

**POLICY ON TRADING IN SECURITIES ISSUED BY
M. DIAS BRANCO S/A INDÚSTRIA E COMÉRCIO
DE ALIMENTOS**

MARCH 11, 2019

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**POLICY ON TRADING IN SECURITIES ISSUED BY 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, shall have the following meanings:

“Controlling Shareholders” or **“Parent Company”** - The shareholder or group of shareholders bound by a shareholders’ agreement or under common control exercising controlling power over M. DIAS BRANCO under Law No. 6.404 of December 15, 1976 (the Brazilian Corporation Law), as amended from time to time.

“Managers” – The statutory officers and the members of the Board of Directors of M. DIAS BRANCO, whether permanent or alternate.

“Material Act or Fact” or **“Material Information”** – Any decision of the Controlling Shareholders, resolution of the shareholders’ meeting or of the management bodies of the Company, or any other act or fact of a political and administrative, technical, business, or economic and financial nature occurring with or relating to its business which may have a significant impact on (i) the quotation of the Securities issued by the Company or referenced thereto, (ii) the decision of investors to buy, sell, or hold securities issued by the Company, and (iii) the decision of investors to exercise any rights inherent to the condition of holders of Securities issued by the Company or referenced thereto. In addition, each of the events listed in Art. 2 of CVM Instruction No. 358/2002 shall be deemed a material act or fact.

“Stock Exchanges” – B3, as well as any other stock exchanges on which the Securities issued by M. DIAS BRANCO are listed, whether in Brazil or abroad.

“B3” – B3 S.A. – Brasil, Bolsa, Balcão.

“Company” or **“M. DIAS BRANCO”** – M. Dias Branco S/A Indústria e Comércio de Alimentos.

“Fiscal Council” – The fiscal council of the Company, when installed.

“CVM” – The Brazilian Securities Commission.

“Chief Investor Relations Officer” – The statutory officer who supervises investor relations

and is in charge of providing all information required by the securities market laws and regulations, particularly to the CVM and to Market Entities, as well as of updating the registration of the Company with the CVM and monitoring and enforcing this Policy.

“Employees” – Any employees of the Company who, by virtue of their titles, roles, or positions at M. DIAS BRANCO, at the Parent Company, at the Subsidiaries, and/or at Affiliates, have permanent or occasional access to any Confidential Information.

“Market Entities” – Any Stock Exchanges or any entities of the organized over-the-counter market on which the Securities issued by the Company are or become listed, as well as any equivalent entities in other countries.

“Executives” – Any non-statutory officers or executives of the Company who, by virtue of their titles, roles, or positions at M. DIAS BRANCO, at the Parent Company, at the Subsidiaries, and/or at Affiliates, have permanent or occasional access to any Confidential Information.

“Confidential Information” – Any Material Act or Fact which has not yet been disclosed to the market.

“CVM Instruction No. 358/2002” – CVM Instruction No. 358 of January 3, 2002, as amended from time to time.

“Technical or Advisory Bodies” – Any committees or bodies of the Company created in accordance with the provisions of the bylaws or by internal resolutions and assigned with technical roles or designed to advise and assist the Managers.

“Connected Persons” – Any persons that maintain the following relationships with the Controlling Shareholders, Managers, and members of the Fiscal Council and of Technical or Advisory Bodies: (i) spouse, when not judicially or non-judicially separated, (ii) companion, (iii) any dependent included in the annual income tax return; and (iv) any companies directly or indirectly controlled by the Controlling Shareholders, by the Managers, by members of the Fiscal Council and of Technical or Advisory Bodies, and by Connected Persons.

“Related Persons” – A group of people consisting of (i) the Controlling Shareholders, (ii) the Managers, (iii) members of the Fiscal Council and/or Technical or Advisory Bodies, (iv) Executives, (v) Employees, (vi) any persons who, by virtue of their title, role, or position at the Parent Company, Subsidiaries, and Affiliates, have permanent or occasional access to Confidential Information, and (vii) Third-Party Contractors.

“Affiliates” – Any companies in which the Company has a sizable influence, understood as the investor holding or exercising the power to participate in decisions regarding the financial or operating policies of the investee but without controlling it; sizable influence is assumed when the investor holds twenty percent (20%) or more of the voting capital of the investee but without controlling it.

“Subsidiaries” – Any companies in which the Company, whether directly or through other subsidiaries, holds shareholder rights which permanently ensure its prevalence in any corporate resolutions and the power to elect a majority of their managers.

“Third-Party Contractors” – Any third-party contractors of the Company that have permanent or occasional access to Confidential Information, including, without limitation, independent auditors, securities analysts, advisors, and distribution system institutions.

