

**POLICY ON PROMOTIONAL GIFTS,
GIFTS, ENTERTAINMENT AND HOSPITALITY M. DIAS
BRANCO S/A INDÚSTRIA E COMÉRCIO DE
ALIMENTOS**

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**POLICY on PROMOTIONAL GIFTS, GIFTS, ENTERTAINMENT AND HOSPITALITY OF M. DIAS BRANCO
S/A INDÚSTRIA E COMÉRCIO DE ALIMENTOS**

1. DEFINITIONS

1.1 The terms and expressions listed below, when used in this Policy, both in singular and plural, shall have the following meaning:

“Public Agent” – Any individual, whether civil servant or not, from any level or hierarchy, who exercises, even if temporarily or without remuneration, through election, appointment, designation, hiring or any other form of investiture or bond, mandate, position, employment or function in or for a Government Authority; any individual who works for a contractor or contracted service provider to perform typical Public Administration activities, as well as any political party leader, their employees or other persons who act for or on behalf of a political party or candidate for a public office. An individual who meets this definition, whether national or foreign, or who is employed or holds a position or function in international public bodies or organizations, will be considered a Public Officer.

“Government Authority” – very organization, department or entity of direct or indirect administration from any power of the Union, States, Federal District or Cities, legal entity incorporated to the public estate, or entity for which creation or costing the public funding has competed or competes with more than fifty per cent of the estate or annual revenue, or on which the State or Government may, directly or indirectly, have dominant influence (for owning the majority of the capital subscribed, controlling most votes, or having the right to appoint most members of the administration, managing group or fiscal council); as well as organizations, state entities or diplomatic representations from foreign country, as well as organizations, entities and persons controlled, directly or indirectly, by the public power from a foreign country, international public organizations or organisms, including sovereign funds or an entity owned by a sovereign fund.

“Giveaway” – Item with no commercial or reference market value, up to a minimum wage, valid at the time of granting, distributed or received as a courtesy, advertisement, usual disclosure or on the occasion of historical and cultural events or commemorative dates, being of a general nature, and therefore, it is not intended to exclusively reward a person, and containing the M. DIAS BRANCO logo or the logo of the legal entity that granted the gift to the M. DIAS BRANCO employee, including, but not limited to, diaries, calendars, key chains, flash drives and pens.

“Employees” – All hired employees, Directors (statutory or not), members of the Board of Management, members of committees (statutory or not), members of the Fiscal Council, apprentices and interns in the Company, regardless of the position or job done.

“Company” or “M. DIAS BRANCO” – M. Dias Branco S/A Indústria e Comércio de Alimentos and its controlled companies.

“Entertainment” – Activities or events having the main purpose to provide leisure to the attendees, including, but not limited to, parties, concerts, theater plays, sports events, commemorative or formal meals.

“Hospitality” – Travels (by air, sea and/or land), lodging, meals and reception services, related or not to business activities. For the purpose of this policy, Hospitalities exclusively intended for tourism or leisure will be considered as “Gifts”.

“Close Member” – In relation to a person, their spouse or partner, blood-related or similar, in straight line (upward or downward) or collateral, up to the second degree of family relations.

“Gift” – Objects or services, for personal use or consumption, having commercial value and which do not meet the definition of Giveaways. Hospitalities of exclusive tourism or leisure nature will be also considered as “Gifts”.

“Third Parties” – Any individual or legal entity that is not a Company Employee or that is hired to help perform its activities, such as partners, consortium members, representatives, suppliers, service providers in general, consultants, outsourced parties, agents or third parties acting on behalf of the Company.

“Undue Advantage” – Any goods or benefits, tangible or intangible, including money and sums, offered, promised or given with the purpose of influencing or rewarding any act or decision from a Public Officer or Third Party.

2. PURPOSE AND SCOPE

2.1. This Policy on Giveaways, Gifts, Entertainment and Hospitality of M. Dias Branco S / A Indústria e Comércio de Alimentos (“Policy”) aims to establish the rules, guidelines and methods to be followed by the Company's Employees regarding granting, offering, promising and / or receiving giveaways, gifts, entertainment and hospitality, bearing in mind the need to avoid real, potential or perceived conflicts of interest and situations that may characterize bribery or corruption.

2.1.1. This Policy does not refer to the granting, offering, promising and / or receiving of Giveaways, Gifts, Entertainment and Hospitality among Employees, nor to corporate commercial or marketing actions carried out by the Company at national or regional level, complying with the applicable laws and regulations, in order to strengthen

the institutional relationship with customers or foster sales to their consumers.

2.2. The provisions in this Policy shall be interpreted together and complement the conduct guidelines established on the Code of Ethics, the Anti-Corruption Policy, and in the Policy on Donations and Sponsorships.

2.3. The rules established in this Policy apply to the Company and all its Employees and Third Parties, where applicable.

2.3.1. In the case of partnerships with investment from M. DIAS BRANCO that are not its controlled companies, the Company shall make its best efforts so that such partnerships adopt policies and practices that are in line with this Policy.

3. REFERENCES

3.1. This Policy was developed in compliance with the following rules:

- (i) Law number 12846, from August 1, 2013 (Brazilian Anti-Corruption Law);
- (ii) Decree number 8420, from March 8, 2015;
- (iii) Company's Anti-Corruption Policy;
- (iv) Company's Policy on Donations and Sponsorships; and
- (v) Company's Code of Ethics.

4. GENERAL GUIDELINES

4.1. Giveaways, Gifts, Entertainment and / or Hospitality can only be granted, offered, promised and / or received if the following general requirements are met:

- (i) They comply with all laws, regulations and corporate policies from the Company;
- (ii) Are granted, offered, promised and / or received: (a) to assist in promoting the brand, demonstrating or explaining products and services; (b) at formal occasions such as meetings with the top management of major partners, customers or suppliers; (c) to fulfill a proven and relevant tradition for M. DIAS BRANCO; (d) to celebrate special dates proven to be relevant for M. DIAS BRANCO; and (e) at official corporate ceremonies or events;
- (iii) Are granted, offered, promised and / or received in a transparent and open manner, in order to avoid any constraint for the Company and / or its Employees in case of public exposure; and

- (iv) Are granted, offered, promised and / or received with no expectation of reciprocity, obligation, or favor in return.

4.1.1. For the purposes of Clause 4.1 (ii) (e) above, the “official” nature of the corporate ceremony or event presupposes organization’s prior knowledge of the event. That is, at least one member of the Company Directorate (Statutory or not) must have prior knowledge of company purpose and details related to the event.

4.2. Compliant with the provisions in this Policy, whenever it is intended to offer Giveaways, Gifts, Entertainment and / or Hospitality, prior formal consultation must be carried out with the persons or entities benefited, in order to ensure that the respective codes of conduct or ethics will be fulfilled. If it is not possible to carry out a prior formal consultation, an informal consultation must be carried out at the moment of delivery, ensuring that there are no incompatibilities for both parties.

4.3. Giving, offering or promising Giveaways, Gifts, Entertainment and / or Hospitality will be considered a breach to this Policy, regardless the amount involved, when the act may inappropriately influence any commercial decision affecting the Company or that may result in conflict of interest or Undue Advantage to the Company, its Employees or Third Parties.

4.4. It is strictly forbidden to grant, offer, promise and / or receive Giveaways, Gifts, Entertainment and / or Hospitality from any Third Parties acting to the Company’s interest or benefit.

4.5. Granting, offering, promising or receiving of Giveaways, Gifts, Entertainment and / or Hospitality should not occur customarily for a same Employee or individual, whether Public Agent or not. The occurrence of these events is considered “customary” when it takes place more than two times in a twelve months period. If such a situation occurs, the Ethics Committee must be previously consulted through the Company's Ethical Channel. If that channel is not available, consultation shall be carried out directly with one of the Committee members.

4.6. All expenses incurred related to Giveaways, Gifts, Entertainment and / or Hospitality shall be entered in a detailed and thorough way in the Company’s accounting records. The Company's accounting department must ensure that the entries will be recorded in properly disclosed accounting accounts and will include the nature of the expense incurred, the recipient, the amount involved and the respective supporting documentation.

4.7. Employees must report, within fifteen days, the grant, offer, promise or receipt of Gifts, Entertainment and / or Hospitality in accordance with the criteria established in this Policy, using the form contained in the **Annex I** of this Policy, sent

as an attachment to the Company's Ethical Channel, or if it is not available, sent directly to one of the members of the Company's Ethics Committee.

