



## **Anti-Competitive Practice Prevention Corporate Policy**

### **English Version**

#### **1 OBJECTIVE**

Establish the guidelines to be adopted by the Employees of BRF S.A. and its subsidiaries, in any country (“BRF” or the “Company”) and other professionals acting in the name of or for the benefit of the Company, regarding the prevention of economic violations in the context of interactions in (i) M&A Projects, (ii) interactions with Competitors, directly or through business associations, and (iii) the Company’s business practices, to ensure that such conduct is in full compliance with the Antitrust Law, free competition, and other Applicable Laws and Regulations.

For the purposes of this Policy, underlined terms and variations thereof shall have the meanings ascribed to them in the Glossary.

#### **2 APPLICABILITY**

This Policy applies to all BRF Employees as well as any Third Parties located in Brazil or any other country (together, “Persons”). All Third Parties must assure that acts performed on behalf of BRF or relating to the provision of services, supply of materials, or procurement of products for or from BRF meet the same integrity standards as those expected of BRF Employees.

#### **3 ROLES AND RESPONSIBILITIES**

The Compliance Department is responsible for clarifying any questions related to this Policy, for establishing the necessary procedures for its implementation, for ascertaining compliance and any violations of this Policy, for disseminating the guidelines of this document (for example, training sessions), as well as for providing support to other areas involved in processes related to this Policy. It is also mandatory that the Compliance Department keeps this Policy updated, ensuring that any changes to Applicable Laws and Regulations are reflected in the general guidelines and rules set forth in this Policy.

The Legal Department is responsible for providing support to the Compliance Department to ensure compliance with this Policy by the Employees, making itself available to answer any questions related to the Policy and the application thereof, as well as Antitrust Law and other Applicable Laws and Regulations. It is also mandatory that the Legal Department reports to the Compliance Department any suspected irregularities or noncompliance with the guidelines and general rules of this Policy of which it may become aware.



It is mandatory that all Persons know, respect, and disseminate the guidelines set forth in this Policy, as well as participate the training sessions to which they are summoned and report to the Transparency Channel any suspected violation of Applicable Laws and Regulations, the Transparency Manual, this Policy, or other BRF policies of which they become aware.

#### **4 GUIDELINES**

Competition is the dispute between rival and independent producers of goods or service providers over consumer preference. When competition for consumers is not composed of illicit arrangements between Competitors or abusive practices, society as a whole can benefit from lower prices, better products, more alternatives, and more innovation.

In Brazil, defense of competition is promoted by Federal Law No. 12,529, of November 30, 2011, which structures the Brazilian Antitrust System and provides for the prevention and repression of violations against the economic order.

In Brazil, any commercial practice that may hinder free competition may constitute an infraction against the Antitrust Law. In Brazil, by way of example, CADE is the agency responsible at the administrative level for investigating and punishing such violations, and may impose fines of up to 20% of the company's annual gross revenues in the branch of activity in which the violation occurred, as well as fines for the individuals involved. In addition, infractions may also cause civil damages, resulting in compensation in suits for damages, reputational damage, and deviation of executive focus; and in the case of cartels, the individuals involved are also subject to criminal sanction.

BRF is prepared to compete successfully in the business environment and will always do so in compliance with Applicable Laws and Regulations and its Employees must at all times ensure faithful compliance with laws and regulations and this Policy, avoiding at all costs adopting price fixing practices or any other illegal measures in order to obtain information from Competitors or improper business advantages.

In this regard, BRF points out that while this Policy is intended to provide an overview of practices prohibited by the Antitrust Law and other Applicable Laws and Regulations pertaining to Employees, the Policy is not intended to address all issues that BRF Employees may face in the various businesses in which they participate and in the various jurisdictions served by the Company, which may have different rules on the protection of free competition. If in doubt about how to proceed in a particular situation, please consult the Legal Department or the Compliance Department.

#### **4.1 INTERACTIONS IN M&A PROJECTS**

Employees who are involved in M&A Projects should avoid sharing Sensitive Competitive Information with representatives of parties involved in the project,



particularly when the recipient of the information is a Competitor of the Company. This restriction does not apply to consultants of the Company hired to advise it on such M&A Projects, provided that the exchange of information occurs after the signing of a confidentiality agreement approved by the Legal Department.