“Deed of Adhesion” – The Deed of Adhesion to the Policy to be executed by the Related Persons in the form of **Exhibit A** to this Policy.

“Securities” – Any shares, debentures, subscription warrants, subscription receipts and rights, promissory notes, call or put options, indices and derivatives of any kind, or any other collective investment bonds or contracts issued by the Company or referenced thereto, including any derivatives which are deemed securities under law.

2. PURPOSE AND SCOPE

2.1. The purpose of this Policy on Trading in Securities Issued by M. Dias Branco S/A Indústria e Comércio de Alimentos (the **“Policy”**) is to establish the trading rules for Securities issued by the Company and its Subsidiaries so as to preclude insider trading and tipping practices, while preserving transparency in trading in Securities issued by the Company.

2.2. The rules established in this Policy apply to the Company and to the Related Persons, as the case may be.

3. REFERENCES

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

- (i) Law No. 6.385 of December 7, 1976 (the Capital Markets Law);
- (ii) Law No. 6.404 of December 15, 1976 (the Brazilian Corporation Law);
- (iii) CVM Instruction No. 358/2002;

- (iv) The B3 Novo Mercado Regulations;
- (v) The Bylaws of the Company.
- (vi) The Code of Ethics of the Company;
- (vii) The Policy on Disclosure and Use of Information of the Company.

4. RESTRICTIONS ON TRADING

4.1. In any of the following events, no Securities issued by the Company or any Related Persons may be traded (“Lock-Up Period”):

- (i) whenever any such Material Act or Fact occurs in the Company’s business as may be known to any Related Persons;
- (ii) whenever an option or mandate to conclude any purchase or sale of shares issued by M. DIAS BRANCO is in progress or has been granted by the Company itself or any of its Subsidiaries, Affiliates or other companies under common control;
- (iii) whenever there is an intent to proceed with a merger, total or partial spin-off, consolidation, transformation or corporate restructuring;
- (iv) in the period between a decision made by the relevant corporate body to increase or reduce the capital, distribute dividends, stock dividends or any derivatives thereof, split, reverse split or issue any other securities and the publication of notices or announcements to this effect;
- (v) in the period of fifteen (15) days prior to the disclosure or publication, where appropriate, of quarterly information (ITR) and standard annual financial statements (DFP); and
- (vi) during all periods in which, as ordered by written notice from the Company’s Investor Relations Officer, the Company’s Securities may not be traded.

4.1.1. The prohibitions set forth in items (i), (iii) and (iv) of Section 4.1 above shall cease as soon as the Company discloses a Material Act or Fact to the market, unless any trading upon disclosure of such Material Act or Fact can interfere with M. DIAS BRANCO’s business conditions so as to result in losses for the Company itself or its shareholders, and the Investor Relations Officer shall give notice of any such additional restriction.

4.1.2. The prohibition set forth in item (ii) of Section 4.1 above shall only exist on the date when the Company itself trades or notifies the Related Persons that it will trade in its own Securities.

4.1.3. The Company’s Investor Relations Officer is under no obligation to provide any rationale for their decision to order the Lock-Up Period set forth in item (vi) of Section

4.1 above, which decision shall be treated as confidential by those notified thereof.

4.1.4. Any absence of notice from the Investor Relations Officer of any Lock-Up Periods shall not release the Related Parties from complying with this Policy, as well as the provisions of CVM Instruction No. 358/2002 and the applicable laws in force.

5. EXCEPTIONS TO GENERAL RESTRICTIONS ON TRADING IN SECURITIES

5.1. The trading restrictions set forth in this Policy shall not apply in any of the following events:

- (i) transactions involving treasury shares by private trading in connection with the exercise of a call option in accordance with a stock option plan approved by the Company's shareholders' meeting;
- (ii) the Company's repurchase of any shares subject to a share repurchase program with a view to cancelling such shares or holding them as treasury shares;
- (iii) application of variable compensation received as profit-sharing payments to any purchase of M. DIAS BRANCO's Securities; or
- (iv) implementation of Individual Investment Programs by any Related Persons (other than Third-Party Contractors).

5.2. The trading restrictions set forth in this Policy shall not apply to the Company itself or any Related Persons as from the execution date of the Deed of Adhesion, when they carry out transactions falling within the scope of this Policy.

6. PROHIBITION AGAINST PURCHASE OR SALE OF THE COMPANY'S OWN SHARES

6.1. The Board of Director may not resolve on the Company's purchase or sale of its own shares for as long as the events listed below are not publicly disclosed by publication of a Material Act or Fact:

- (i) conclusion of any agreement or contract aiming at transferring a controlling equity interest in the Company;
- (ii) grant of an option or mandate to conclude any transfer of a controlling equity interest in the Company; or
- (iii) existence of an intent to proceed with a merger, total or partial spin-off, consolidation, transformation or corporate restructuring involving the Company.

