

SEVENTH EDITION :: JUNE 2018

Code of Ethics

A COMMITMENT
BY ALL OF US





Introductory Message	06
1 Compliance with legislation is a requisite of all our activities	08
2 Reliance by our customers and consumers is our greatest asset	10
3 We are concerned with the integrity, health and safety of our staff members	12
4 We employ a transparent relation with our stakeholders	14
5 We respect free competition	16
6 We deal fairly with our suppliers	18
7 The interests of M. Dias Branco prevail over our personal interests	20
8 We handle our information with professionalism	22
9 We respect the environment and the surrounding community	24
10 We are responsible for our business' continuity	26
Glossary.....	28
Alphabetical Index.....	32
Ethics Channel.....	34
Commitment Agreement	36



INTRODUCTORY Message



M. Dias Branco hereby reedits and discloses its Code of Ethics with a view to confirming the principles and values that have guided us throughout our existence, reviving them and bearing in mind the new challenges encountered in the business environment.

We are aware that the attitudes adopted in our daily activities express our personality, our image and our legacy. We believe that our reputation acquired across generations is the outcome of discipline and hard work in upholding our ideals and of business continuity. we are convinced that the ongoing search for improved results should be supported by broadly disseminated ethical principles in the organization, inspiring others to emulate our example.

This Code of Ethics regulates the behavior of all the employees and legal representatives of M. Dias Branco, its subsidiaries and affiliated companies, clearly outlining the standards of behavior that are expected in relation to our work colleagues, family members, clients, commercial partners, investors and consumers. These persons are aware of the provisions of this Code of Ethics and its revisions, such which may be made at any time, by means of the signing of the Terms of Commitment and in-person or electronic training sessions depending upon applicability.

The Company provides its employees with periodic training on the Code of Ethics, whilst, for new employees, this matter is included in the Manual of Integration for New Employees.

This Code of Ethics is available for consultation on the intranet and on the Company's website.



All of our staff members and legal representatives should fully comply with applicable legislation, whether municipal, state or federal. We will require from our business partners a posture similar to ours in meeting legal provisions. Furthermore, our internal procedures that need to be in line with legislation in force should also be fully complied with.

Our relations with government entities, regulating agencies and other kinds of public authorities are based on ethics and transparency. We are opposed to all kinds of unlawful conduct and corrupt activities.

1 Compliance with legislation is a requisite of all our activities





2 Reliance by our customers and consumers is our greatest asset



Our consumers invite us every day to enter their homes and sit at their table. Nobody does this in the absence of confidence. We are therefore committed to provide healthy, safe, delicious and quality goods.

We will do our best to honor the commitments assumed with our customers. We permanently seek to provide speedy deliveries, fair prices and easy access for contacts at any time. With regard to assistance, we do not discriminate between different kinds of customers and consumers. Everybody should be addressed courteously and respectfully, with the provision of clear and objective information on the business undertaken. Customers with similar features should deserve equal treatment.

With modesty in recognizing that we will not always be able to meet every customer and consumer expectation, we are receptive to listen to improvement suggestions by means of our Customer Assistance Service (CAS), over the telephone and/or by electronic means.



3 We are concerned with the integrity, health and safety of our staff members

We are committed to treating all our employees fairly and equally, respecting each of their personal individualities. We appreciate diversity and declare ourselves to be against prejudice and discrimination of any nature (race, color, age, gender, religion, sexual orientation, marital status, physical disabilities or special needs).

We reprimand attitudes of moral or sexual assault, be they physical or verbal. Within the sphere of our operations, be they our own or those of our commercial partners, we do not tolerate the use of violence, working whilst under the effects of alcoholic beverages or narcotic substances, the illegal carrying of arms, labor that is involuntary (forced, prison-based, coerced or slave) or performed by children, sexual exploitation, or human trafficking.

We respect free political opinion, and the free membership of political parties or unions, as well as the right to collective bargaining.

The health and safety of our staff members, visitors and service providers are non-negotiable values. We strive for a safe and healthy work environment for everyone involved in our operations, providing work areas with appropriate standards of cleanliness and organization.