While CADE and other competition agencies recognize that any M&A Project entails some level of exchange of information between the parties involved, especially in the context of due diligence, the sharing of Sensitive Competitive Information should be limited to the minimum necessary, and Employees should seek to reduce the competitive impact of such sharing by ensuring that information is as consolidated as possible and shared with as few representatives of the other parties as possible. At the discretion of the Legal Department, it may be necessary to create a clean team, i.e., a limited group of people, whether they are representatives of the other party involved in the M&A Project or external advisors, subject to certain rules, who are entitled to review Sensitive Competitive Information. Neither advance payments nor any integration of teams, services, or products should be carried out, in order not to anticipate any effects of the M&A Projects, unless the consummation of the M&A Project has been definitively approved by CADE or the corresponding competition agencies in other jurisdictions.

The total or partial consummation of M&A Projects, including any excessive sharing of Sensitive Competitive Information, may constitute the practice of gun jumping, giving rise to liability, in Brazil, for fines, according to the Applicable Laws and Regulations, and nullity of the acts performed, in addition to the possibility of opening an administrative proceeding to investigate any offense against the economic order. Other jurisdictions establish penalties similar to those in Brazilian laws and regulations. If in doubt, please consult with International Legal Management.

## **4.2 INTECATIONS AND AGREEMENTS WITH COMPETITORS**

Antitrust Law and other Applicable Laws and Regulations prohibit agreements between Competitors that have the intention or effect of preventing, restricting, or distorting competition, or sharing Sensitive Competitive Information. This prohibition is broad and encompasses any kind of agreement, whether oral or written, explicit or tacit, formal or informal, and such agreement between Competitors is always considered unlawful, even if it is not implemented or has no effect.

In this sense, BRF Employees should not approach Competitors to discuss, formally or informally, any variables that make up the prices of their products, whether for increasing or decreasing the prices of common products, granting discounts, establishing minimum selling prices, establishing ranges where prices should be maintained, or even establishing a price readjustment value or percentage.

Employees must also not enter into agreements aimed at dividing and/or maintaining customer bases by territory, product type, or customer profile. In addition, agreements for limiting the production, capacity, or volume of products to be offered for sale are prohibited.



Finally, in the context of product distribution agreements, or any other agreements with Competitors, caution should be exercised in order that there be no provision, exchange, or receipt of Sensitive Competitive Information that goes beyond the context of any lawful agreement.

### **4.3 INTECATIONS WITH COMPETITORS THROUGH ASSOCIATIONS**

In addition to the considerations outlined above, special care should be taken in interactions with Competitors through associations. CADE and other competition authorities around the world recognize that class associations (such as unions, federations, etc.) play an important role in society, as they organize and represent legitimate interests and create spaces for discussion of solutions to problems common to members, such as changes in industry regulations. However, these environments are also conducive to discussions that go beyond the legitimate functions of these associations, as they provide an opportunity for formal and informal meetings between Competitors and, for this reason, may expose the Employees, BRF itself, and the other companies within its economic group to the risk of suspicion of anticompetitive practices.

The Employees authorized to attend trade association meetings should take the following precautions in order to mitigate competitive risks:

- Recommend to the association that all meetings always be preceded by an invitation, with a clear and precise agenda.
- Review the meeting agenda in advance and, if any of the topics involve sharing Sensitive Competitive Information, recommend to the association their exclusion from the agenda.
- In the event of inappropriate discussions during an association meeting, intervene immediately by advising participants that the topic should not move forward, therein making sure that the recommendation is recorded in the minutes and withdrawing from the meeting, therein requesting also that their departure also be registered.
- Ensure that the minutes of the association's meetings contain all the discussions in order to demonstrate their legality and keep the respective document on file.
- Never enter into agreements with Competitors, express or implied, with or without interference from a class association, including, but not limited regarding price leveling, costs, performance or sales, standard contract terms, compensation, or market division (by region or by customer). In this sense, engaging in legally prohibited discussions it is not allowed even if they are "officially approved" by the group hosting the meeting or the people attending.
- Take extreme care in providing Sensitive Competitive Information requested by the association in order to carry out projects of common interest, including for market diagnosis purposes or in response to requests from competent authorities. In such situations, one should recommend to the association that it collects historical data with