6.2. If, upon approval of a repurchase program, any fact should arise which fits in any of the foregoing events, then the Company shall promptly suspend the transactions involving its own shares until the relevant Material Act or Fact is disclosed.

7. BLACKOUT PERIOD APPLICABLE IN CASE OF RESIGNATION

7.1. Without prejudice to the provisions of Section 9 below, any officers, members of the Board of Directors, members of the Fiscal Council or of any such technical or advisory bodies as may be created by statutory provision, who cease to be part of the Company's management prior to the public disclosure of any Material Act or Fact having commenced during their term in office may not trade in Securities issued by M. DIAS BRANCO during the periods set forth in the following items:

- (i) for a period of six (6) months of their resignation; or
- (ii) until the Company discloses the Material Act or Fact known to them, except if, in this case, the trading in Securities issued by the Company upon disclosure of such Material Act or Fact may interfere with the conditions of such deals, to the detriment of the Company itself or its shareholders.

7.1.1. Of the events set forth in Section 7.1, the first event to occur shall always prevail.

7.2. The prohibitions set forth in Section 7.1 above shall not apply in the event of an Individual Investment Program, to the extent that the requirements set forth in Section 9.3 below are met.

8. GENERAL PROVISIONS APPLICABLE TO BLACKOUT PERIODS

8.1. The prohibitions provided for in this Policy apply to any trades directly or indirectly carried out by any Related Persons, including in cases where such trades are carried out through:

- (i) any company controlled thereby;
- (ii) loan or lease transactions involving Securities issued by the Company;
- (iii) any third parties with which a trust or share portfolio management agreement is executed, including, but not limited to, any investment clubs; or
- (iv) any Connected Persons or any person to whom any Material Information may have been made known by any of the persons precluded from trading under this Policy and who are aware that said Material Information has not yet been disclosed to the market.

8.2. The prohibitions set forth in this Policy apply to both trades carried out on stock exchanges and over-the-counter market, whether or not organized, and to any trades regarding which no institution that is part of the distribution system acts as the intervening party.

8.3. For the purposes of the provisions of Article 20, paragraph one, of CVM Instruction No. 358/2002, any transactions carried out by any investment funds in which any Related Persons are shareholders shall not be deemed an indirect trade, provided that:

- (i) the investment funds shall not be exclusive; and
- (ii) the investment fund administrator's trading decisions cannot be influenced by the shareholders.

9. INDIVIDUAL INVESTMENT PROGRAMS

9.1. "Individual Investment Program" means any individual plans to purchase or sell any Securities issued by M. DIAS BRANCO filed at the Company's headquarters whereby any Related Persons (other than Third-Party Contractors) indicated their intent to invest their own funds in or to sell, in the long term, any Securities issued by the Company.

9.2. Participants in Individual Investment Programs are not allowed to: (i) keep more than one investment program in effect simultaneously; or (ii) carry out any such transaction as would offset or mitigate the economic effects of the transactions to be specified in the Individual Investment Program.

9.3. The Individual Investment Program shall be filed with the Investor Relations Area thirty (30) days prior to the conclusion of any trades and shall meet the following requirements:

- (i) to provide for a period of at least six (6) months for the program itself, or any amendments thereto or cancellation thereof, to take effect;
- (ii) to provide that no one can adhere to the program pending disclosure of any Material Act or Fact;
- (iii) to specify, on an irrevocable and irreversible basis, the dates and amounts or quantities of trades to be carried out by the participants;
- (iv) prior to the relevant filing, a schedule shall have been approved setting specific dates for disclosure of the Company's quarterly information (ITRs) and standard financial statements (DFPs);
- (v) to require its participants to revert to the Company any losses avoided or gains obtained from trades in Securities issued by the Company as a result of any change in the disclosure dates of quarterly information (ITRs) and standard financial statements

(DFPs), as measured according to reasonable criteria specified in the program itself; and
(vi) the purpose of the program must be the subscription, purchase or sale and/or assignment on lease of Securities issued by the Company.

9.4. So long as they comply with the provisions of this Policy and the regulations in force, Individual Investment Programs may allow their participants to trade in Securities issued by the Company during any of the Blackout Periods set forth in items (i) through (v) of Section 4.1 above.

9.5. Except in an event of Force Majeure duly justified in writing, any Securities purchased under an Individual Investment Program may not be sold before the ninetieth (90th) day of the purchase date.