We amply enhance and disclose our safety standards, which must be complied with by staff members, visitors or service providers when performing any tasks, even those that are simple and routine. We encourage awareness of risks to which we are exposed and how to avoid them.

We are in charge not only of our own safety, but also of that of our fellow workers. On noticing any insecure practice by ourselves or other persons, not in compliance with the defined safety standards, we should adopt a pro-active posture in order to cease the activity immediately until we have appropriate conditions to carry it out. We do not wish to weigh our conscience with our omission. Family members and friends expect us to return safely to our homes every day.



4 We employ a transparent relation with our stakeholders



Information provided to the market is clear, timely and transparent. When preparing and disclosing our financial statements as well as any other official notice, we act in good faith and employ principles generally accepted in Brazilian and international accounting. We are aware of the importance of precision in our figures, as they are the basis for analyses and strategic decisions that will affect the Company's future.

We value the confidentiality of our information and hence official notices are only disclosed through our Investor Relations area, respecting procedures established by capital market regulating bodies. We do not allow our professionals to negotiate or to recommend Company shares based on inside information not known by the public. Inside information likely to influence buying and selling decisions involving our shares cannot even be commented with family members and friends or in public places.

We respect our investors' right to equal treatment by everybody that operates in the market. We adopt formal security disclosure and trading policies filed at the Securities Commission (Comissão de Valores Mobiliários - CVM), and we oversee their compliance.

Our Board of Directors relies on support by the Audit Committee, duly structured in accordance with good corporate governance practices and in charge of retaining and supervising audit activities and risk management. Our auditors, whether external or internal, are entirely independent and no information should be concealed from them, save when legal secrecy duties prevent their disclosure.



5

**We respect
free
competition**



The Brazilian System for Upholding Competition (Sistema Brasileiro de Defesa da Concorrência - SBDC) establishes rules to prevent and counter the formation of cartels, market and territorial division, price agreement, unlawful barriers against newcomers and undue use of dominant positions. In tune with these precepts, we are in favor of acting in a competitive market economy contrary to actions likely to restrict or limit selection by consumers.

We do not participate formally or informally, directly or indirectly, individually or collectively, in any predatory economic activity contrary to good free competition practices. We will participate only in lawfully accredited official associations and sectoral groups. We reject industrial espionage or corporate practices, we do not employ information obtained unlawfully and expect reciprocity in treatment by our competitors.

Our values are above commercial disputes. We compete intensely, yet in an ethical form. We seek to be different in the market through product quality and innovation, by our teams' creativity, consumer confidence and excellence standards in assistance.





6

We deal fairly with our suppliers



We constantly emphasize the importance of regulating our business relations by entering into agreements, relying on the valuable support by our Legal department in every such case.

We understand the need for reciprocal confidence in relations with our business partners, and we therefore select them clearly and fairly based on merit and objective criteria. We are aware that requesting or receiving any sort of personal benefit in exchange of advantages in transactions with business partners is an act of serious dishonesty.

Gifts, pens, notebooks, calendars and items of a value not in excess of one-half minimum salary in force, are deemed natural in corporate relations. On the other hand, leisure trips, courses not related to the activity, luxurious gifts, loans, money, personal favors, debt payment, services or entertainment, are some examples of advantages that we should not receive.

For any cases in which there remains any doubt, the Ethics Committee should be consulted through use of the Ethics Channel. As a means of guaranteeing transparency in our operations, we also make the Code of Ethics and access to the Ethics Channel available to our suppliers, should they feel impaired in any negotiation.



7 The interests of M. Dias Branco prevail over our personal interests



We value the integrity, preservation and good use of Company assets, whether tangible (vehicles, machinery, facilities, computers, etc.) or intangible (trademarks, technological systems, etc.). We are aware of our obligation that all the resources provided to us by M. Dias Branco should be employed with care, prudence and efficiently in the best interests of Company business, and in compliance with this Code of Ethics' essence.

We will not tolerate conflicts of interests and biased attitudes. We will not create inappropriate bonds from an ethical viewpoint, likely to jeopardize our independence and equality in treatment. We should avoid attitudes likely to cause adverse impressions to our correct behavior or raise suspicions against the impartiality of our decisions. It is our duty to report to the Ethics Channel any conflicts of interests or unfair advantages obtained by unauthorized persons.