the greatest frequency possible (at least one year). Employees should never provide or receive the information requested directly from Competitors. Ideally, the association responsible for the project should hire an independent consultancy for the individualized receipt and confidential treatment of the information requested. If this is not possible, the association should be directed to adopt personnel from its own staff, completely unrelated to the market players. In addition, in any situation, it is recommended that those involved in the project enter into confidentiality agreements, with a penalty for breach. It is also essential to ensure that the project results provide aggregated or consolidated information, that is, without the possibility of identifying each company participating, and also that the content thereof may be accessed by the general public under reasonable conditions, when possible.

- Not adopt or encourage any type of initiative to: (i) fix prices, even if indicative or suggestive, including when related to the payment of commissions of agents acting in other links of the production chain; (ii) boycott Third Parties; or (iii) exclude a Competitor or Third Parties.

- In the event of suspicion of discussions or actions within the association that are capable of infringing on the Antitrust Law or other Applicable Laws and Regulations, immediately report the events to the Compliance Department and the Legal Department. Projects with the joint participation of Competitors must also be submitted in advance to the Legal Department.

Finally, Employees must not participate in associations whose sole purpose is coordination between Competitors or any other unlawful purpose and shall not participate in any trade association without the prior agreement of the Corporate Affairs Department, after consideration of the respective purpose and importance. In this sense, participation in associations that do not contain clear and precise rules on admission, exclusion, and application of penalties to their members should also be avoided.

To learn more about BRF's interaction with class associations, please refer to the Trade Associations and Organizations Corporate Norm.

#### **4.4 RELATIONSHIP WITH THIRD PARTIES**

Free competition allows companies to generally choose their Third Parties freely, as well as the business conditions of their relations with them. Nonetheless, business practices with Third Parties may be considered violations of the economic order if they entail abusive restrictions on competition. In assessing the conformity of a commercial practice with the Antitrust Law and other Applicable Laws and Regulations, in the case of Brazil, CADE and other competition authorities around the world will analyze the Market Power of the companies involved, the competition problems arising from the practice, and the existence of commercially legitimate justifications for such conduct. The competition agencies of the countries in which BRF operates will take similar measures in order to evaluate this commercial practice.



Considering that BRF has Market Power in most of the fields in which it operates, any BRF business practice involving its Third Parties that has the potential to restrict competition should be solidly justified in order to demonstrate its economic rationality, its efficiencies, and/or other beneficial effects for the end consumer.

Among the possible behaviors involving actions vis-à-vis Third Parties, we highlight that the following practices deserve greater care by Employees due to potential competitive risks:

a) Resale Price Fixing

Resale price fixing is not necessarily unlawful, but often has the potential to produce anti-competitive effects and implementation thereof should be carefully considered by the Legal Department.

Resale price fixing occurs when the producer sets the final price, the minimum resale price, the profit margin, and/or the maximum discount level used by its distributors/dealers, either by a clear determination or by applying incentives or sanctions.

Making distributor advantages conditional on adhering to a resale price or requiring some proportion between the resale price of distributors and the price charged by Competitors may also be classified as resale price fixing. On the other hand, the mere suggestion or recommendation of prices, without sanction mechanisms for non-compliance, does not violate the Antitrust Law and other Applicable Laws and Regulations.

b) Exclusive Supply/Distribution Agreement

Agreements that restrict the ability of Third-Party customers to do business with BRF's Competitors may also give rise to competitive concerns and, therefore, implementation thereof should be carefully considered.

Agreements whereby Third-Party are expressly required to purchase only BRF products or have strong incentives to do so are exclusive. Agreements that stipulate a minimum purchase quota (in volume or percentage of Third-Party purchases) may also have exclusivity implications.

Considering that BRF holds Market Power in most of the fields in which it operates, exclusivity agreements with Third Parties should be entered into only when based on sound economic justification and limited to strategic Third Parties, ensuring that BRF's Competitors are not deprived of access to Third Parties.

Given the sensitivity of the issue, the execution of contracts or agreements with Third Parties involving Resale Price Fixing, an Exclusive Supply/Distribution Agreement (Exclusivity Provision), or other practices in the relationship with Third Parties must be previously submitted to the Legal Department for review.