9.6. The Investor Relations Officer shall assess and comment on the applicability of any Individual Investment Program relative to the regulations in force, and may refuse to file it with the Company should it be in conflict with this Policy or any applicable laws.

9.7. The Company's Investor Relations team shall keep specific, individualized controls for all Individual Investment Programs and notify the Investor Relations Officer of any events of non-compliance therewith.

9.8. The Board of Directors shall check, at least every six months, through a report from the Investor Relations Area, the trades carried out under Individual Investment Programs for compliance.

9.9. The Investor Relations Area shall request clarifications from the relevant participants in any events of non-compliance, and it may also request further explanations on the relevant Individual Investment Programs.

9.10. An Individual Investment Program shall be cancelled upon notice to the participant or otherwise upon non-compliance with its terms. In either event, a new proposed Individual Investment Program may be submitted within a period of six (6) months of the date of such notice or non-compliance, as the case may be.

9.11. For Related Persons (other than Controlling Shareholders and Third-Party Contractors) and their respective Connected Persons, any trade in Securities issued by the Company in conflict with the provisions of an Individual Investment Program constitutes breach of the Company's Code of Ethics as well, and may lead to the program being revoked, without prejudice to the application of any sanctions set forth in said Code of Ethics.

10. RESPONSIBILITIES

10.1. The Board of Directors shall be responsible for:

- Approving any amendments to and revisions of this Policy;
- checking, at least every six months, through a report from the Investor Relations Area, the trades carried out under Individual Investment Programs for compliance, for the purposes of Article 15-A, paragraph 4, of CVM Instruction No. 358/2002;
- handling any non-compliance with obligations and rules established in this Policy by Related Persons and their respective Connected Persons and adopting resolutions thereon.

10.2. The Investor Relations Area shall be responsible for:

- Monitoring and enforcing this Policy;
- giving notice of the beginning and ending of any Blackout Periods, except for those already contemplated by the applicable regulations;
- assessing, filing and monitoring any Individual Investment Programs provided for in Section 9 of this Policy;
- sending to the Board of Directors and bringing to their attention, at least every six months, the results of the monitoring of Individual Investment Programs, for the purposes of Article 15-A, paragraph 4, of CVM Instruction No. 358/2002;
- handling any non-compliance with obligations or rules established in this Policy by any Related Persons and their respective Connected Persons and adopting a resolution thereon;
- investigating any violations of this Policy and forwarding them to the Ethics Committee and to the Board of Directors, as applicable; and
- clarifying any doubts regarding the application or interpretation of the provisions of this Policy, of law, and of the applicable regulations.
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10.3. The Ethics Committee shall be responsible for:

- handling any non-compliance with obligations and rules established in this Policy by Related Persons (other than Controlling Shareholders and Third-Party Contractors) and their respective Connected Persons and adopting resolutions thereon.

11. VIOLATION OF THE POLICY

11.1. Failure to comply with this Policy shall subject the wrongdoer to disciplinary sanctions in accordance with the internal rules of the Company (e.g. the Company's Code of Ethics), without prejudice to any applicable administrative, civil, and criminal sanctions that may be imposed by the relevant authorities, including, without limitation, capital markets regulators (e.g. the CVM).

11.1.1. Without prejudice to the provisions of Section 11.1 above, the Chief Investor Relations Officer shall be responsible for investigating any violations of this Policy and forwarding any such violations to the Ethics Committee and to the Board of Directors of the Company, as applicable.

11.2. The Board of Directors and/or the Ethics Committee of the Company, as the case may be, shall be responsible for taking any disciplinary measures applicable within the Company, including reporting to the relevant authorities and/or removal or dismissal of the wrongdoer.

11.3. Any person who, having adhered to the Policy, becomes aware of any violation of the Policy shall immediately report such event to the Chief Investor Relations Officer, and the latter, if applicable, shall report it to the Board of Directors and/or to the Ethics Committee of the Company.

11.4. The provisions of this Policy do not exclude the statutory liability of any third parties not directly related to the Company who become aware of any Material Act or Fact.

11.5. The Company shall adopt the following procedures and measures, without prejudice to any others it may deem necessary, to avoid and monitor any violations of the Policy:

- (i) Requiring the Related Persons to execute a Deed of Adhesion in accordance with **Exhibit A**;
- (ii) notices sent to Related Persons by the Investor Relations Officer advising of the opening and closing of trading windows during any Blackout Periods;
- (iii) monitoring Individual Investment Programs;
- (iv) conducting periodic training, the periodicity and contents of which shall be determined by the Investor Relations Area.

