



## **POLICY ON THE ALLOCATION OF RESULTS AND DISTRIBUTION OF DIVIDENDS**

### **1. Objectives**

This Policy on the Allocation of Results and Distribution of Dividends ("Policy") establishes the guidelines, criteria and procedures for allocating the results of Marfrig Global Foods S.A. ("Company").

The Policy is based on: (i) Federal Law 6,404, of December 15, 1976, as amended ("Brazilian Corporations Law"); (ii) corporate governance good practices established by the Brazilian Code of Corporate Governance – Publicly-Held Companies; and (iii) the general norms issued by the Securities and Exchange Commission of Brazil ("CVM").

### **2. Principles**

The Company's results must be allocated considering the economic and financial characteristics of the business, such as cash generation and investment needs, and must be placed at the disposal of all stakeholders, shareholders and investors.

The distribution of results to shareholders must not jeopardize the investments required for the Company to adequately pursue its corporate purpose.

This Policy should enable shareholders, investors and other stakeholders to better evaluate the Company for the purpose of taking investment decisions and carrying out other transactions with the Company, thus contributing to generating value and reducing the funding costs for the Company.

### 3. Powers

The Board of Directors is empowered to draft the proposal for the allocation of net income from the previous fiscal year and to declare the distribution of interim dividends based on the results reported in the interim balance sheets.

The Shareholders Meeting is the competent body to deliberate on the proposal submitted by the Board of Directors of the Company regarding the allocation of net income from the fiscal year and the distribution of dividends.

### **4. Allocation of net income**

Pursuant to the Brazilian Corporations Law, dividends can be distributed, before any profit sharing, only after deducting accrued losses and the provision for income tax.

According to the Bylaws of the Company, net income from the period will be allocated as follows:

- (i) five percent (5%) to the legal reserve until it corresponds to twenty percent (20%) of the subscribed share capital;
- (ii) payment of mandatory dividends in compliance with article 30 of these Bylaws and applicable laws; and
- (iii) constitution of a profit reserve and the distribution of dividends in addition to the mandatory dividends pursuant to the Brazilian Corporations Law

The Shareholders Meeting may, as proposed by management bodies, allocate a portion of net income to a contingency reserve in

order to offset, in the future, any reduction in profits resulting from a loss deemed probable and which can be estimated, and also allocate to the tax incentive reserve the portion of net income resulting from donations or government subsidies for investments, which could be excluded from the mandatory dividend calculation base (item I of the main paragraph of article 202 of the Brazilian Corporations Law).

## **5. Payment of dividends and interest on equity**

Shareholders will be entitled to receive as minimum mandatory dividends each year, at least twenty-five percent (25%) of the net income from the year, after the following adjustments:

- (i) deduction of the amounts allocated in the period to the constitution of legal reserve and contingency reserve; and
- (ii) addition of the amounts resulting from the reversal in the period of contingency reserves established earlier.

Whenever the amount of minimum mandatory dividends surpasses the portion of realized net income in the year, the management may propose, and the Shareholders Meeting approve, the allocation of the excess amount to an unearned profit reserve (article 197 of Brazilian Corporations Law).

The Shareholders Meeting may allocate to the managers of the Company or its subsidiaries a share of the profits, subject to applicable legal limits. Such profit sharing may be paid only after the payment of the mandatory minimum dividends referred to in this topic.

The Company may prepare balance sheets semiannually or for shorter periods. Subject to the conditions set by applicable laws, the

Board of Directors may: (a) deliberate on the distribution of dividends by debiting the net income determined in the semiannual or quarterly balance sheet, subject to approval by the Shareholders Meeting; and (b) declare interim dividends by debiting the profit reserves existing in the last annual, semiannual or quarterly balance sheet.

The Board of Directors will deliberate on the proposal by the Board of Executive Officers for payment or credit of interest on equity, subject to approval by the Annual Shareholders Meeting that will approve the financial statements related to the fiscal year in which such interest on equity was paid or credited, and the corresponding amounts will be calculated towards the mandatory dividend.

## **6. Expiry of right to dividends**

Dividends not received or claimed within three (3) years from the date they were made available to shareholders will expire and be reverted to the Company.

## **7. Custody and Payment**

The Company will disclose a Notice to Shareholders containing information and procedures for the receipt of dividends or interest on equity. Payments will be made through the stock transfer agent of the Company or the custody agents of shareholders.

## **8. General provisions**

This Policy and its application must be monitored by the Board of Directors of the Company.

## **9. Validity**

This Policy takes effect on the date of its approval and may be amended only by a resolution of the Board of Directors of the Company.