest to shareholders, as compensation of the capital of the latter, which will be charged to the amount of the mandatory dividend distributed by the Company, subject to applicable legislation.

4.3. The Company may declare, by resolution of the Board of Directors: (a) the payment of dividends or interest on own capital, to the profit account calculated in a half-yearly balance sheet, added to the amount of the mandatory dividend, if any; (b) the distribution of dividends in periods less than 6 (six) months, or interest on own capital, added to the amount of the mandatory dividend, if any, provided that the total dividends paid in each half of the accounting period do not exceed the amount of capital reserves; and (c) the payment of interim dividends or interest on own capital, to the account of retained earnings or profit reserve existing in the last annual or half-yearly balance sheet, added to the amount of the mandatory dividend, if any.

4.4. The General Meeting may resolve on the capitalization of profits or capital reserves, including those established in trial balance sheets, in compliance with the applicable law..

5. Allocation of Net Income

5.1. This Policy was established according to article 34 of the Company's Bylaws, which provides that, after deductions of any accrued losses and the provision for income tax and social contribution are made, net income will be allocated as follows:

(a) 5% (five per cent) shall be used, prior to any other allocation, to set up a legal reserve, which shall not exceed 20% (twenty per cent) of the capital stock;

(b) a portion, upon proposal by the management bodies, may be allocated for setting up a contingency reserve and for reversal of the reserves of priors years, pursuant to article 195 of the Business Corporation Law;

(c) upon proposal by the management bodies, a portion of the net income arising from donations or governmental subsidies for investments may be allocated for the fiscal incentive reserve, which may be excluded from the mandatory dividend calculation basis;

(d) in the year in which the mandatory dividend, calculated according to article 4.1 above, exceeds the realized portion of the income for the year, the General Meeting may, by proposal of the management bodies, earmark the surplus to set up unrealized profit reserve, in compliance with article 197 of the Business Corporation Law; and

(e) up to 100% (one hundred per cent) of the remaining income after the legal and statutory deductions may be allocated to the constitution of an expansion or investment reserve, for the purpose of financing investments in operating assets or capital expenditures, and this reserve may not exceed the lower between these amounts: (i) 80% of the capital stock; or (ii) an amount which, added to the other profit reserves, excluding the unrealized profit reserve and the contingency reserve, does not exceed 100% of the Company's capital stock.

6. Periodicity and Prescription of the Right to Dividends

6.1. Notwithstanding the provisions of article 4.4 of this Policy, the Company will distribute dividends preferably once a year.

6.2. Pursuant to article 205, paragraph 3 of the Business Corporation Law, the dividend must be paid, unless otherwise decided by the General Meeting, within 60 (sixty) days after the date on which it is declared and, in any case, within the accounting period.

6.3. Dividends not received or claimed will lapse within 3 (three) years as of the date in which they have been made available to the shareholder and shall revert in favor of the Company.

7. Effectiveness

7.1. This Policy will enter into force on its approval date. The Company's Board of Directors may review and modify this Policy whenever it deems it necessary to adjust it to the Company's income retention needs, in the Company's interest.

Porto Alegre, March 13, 2019.

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