Activities and relations maintained by us outside of the Company should not conflict or compete with M. Dias Branco's best interests. Our outside personal interests, whether business, political, social, religious or family, should not cause risks to the Company's good standing; they should not impact adversely on our availability for work obligations or interfere in our professional performance. During our personal outside activities we will not benefit unduly from the name or reputation of M. Dias Branco and its subsidiaries. The Ethics Committee should be heard in every case of a likely conflict of interests.

Transactions that we might possibly undertake with related parties are subject to good market practices, formalized by agreements and defined under technical and financial criteria. Such transactions are disclosed transparently and in due time, always in compliance with the best interests of M. Dias Branco and its associated companies.



8

**We handle our
information with
professionalism**

We are careful with strategic information and with Company intellectual property, respecting its confidentiality even after the end of our labor bond. Product recipes, engineering projects, marketing strategies, customer and supplier agreements, staff members' personal data, market statistics or any other kind of information not officially disclosed by the Company, should have their secrecy preserved. Information obtained from customers and suppliers or from any other business partners during joint transactions with M. Dias Branco and its subsidiaries, should be subject to the same confidential treatment given to the Company's own information.

When dealing with news agencies or press entities, we are aware that we are not authorized to disclose information or issue opinions on behalf of M. Dias Branco and its subsidiaries. We are aware that any public notices should be made by Senior Managers or by persons appointed by the latter, pursuant to the nature of the topics.

Passwords received for access to IT systems are individual and restricted to the persons authorized. We do not disclose or share them with anybody. We have adopted the required care against use, installation and unlawful software distribution, as well as against dissemination of viruses, spam and programs likely to cause damage to Company systems.

We do not use Company technology resources for purposes not related to this Code of Ethics' ends and values, such as, for example, to transmit obscene, discriminating or violent contents as well as junk mail of any kind. We are aware that the information contained in our computers, systems network and corporate email addresses are restricted for use in our professional activities, and as they are M. Dias Branco property, they may be monitored within legal limits.



9

**We respect the
environment and
the surrounding
community**

We seek permanently to absorb impacts that our activities may possibly cause to the environment. We have put in place actions that meet environmental legislation and requirements by the competent bodies, in proceedings to apply for, maintain and renew our operating licenses.

We are interested in dialogue and are open to interacting with the different publics and communities neighboring our Units. We seek to coexist in harmony, by maintaining good corporate citizenship and social responsibility principles. Our concept of sustainability is not restricted to institutional welfare practices, but rather to the creation of the necessary conditions that perpetuate our activities.



10 We are responsible for our business' continuity



We should always act preventively in order to prevent operating errors or inappropriate ethical conduct from taking place when performing our activities. To this end, we rely on support by our leaderships and the Company's many support areas, such as for example Legal Counsel, Risk Management and Organizational Development. When we detect problems of this nature, we should report them through the Ethics Channel and view them as improvement opportunities, adopting a dignified, respectful and participative posture in seeking solutions.

Breaking rules entails consequences, the worst of which are a lack of confidence. We will adopt corrective and disciplinary actions whenever we have evidence of circumstances in which such steps are required. Our ethical conduct is essential for the Company's sustainability, strengthening links and solidifying our legacy.

Acting within the best ethical standards is a responsibility that we cannot delegate. We are aware that the obligation of informing every case of inappropriate conduct is nothing more than a consequence of our commitment for M. Dias Branco to continue on its path of success free from adverse influences. To this end, we also rely on support by our stakeholders.

In those cases in which this Code of Ethics is not sufficient to resolve any likely issues, its essence and intention serve as guidance for our decisions. Whenever we raise doubts regarding the principles and values intended to guide our lives in the Company, we will be encouraged to make us of the Ethics Channel, whether by telephone, email or Internet forms. We are certain that our identity's secrecy is safe and that we will not be subject to retaliation on reporting in good faith any practices opposed to this Code.

The Company relies on an Ethics Committee to deal with claims submitted through the Ethics Channel, composed of Legal Counsel, Audit, Risks and Compliance and Organizational Development senior managers. The Ethics Committee reports directly to the Audit Committee, a body under the Board of Directors.

Glossary

Associated Company

A company whereby one holds a 10% (or greater) equity interest in another, without controlling it.

Board of Directors

Its key attributions are: devising, monitoring and assessing the Institutional Management Policy, comprising human and financial resources, infrastructure and physical development, based on the Institutional Policy defined by the Senior Board. It should also make decisions on activities under its jurisdiction, based on specific attributions conferred on it.

Capital Market Regulating Bodies

Brazil's financial and capital markets are regulated by the National Monetary Council (Conselho Monetário Nacional - CMN), the Central Bank (Banco Central do Brasil - BACEN) and by the Securities Commission (Comissão de Valores Mobiliários - CVM). CMN, BACEN and CVM are the chief parties in charge of regulating activities by the financial and capital markets in Brazil, and the last two are charged with monitoring and supervising in the scope of their respective areas of activity.

Conduct

Moral procedure (good or bad); behavior.

Conflicts of Interests

Any relationship that is not or seems not to be in the Company's best interests. Conflicts of Interests could jeopardize a person's ability to objectively perform his/her duties and responsibilities.

Corrupt Activities

Misappropriation of public funds that provide unlawful advantages in the form of legal tender or benefits to persons involved and/or to third parties.

Dishonesty

Incorrect, dishonest, unlawful and abusive conduct, with undue enrichment.

Ethical Principles

Principles based on ethical behavior in connection with: integrity, honesty and impartiality in actions and decisions; transparency and justice; respect for dignity, value and equality by others; tolerance of cultural differences and outlooks.

Ethics Channel

A means whereby staff members and other interested parties should seek a relation with the Company in order to record events (criticism, queries, accusations, compliments and suggestions). **Subsidiary**
A company whereby an investor controls directly or indirectly its operations.

Ethics Committee

Responsible for undertaking tasks that contribute to disseminate and share concepts, principles and best ethical practices in the Company; and gives opinions, forwards and monitors reports received (criticism, queries, accusations, compliments and suggestions) in the Ethical Channel. Absolute secrecy of contact details is ensured, if desired, to informers.

Formation of Cartels

An explicit agreement between competitors, chiefly intended to fix prices and production quotas, divide customers and markets of activity or, by means of a coordinated action among participants, to eliminate competition and raise prices of goods, obtaining increased profits in detriment of consumer welfare.

Foundations

Anything that serves as a base, foundation or support for something else.

Good Market Practices

These are principles with objective recommendations, which combine interests with the purpose of preserving the Company's reputation and optimizing its social worth, expediting its access to funds and contributing to its continuity.

Glossary

Governance

Corporate Governance is the system whereby companies are managed, monitored and encouraged, comprising relations between owners, Board of Directors, Executive officers and control bodies. Good Corporate Governance practices convert principles into objective recommendations, aligning interests with a view to preserving and optimizing the Company's value, expediting access to resources and contributing to its continuity.

Guidelines

Set of instructions or indications in order to create and put in place a plan or an action or a business.

Intellectual Property

Warrants that any product of the intellect (invention) will justify a reward for its creation. Intellectual property may be divided into copyrights (literary and artistic works, computer programs, Internet domains and immaterial culture) and industrial property (patents, trademarks, industrial designs, geographical indications and protection of plantations).

News Agency

A news editor specialized in disclosing information and news directly from sources to communications vehicles. News agencies do not provide information directly to the public, but to newspapers, magazines, radios, Tvs, websites and the so-called media, which consequently mediate communications between sources and readers/spectators.

Public Authority

The group of agencies with authority to undertake State transactions, consisting of the Legislative, Executive and Judicial Authorities.

Regulating Agencies

Government agencies intended to control, regulate and/or inspect activities by a certain sector in a country's economy. Examples: National Sanitary Surveillance Agency (Agência Nacional de Vigilância Sanitária - ANVISA);

National Overland Transportation Agency (Agência Nacional de Transporte Terrestre - ANTT).

Related Parties

Companies that are directly or indirectly under the same equity control, among which: i. companies with managers in common or likely to influence and/or benefit from certain decisions; ii. a company with its shareholders, quota-holders and managers (under any names or titles of their offices) and with family members up to the third degree, of related individuals; iii. a company with its direct or indirect subsidiaries and associated companies, or with shareholders, quota-holders and managers of its subsidiaries and associated companies and vice-versa; and a company with suppliers, customers or creditors with which it has a business and/or financial dependence relation, or of another nature that allows such transactions.

Risk Management

A process that detects, assesses, manages and controls potential events likely to prevent compliance with Company targets.

Sustainability

Term employed to define human actions and activities intended to supply human beings' current needs, without jeopardizing the future of coming generations. In other words, sustainability is directly related to economic and material development, without adversely affecting the environment and employing natural resources intelligently, preserving them for the future.

Unlawful Conduct

Conduct Actions or omissions opposed to the law, from which may arise damages to other persons and/or to the Company.

Table of contents

A	
Audit Committee.....	15, 27
B	
Board of Directors	15, 27
Brazilian System for Upholding Competition	17
C	
Capital market regulating bodies.....	15
Care	21
CAS.....	11
Communities	25
Conduct	7, 27
Confidentiality.....	15, 23
Conflicts of Interests.....	21
Corporate Governance	15
Corrective and disciplinary actions	27
Customers.....	11, 23
D	
Discriminating	23
Dishonesty.....	19
E	
Engineering projects	23
Environmental legislation	25
Ethical principles.....	7
Ethics and transparency	9
Ethics Channel.....	19, 21, 27, 34
Ethics Committee.....	19, 21, 27
Ethics.....	9, 17, 27
F	
Financial Statements	15
Formation of cartels.....	17
G	
Good market practices.....	21
H	
Handouts	19
I	
Intellectual property	23
Investor relations	15

L	
Legal department.....	19
M	
Marketing strategies	23
Moral or sexual assault	13
N	
News agencies.....	23
O	
Obscene contents	23
Official notice	15
Operating licenses	25
P	
Passwords	23
Personal favors	19
Personal interests	21
Press entities	23
Principles of citizenship	25
Public authorities	9
R	
Regulating agencies	9
Related parties	21
Risk management.....	15
S	
Safety standards	13
Secrecy	15, 23, 27
Securities Commission	15
Social responsibility	25
Software.....	23
Strategic Decisions	15
Subsidiaries and affiliated companies	7
Suppliers	19, 23
Sustainability	25, 27
T	
Technology resources	23
The environment	25
U	
Unlawful	9, 17
V	
Violent	23
W	
Work environment	13



Ethics Channel

M. Dias Branco provides to its employees and any other interested parties the Ethical Channel, an exclusive means of communication for the reporting of doubts, suggestions, criticisms or complaints related to the Code of Ethics. The Ethical Channel is an outsourced service, free and confidential, accessible by telephone, e-mail, mailbox or Internet.

It is worth mentioning that this channel guarantees the anonymity of the caller, in other words, the identification is optional.

The contacts of the Ethical Channel are constantly disclosed to our employees in the Company's internal communication, as well as available on the website www.mdiasbranco.com.br.





Commitment Agreement

The M. Dias Branco Code of Ethics defines the ethical principles and values that must be complied with by all staff members in their relations with fellow workers, suppliers, customers, stakeholders, family members and other publics.

I acknowledge receipt and am hereby committed to fully comply with it in all of my working activities. I am aware of my obligation to report any violation of the principles established in this Code by means of the Ethics Channel.

I am aware that the Code of Ethics is the M. Dias Branco internal standard, and that disciplinary sanctions may be enforced for non-compliance with any of its rules, without prejudice to the applicable legal procedures.

Code of Ethics

Sixth Edition

ACKNOWLEDGMENT FORM

The M. Dias Branco Code of Ethics defines the ethical principles and values that must be complied with by all staff members in their relations with fellow workers, suppliers, customers, stakeholders, family members and other publics.

I acknowledge receipt and am hereby committed to fully comply with it in all of my working activities. I am aware of my obligation to report any violation of the principles established in this Code by means of the Ethics Channel.

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Name: _____

RE: _____ Date: _____

Position: _____

Unit: _____

City State _____

Signature



For further information on
M. Dias Branco, go to our website:
www.mdiasbranco.com.br