4.8. In the event of receiving Giveaway, Gift, Entertainment or Hospitality which are non-compliant with the guidelines provided for in this Policy, the Employee must necessarily refuse it and / or return it immediately.

4.8.1. If the Giveaway, Gift, Entertainment or Hospitality can be refused and / or returned, the refusal must be formally expressed within fifteen days, in a written letter in the form of the **Annex II** of this Policy, sent as an attachment to the Company's Ethical Channel, or if its not available, sent directly to one of the members of the Company's Ethics Committee.

4.8.2. If it is not possible to refuse and / or to return the Giveaway, Gift, Entertainment or Hospitality, it must be reported in the Company's Ethical Channel. If that channel is not available, it must be reported directly to a member of the Company's Ethics Committee, so the matter can be appropriately addressed.

4.9. If a Company Employee is not sure about what correct attitude to take in a certain situation related to the contents of this Policy, such employee shall contact the Company's Ethics Channel or, if not available, contact any member from the Ethics Committee for due guidance.

4.10. Any and all interaction between Employees and Public Agents and / or Government Authorities must be carried out in accordance with the rules provided for in the Company's Anti-Corruption Policy.

5. RULES FOR GRANTING, OFFERING OR PROMISING

A) GIVEAWAYS

5.1. Granting, offering or promising a Giveaway to a person, whether a Public Agent or not, does not require prior authorization, provided that the concept of Giveaway, the general guidelines in this Policy and the rule on customarily occurrence provided for in the Clause 4.5 above have been followed.

B) GIFTS, ENTERTAINMENT AND HOSPITALITY

If the recipient is not a Public Agent or Close Member of a Public Agent

5.2. Every Employee of the Company must obtain authorization, express or in writing, from the Company Executive Officer responsible for their respective area of activity before promising, offering

or granting any Gift, Entertainment or Hospitality exceeding the value of a minimum wage valid at that time to a person, even if that person is not a Public Agent or Close Member of a Public Agent.

5.2.1. Members of the Company's Statutory Directorate and Board of Management will not be required to obtain the authorization referred to in Clause 5.2 above, or to report. The members of the Executive Directorate (non-statutory) will not be required to obtain an authorization, but shall, within fifteen days, report the fact to the Ethics Committee if the promise, offer or grant of a Gift, Entertainment or Hospitality exceeds the value of a minimum wage valid at the time.

If the recipient is a Public Agent or Close Member of a Public Agent

5.3. Any and all grant, offer or promise of a Gift, Entertainment or Hospitality to a Public Agent or Close Member of a Public Agent must be previously authorized through a communicate by the Company's Ethical Channel. If the channel is not available, it should be directly communicated by the Company's Ethics Committee.

5.3.1. Members of the Company's Statutory Directorate and Board of Management will not be required to obtain the authorization referred to in Clause 5.3 above, but they shall report the fact to the Audit Committee if the amount exceeds the minimum wage valid at the time. The members of the Executive Directorate (non-statutory) will not be required to obtain an authorization, but shall, within fifteen days, report the fact to the Ethics Committee if amount exceeds the value of a minimum wage valid at the time.

5.4. It is forbidden to grant, offer or promise a Gift, Entertainment or Hospitality to a Public Agent or Close Member of a Public Agent who is responsible for establish norms, regulate, inspect and / or accountable for Company's activities.

C) MEALS

5.5. Regardless the parties involved, in general, the value of meals should be moderate, compatible with the people involved and / or the context in which it occurs, so that the act could not improperly influence any commercial decision affecting the Company or could result in an Undue Advantage for the Company or any other person.

5.6. Where the recipient is a Public Agent or Close Member of a Public Agent, the meal held with such person must be reported by the Employee, within fifteen days, to the Company's Ethical Channel. If the channel is not available, it should be reported directly to a member of the Company's Ethics Committee.

5.7. It is forbidden to grant, offer or promise meals to a Public Agent or Close Member of a Public Agent who is responsible for establish norms, regulate, inspect and / or accountable for Company's activities, except when the meals are held in Company's own cafeterias with the usual menu.

6. RULES FOR RECEIVING

A) GIVEAWAYS

6.1. The receipt of a Giveaway by an Employee does not require prior authorization from the Company, provided that the general guidelines in this Policy and the rule on customarily occurrence provided for in the Clause 4.5 above have been followed.

B) GIFTS, ENTERTAINMENT AND HOSPITALITY

If the offerer is not a Public Agent or Close Member of a Public Agent

6.2. Every Employee of the Company must obtain authorization, express or in writing, from the Company Executive Officer responsible for their respective area of activity, before receiving any Gift, Entertainment or Hospitality exceeding the value of a minimum wage valid at that time, from a person who is not a Public Agent or Close Member of a Public Agent and that may characterize a situation of potential conflict of interest.

6.2.1. Members of the Company's Statutory Directorate and Board of Management will not be required to obtain the authorization referred to in Clause 6.2 above, or to report. The members of the Non-Statutory Directorate will not be required to obtain an authorization, but shall report the fact to the Ethics Committee if the Gift, Entertainment or Hospitality exceeds the value of a minimum wage valid at the time.

If the offerer is a Public Agent or Close Member of a Public Agent

6.3. Regardless the amount involved, any Gift, Entertainment or Hospitality offered by a Public Agent or Close Member of a Public Agent must be refused and / or returned by the Company's Employee, and the fact must be immediately reported to the Company's Ethical Channel. If the channel is not available, it should be reported directly to a member of the Company's Ethics Committee.

6.3.1. If it is not possible to refuse and / or to return the Gift, Entertainment or Hospitality, it must be reported to the Company's Ethical Channel. If that channel is not available, it must be reported directly to a member of the Company's Ethics Committee members, so

the matter can be appropriately addressed.

6.3.2. Members of the Statutory Directorate and Board of Management are not required to refuse or report any Gift, Entertainment or Hospitality.

C) MEALS

6.4. Regardless the parties involved, in general, the value of meals should be moderate, compatible with the people involved and / or the context in which it occurs, so that the act could not improperly influence any commercial decision affecting the Company or could result in conflict of interest or Undue Advantage for the Company or any other person.

6.5. Where the offerer is a Public Agent or Close Member of a Public Agent, the meal held with such person must be reported by the Employee to the Company's Ethical Channel. If the channel is not available, it should be reported directly to a member of the Company's Ethics Committee.

7. SPECIFIC GUIDELINES

7.1. The following additional rules must be followed when granting, offering or promising Gifts, Entertainment and / or Hospitality on behalf of the Company, whether or not the recipient is a Public Agent or Close Member of a Public Agent:

- (i) It is forbidden to grant, offer, promise or receive Gifts in cash or equivalent (*e.g.* vouchers or gift certificates);
- (ii) Whenever possible, Gifts must: (a) contain the Company's logo, so that they are intended to promote the brand of M. DIAS BRANCO; (b) have a low or irrelevant resale value in the market; (c) be intended for professional and non-personal use; and (d) be intended for a legal entity (*e.g.* company, agencies, entities, etc.) and not for a specific individual;
- (iii) The purpose of Entertainments must be to provide legitimate opportunities and commercial discussions, and the person responsible for granting Entertainment must be present at the event / activity involved or appoint a person to attend to the event as a representative of the Company;

8. RESPONSIBILITIES

8.1. The Ethics Committee is responsible for:

- Recommending the allocation of Giveaways, Gifts, Entertainment and Hospitality

received by the Employees in disagreement with the guidelines provided for in this Policy and which can not be refused and / or returned.

- Properly handle the granting or receiving of gifts or hospitality which are not compliant with the limits established in this Policy.
- Clarifying any doubts of the Employees regarding the concession, offer, promise and / or receipt of Giveaways, Gifts, Entertainment and Hospitality.
- Approving the grant, offer, promise and / or receipt of Giveaways, Gifts, Entertainment and Hospitality, under the terms provided for in this Policy.
- Keeping a record of communications received regarding Employees interactions with Public Agents.
- Reporting any relevant risk or non-compliance with this Policy to the Audit Committee, recommending disciplinary measures and potential improvements in the controlling system.