12. DEED OF ADHESION

12.1. Adhesion to this Policy shall occur by execution of a Deed of Adhesion (**Exhibit A**), which shall be kept at the headquarters of the Company for as long as the signatory thereof

maintains a relationship with the Company and for at least five (5) years after the termination of such relationship, in accordance with the provisions of Art. 16, paragraph 1 of CVM Instruction No. 358/2002.

12.1.1. The execution of the Deed of Adhesion by Related Persons shall occur, as the case may be, at the time of their hiring, election, promotion, or transfer or at the time when they become aware of any Confidential Information, and they shall state therein that they acknowledge agree to comply with the terms of this Policy.

12.1.2. The adhesion of any Third-Party Contractors is under the responsibility of the respective contracting area, which shall identify whether such Third-Party Contractor will adhere to this Policy. If such adhesion is necessary, the contracting area shall ensure the inclusion, in the contract entered into with such Third-Party Contractor, of a contractual clause subjecting such person to comply with the guidelines set forth in this Policy and to execute a Deed of Adhesion.

12.2. The Company shall, through the Investor Relations Area, keep at its headquarters a list of persons who have executed the Deed of Adhesion and their respective details, indicating the position or role, address, and Individual and/or National Corporate Taxpayers Register number of each such person, and update it upon any change. Whenever this Policy is amended, the signatories of Deeds of Adhesion shall execute new deeds and promptly deliver them to the Company. Such documents shall be kept at the disposal of regulators.

12.3. The Related Persons shall acknowledge and adhere to the terms of the Policy as provided for in this Section 12; however, no omission in such acknowledgement and adhesion shall exempt any Related Persons that are subject to the Policy from the duty to comply with it.

13. EFFECTIVENESS AND AMENDMENTS

13.1. This Policy shall be effective on the first day following its approval by the Board of Directors of the Company, and any amendment or revision thereto shall be submitted to the Board of Directors itself. It should be noted that this Policy shall not be amended pending disclosure of a Material Act or Fact.

13.2. Any amendment to this Policy shall be reported to the CVM and to the Market Entities by the Chief Investor Relations Officer in the manner required by the applicable rules as well as to any the Related Persons that have executed a Deed of Adhesion.

14. FINAL PROVISIONS

Effective Date: March 11, 2019.

1st Version: August 11, 2006.

Document owner:

<i>Phase</i>	<i>Owner</i>
Preparation	Investor Relations Area
Revision	Legal Area
Approval	Board of Directors

Change history:

<i>Version #</i>	<i>Item Modified</i>	<i>Reason</i>	<i>Date</i>
01	Original Version	N/A	August 11, 2006
02	Various	N/A	July 28, 2014
03	Various	- Split of the Disclosure Policy. - Adjustments resulting from CVM Instruction No. 568/2015. - Adjustments resulting from CVM Instruction No. 590/2017. - Adjustments resulting from the new version of the B3 Novo Mercado Regulations.	March 11, 2019

* * *

EXHIBIT A

**DEED OF ADHESION TO THE POLICY ON TRADING IN SECURITIES ISSUED BY M. DIAS BRANCO
S/A INDÚSTRIA E COMÉRCIO DE ALIMENTOS**

By this instrument, [*please insert name and details*], resident and domiciled at [*please insert full address*], enrolled with the Individual Taxpayers Register of the Ministry of Finance under No. [●], bearer of Identity Card [*Identity Card (RG) or Foreigner's Identity Card (RNE)*] No. [●], hereinafter simply referred to as the "Declarant", in the capacity of [*please insert title, position, or relationship with the company*] of [*please insert the name of the Company, Parent Company, Subsidiary, or Affiliate*], a joint-stock corporation with its principal place of business at [*please insert full address*], enrolled with the National Corporate Taxpayers Register of the Ministry of Finance under No. [●], hereinafter simply referred to as the "Company", hereby fully acknowledges the rules contained in the Policy on Trading in Securities Issued by **M. DIAS BRANCO S/A INDÚSTRIA E COMÉRCIO DE ALIMENTOS** ("Trading Policy"), as approved at the meeting of the Board of Directors held on March 11, 2019, a copy of which he/she represents to have received as of the date hereof, and agrees to always guide his/her actions in full compliance with such rules.

The Declarant has executed this Deed of Adhesion in three (3) identical counterparts, in the presence of the two (2) undersigned witnesses.

[*please insert place*], [*please insert date of execution*].

[*please insert name, position, and signature of the declarant*]

Witnesses:

Name:
Identity Card (RG) No.:
Individual Taxpayers Register (CPF) No.:

Name:
Identity Card (RG) No.:
Individual Taxpayers Register (CPF) No.: