

**POLICY FOR EXTRA AUDIT SERVICES
CONTRACTING OF M. DIAS BRANCO S/A
INDÚSTRIA E COMÉRCIO DE
ALIMENTOS**

JULY 10, 2020

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**POLICY FOR EXTRA AUDIT SERVICES CONTRACTING 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, in the singular or in the plural shall have the following meaning:

"Independent Audit" or "Independent Auditors" - The independent auditing firm responsible for expressing an opinion on the Company's financial statements, upon an audit carried out in compliance with Brazilian and international auditing standards. These standards require that auditors comply with ethical requirements and that the audit shall be planned and performed with the purpose of obtaining reasonable assurance that the financial statements represent, in all material aspects, the Company's equity and financial condition.

"Self-review" - The self-interest threat occurs when the Independent Audit, in a position of conflict, audits its own work, pursuant to the terms of the CFC independence rules.

"CFC" - The Federal Accounting Board.

"Employees" - All employees, Officers (statutory or not), members of the Board of Directors, members of committees (statutory or not), members of the Supervisory Board, apprentices and interns of the Company, irrespective of their position or role.

"Company" or "M. DIAS BRANCO" - M. Dias Branco S/A Indústria e Comércio de Alimentos and its subsidiaries.

"Conflict of interests" or "Self-interest" - The self-interest threat occurs when the Independent Audit or any of its employees may potentially benefit as a result of the Company's performance (e.g., any Independent Auditor or Related Party of the Independent Auditor holding securities issued by the Company).

"CVM" - The Brazilian Securities and Exchange Commission.

"Defense of the Company's Interests" - The defense of the Company's interests in certain circumstances may undermine the objectivity of the Independent Audit, pursuant to the CFC independence rules. The advocacy threat occurs when the Independent Audit advocates the Company's position or opinion in certain circumstances, to the point of jeopardizing the acts that will be part of the audit scope.

"Familiarity" - Family and/or close relationships with the Company may jeopardize the independence of the Independent Audit, pursuant to the terms of the CFC's independence rules. The family threat occurs when, due to a close relationship with the Company and/or its Employees, the Independent Audit or a member of its team, may be excessively familiar to the interests of the Company.

"Area Manager" - Employee responsible for the continuity of the Company's business in their respective area of activity, as well as for coordinating and executing issues related to contracting services under its management.

"Independence" - The Independent Audit's ability to judge and act with integrity and objectivity, allowing the issuance of impartial reports or opinions in relation to the audited entity, its shareholders, partners, quota holders, cooperative members and all other parties that may related to their work.

"Intimidation" - The intimidation threat occurs when the Independent Audit is placed in a situation of intimidation by the Company (e.g., if the amount of the agreement is substantially relevant and may jeopardize its objectivity), pursuant to the terms of the CFC independence rules.

"Independent Auditor Related Party" - Individuals and/or legal entities linked to the Independent Auditor according to the CFC independence rules.

"Extra Audit Services" - The services provided by the Independent Auditors and/or its related entities, which purpose is different from the Independent Audit and/or limited reviews on the Company's financial statements.

2. PURPOSE, PRINCIPLES AND SCOPE

2.1. This Policy for Extra Audit Services Contracting of M. Dias Branco S/A Indústria e Comércio de Alimentos ("Policy") aims to establish rules and guidelines for contracting Extra Auditing Services by the Company and/or its subsidiaries, in compliance with the applicable legislation in force, in order to ensure that no services are contracted that could jeopardize the independence of the Company's Independent Audit.

2.2. The assessment of the auditors' independence is essential to enable them to provide their services objectively and the opinion on the Company's financial statements is impartial, providing confidence and credibility for the managers, shareholders and other parties interested in the reliability and fairness of the Company's financial statements.

2.3. This Policy is based on the following general principles, which must be complied with, under the penalty of affecting the independence of the Independent Audit:

- (i) The Independent Auditor must not carry out roles related to the Company's administration and/or management, including advice and consultancy, or that may qualify a loss of its objectivity and independence;
- (ii) The Independent Auditor must not audit his own work (Self-review);
- (iii) The Independent Auditor must not have any financial interest and/or any other Self-Interest in the Company (self-interest);
- (iv) The Independent Auditor must not promote and/or advocate the Company's interests (Defense of the Company's Interests); and
- (v) The Independent Auditor must not have a family or personal relationship with the Company's Employees (Familiarity)

2.3.1. Independent Auditors and/or related entities, therefore, should not be hired to perform any service that jeopardizes any of the principles described in this Policy.

2.3.2. Extra Audit Services that may be provided by the Independent Auditor or by Related Parties of the Independent Auditor must always be hired as an exception and in cases where justified.

2.4. The rules established in this Policy apply to the Company and its subsidiaries, as well as to all its Employees.

3. REFERENCES

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

- (i) Law No. 6.404, dated December 15, 1976;
- (ii) CVM Instruction No. 308, dated May 14, 1999, as amended;
- (iii) CVM Instruction 381, dated January 14, 2003 ("ICVM 381/03");
- (iv) CVM Instruction 480, dated December 7, 2009, as amended;
- (v) Brazilian Accounting Standard (NBC) No. PA 400, dated November 21, 2019;
- (vi) Policy on Transactions with Related Parties and Other Situations involving Conflict of Interest;
- (vii) Policy for Hierarchy and Approval Levels for Purchases and Payments;
- (viii) Anti-Corruption Policy;
- (ix) Company's Code of Ethics; and

- (x) Internal Rules of the Audit Committee.

4. PROCEDURES FOR CONTRACTING EXTRA AUDIT SERVICES

4.1. All agreements involving the Independent Audit shall be submitted to the Company's Audit Committee for analysis and recommendation on the contracting.