8.2. The Audit Committee is responsible for:

- Properly handle the granting or receiving of gifts or hospitality which are not compliant with the limits established in this Policy.
- Clarifying any doubts of the Employees regarding the concession, offer, promise and / or receipt of Giveaways, Gifts, Entertainment and Hospitality.
- Approving the grant, offer, promise and / or receipt of Giveaways, Gifts, Entertainment and Hospitality, under the terms provided for in this Policy.
- Reporting any relevant risk or non-compliance with this Policy to the Board of Management, recommending disciplinary measures and potential improvements in the controlling system.

8.3. Directorates (statutory or not) are responsible for:

- Disseminating and applying this Policy in their respective areas,
- Properly handle the granting or receiving of gifts or hospitality which are not compliant with the limits established in this Policy.
- Clarifying any doubts of the Employees regarding the concession, offer, promise and / or receipt of Giveaways, Gifts, Entertainment and Hospitality.
- Approving the grant, offer, promise and / or receipt of Giveaways, Gifts, Entertainment and Hospitality, under the terms provided for in this Policy.
- Reporting to the Audit Committee or Ethics Committee, according to the respective governance, any and all risk provided for in this Policy.

8.4. The Board of Management is responsible for:

- Approving potential changes and reviews to this Policy.

- Regulating the cases hidden from this Policy.

- Processing the obligations and rules established in this Policy that were not fulfilled, deliberating on them, on the consequent disciplinary measures and on actions to improve the controlling system, as applicable.

9. BREACH ON POLICY

9.1. The failure to comply with this Policy will subject the violator to disciplinary sanctions, according to the Company’s internal rules (e.g. Company’s Code of Ethics), without detriment to the applicable administrative, criminal and penal sanctions, enforceable by the relevant authorities.

10. VALIDITY AND AMENDMENTS

10.1. This Policy comes into force on the date indicated below, after being approved by the Company’s Board of Management. Any change or review shall be submitted to the Board of Management itself.

11. FINAL PROVISIONS

Validity: as of January 2, 2020.

1st Draft: August 9, 2019.

Responsible for the document:

<i>Step</i>	<i>Responsible</i>
Development	Audit, Risks and Compliance Directorate Legal Directorate
Review	Audit Committee
Review	Governance Committee
Approval	Board of Management

Record of changes:

<i>Version</i>	<i>Item Changed</i>	<i>Reason</i>	<i>Date</i>
01	Original Draft	N/A	[--]

* * *

ANNEX I

**FORM FOR GRANTING, OFFERING, PROMISING OR RECEIVING GIFTS, ENTERTAINMENT
AND / OR HOSPITALITY**

Directions: This form must be completed in the event of a grant, offer, promise or receipt of Gifts, Entertainment and / or Hospitality. Subsequent to completion, this form must be forwarded to the competent Directorate for proper approval, under the terms provided for in the Policy.

Name of the Employee:	
Position:	Directorate:
Value of the good (if it is not possible to determine it, present an estimate):	
Detailed description of the Gift, Entertainment and / or Hospitality (in case of granting, attach a proof of payment / payment receipt).	
Identify whether the Gift, Entertainment and / or Hospitality was granted or received:	
Name of the third party / Public Agent, offerer or recipient:	
Company / Government Authority:	Position:
Approval / Deliberation of the competent Directorate (field for the exclusive use of the competent Directorate):	

[*place*], [*date*]

[*insert the name and signature of reporting person*]

[*insert approver name and position*]

ANNEX II

LETTER FOR REFUSING GIVEAWAYS, GIFTS, ENTERTAINMENT AND HOSPITALITY

Dear [*insert offerer name*],

It is with great appreciation that I, [*insert Employee's name*], as a [*insert Employee's position*] at M. Dias Branco S/A Indústria e Comércio de Alimentos (“Company”), thank the [*insert the description of Gift, Entertainment or Hospitality*] received on [*insert date it was received*].

However, this [*insert the description of Gift, Entertainment or Hospitality*] is in disagreement with the Company's internal policies. Therefore, in order to maintain our good business relationship and comply with the Company's internal policies, I am returning the [*insert the description of Gift, Entertainment or Hospitality*] abovementioned.

Thank you for your understanding. Sincerely,

[*place*], [*date*]

[*insert the name and signature of the Employee*]