4.1.1. The contracting Area Manager is responsible for contracting Extra Audit Services, so he/she shall assure that such services may be provided by the Independent Audit, pursuant to the terms of this Policy. In this sense, the Area Manager is responsible for obtaining proposals for hiring Extra Audit Services, together with the respective analysis of threatening the independence of such contracting, to be prepared by the Independent Audit itself, as well as the budget of the amounts involved for submission to the Audit Committee.

4.1.2. Upon completing the formalities above, the hiring proposals shall be submitted for analysis by the Audit Committee, together with the analysis of threatening the independence of the contracting, prepared by the Independent Audit, as well as with the budget of the amounts involved.

4.2. The opinion of the Audit Committee shall be forwarded, together with the hiring proposal, to the appraisal of the Board of Directors for approval or disapproval.

4.3. Extra Audit Services not falling into the scope of professional competence or that may jeopardize the independence and/or objectivity of the Independent Audit due to the threat of Conflict of Interests, Self-Review, Defense of Company Interests, Familiarity and/or Intimidation, shall not be contracted, including, but not limited to, the following services:

- (i) Accounting or other services related to the preparation of accounting records or financial statements;
- (ii) Design and implementation of financial information systems;
- (iii) Assessment or fairness opinions services;
- (iv) Asset revaluation services;
- (v) Advice on organizational restructuring;
- (vi) Establishment of recoverable value of assets, as well as amounts for the purpose of creating provisions, including for contingencies or technical reserves;
- (vii) Tax planning;
- (viii) Preparation of the Annual Income Tax Return for managers in the capacity of individuals
- (ix) Remodeling of accounting, information and internal control systems;

- (x) Actuarial services;
- (xi) Outsourcing of internal audit. In this event, the company shall not engage for internal auditing anyone who has performed independent auditing services for the company for a period of less than three years.
- (xii) Planning and/or implementing information technology systems representing a relevant part of the internal control over financial reporting or that generate significant information for the accounting statements;
- (xiii) Management or human resources roles;
- (xiv) Services of the type provided by investment banks (Corporate Finance);
- (xv) Legal and other services, usually provided by an expert, not related to the auditing;
- (xvi) Support services in litigation, judicial and extrajudicial expert evidence;
- (xvii) Any other product or service that influences or may influence the decisions made by the Company's management; and
- (xviii) [Any other service that the CFC or CVM may prohibit.]

4.4. Without prejudice to the guidelines set in this Policy, Extra Audit Services contracting shall comply, as applicable, with the rules of (i) third parties contracting as set forth in the Company's Policy for Hierarchy and Approval Levels for Purchases and Payments and in the Anti-Corruption Policy (*e.g.*, integrity due diligence procedure); and (ii) conflict of interest provided for in the Policy on Transactions with Related Parties and Other Situations involving Company's Conflict of Interest.

4.5. In compliance with the requirements set forth in ICVM 381/03, the Company shall disclose the following information related to the provision, by the Independent Auditor or by Independent Audit Related Parties, of any Extra Audit Service:

- (i) The contracting date, the effective term, if more than one year, and the nature of each service provided;
- (ii) The total amount of the agreed fees and its percentage as compared to the fees related to those of Independent Audit services;
- (iii) The policy adopted by the Company in order to avoid the existence of a conflict of interest, loss of independence or objectivity of its independent auditors.

4.5.1. The Company may fail to disclose the information required in item (ii) of Clause 4.4 above when the overall fees referred to therein represents less than 5% (five percent) of the fees for Independent Audit services.

5. RESPONSIBILITIES

5.1. Area Managers are responsible, according to the Company's approval levels, for:

- Obtaining proposals for hiring Extra Audit Services, together with the respective analysis of threatening the independence of such contracting, to be prepared by the Independent Audit itself, as well as the budget of the amounts involved for submission to the Audit Committee .
- Sending clarification to the Audit Committee on the need to hire Extra Audit Services.
- Hiring Extra Audit Services after obtaining the appropriate approvals, in compliance with the Company's policies and procedures.

5.2. The Audit Committee is responsible for:

- Supervising, inspecting and monitoring the activities of Independent Auditors in order to assess their independence, the quality of services provided and their adequacy to the Company's needs.
- Assessing and issuing an opinion on the hiring of any Extra Audit Services to the Board of Directors.

5.3. The Board of Directors is responsible for:

- Approving or disapproving the hiring of Extra Audit Services.
- Approving any changes and reviews to this Policy.
- Regulating any omissions in this Policy.
- Processing non-compliance with the obligations and rules established in this Policy and resolving on it, as applicable.

6. POLICY VIOLATION

6.1. Failure to comply with this Policy shall subject the breaching party to disciplinary penalties, in compliance with the Company's internal rules (*e.g.* Company's Code of Ethics), without prejudice to the applicable administrative, civil and criminal penalties, enforceable by the competent authorities.

7. EFFECTIVE TERM AND AMENDMENTS

7.1. This Policy comes into force on the day subsequent to its approval by the Company's Board of Directors and any amendments or reviews shall be submitted to the Board of Directors.

8. FINAL PROVISIONS

Effective Term: from July 10 2020.

1st Version: July 10, 2020.

Responsible for the document:

<i>Step</i>	<i>Responsible</i>
Preparation	Audit, Risks and Compliance Department
Review	[Legal Department] [Corporate Governance Committee]
Approval	Board of Directors

Amendment log:

<i>Version</i>	<i>Item amended</i>	<i>Reason</i>	<i>Date</i>
01	Original Version	N/A	07/10/2020

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