#### **4.5 ABUSE OF A DOMINANT POSITION**

In addition to the conduct outlined above, which includes collusion with Competitors and practices potentially harmful to Third Parties, CADE and other competition authorities around the world are also investigating other conduct by companies that have Market Power and may be harmful for competition.

Companies that hold Market Power, such as BRF, have specific responsibilities under the Antitrust Law, as their business practices have the greatest potential to harm competition. Thus, some behaviors that would be perfectly lawful for smaller companies may be interpreted as abusive when adopted by companies with Market Power. Such practices include, but are not limited to:

a) Predatory Pricing

Predatory pricing occurs when a company with Market Power lowers selling prices below certain cost parameters in order to eliminate rivals (and potential entrants) from the market in order to later raise prices again and make higher profits in the market in the medium/long term.

Predatory pricing, however, is not to be confused with dumping. Dumping is a common practice in international trade, whereby an economic agent offers a lower price than that charged in the country of origin of the product.

Only a detailed analysis of the prices, costs, and other conditions of the market affected can determine whether the practice actually constitutes predatory pricing or whether the company is only more efficient than other Competitors and is engaged in fierce but lawful price competition.

b) Joint Selling

Joint selling is when a producer conditions the purchase of a particular good or service on the purchase of a second good or service, such as, for example, limiting the purchase of product “A” only if the customer purchases product “B”. It may also occur via the granting of a significant discount to the customer who purchases the “package,” thus discouraging the purchase of a product or service in isolation. This practice causes a leverage in the Market Power of a company to dominate over Competitors.

c) Refusal to do Business

There is refusal to do business when a company refuses to sell a good or provide services to an existing or potential customer on regular business terms without reasonable justification, thus restricting its ability to compete in the market. For this reason, any refusal to sell or distribute products must be based on legitimate and pro-competitive business reasons, such as the inability of the trading partner to meet quality/performance standards or credit difficulties.

d) Loyalty Discounts



The granting of discounts or other advantages conditioned on the volume/frequency of purchases, or based on such Third Party's revenues, is a practice that is carefully reviewed by CADE and other antitrust authorities around the world. While loyalty discounts may be positive, by lowering the final price for a Third Party and preserving lasting relationships, this practice may induce exclusivity as it seeks to have all or most of the Third Party's demand supplied by its products and, therefore, may be able to eliminate Competitors.

The implementation of relationship programs and loyalty programs is perfectly lawful and may bring about various benefits for competition. However, such business measures should be subject to review by the Compliance Department and the Legal Department in order to minimize the risk of being interpreted as anti-competitive. In particular, discounts applied to such programs should always be linear rather than exponential (i.e., grow proportionally as customers and distributors purchase more products).

#### e) Price Discrimination and Other Differential Treatment

There is discrimination when the producer uses its Market Power to arbitrarily set different prices and conditions for the same product or service, thereby discriminating against Third Parties that are in similar conditions. This type of differential treatment has the potential to create anticompetitive disadvantages for Third Parties and should therefore be based on objective justifications, such as higher charges for partners with a higher credit risk.

Finally, considering that BRF has Market Power in most of the fields in which it operates, the implementation of the business practices listed above should always be carefully reviewed and weighed against possible competition problems and economic justifications. If in doubt, the Compliance Department and the Legal Department should be consulted for guidance. All criteria adopted by BRF to define business practices must be recorded.

## **4.6 NON-COMPLIANCE OF THIS POLICY**

The persons for whom this Policy is intended are advised that breach thereof, as well as breach of Applicable Laws and Regulations and other BRF policies, such as the BRF Transparency Guide, may be subject to internal disciplinary procedures as per a Consequence Norm, without prejudice to any applicable legal measures.

Any omissions or exceptions to this Policy shall be reported and resolved on by the Compliance Department and/or the BRF Transparency Committee, as appropriate.

In addition, seeking to uphold the Company's ethical standards and monitor business relationships with Third Parties, as well as assist in the prevention and detection of all forms of Corruption, BRF supports and encourages the Persons to report any practices that may represent a violation or potential violation of this Policy, the Integrity System, or those that are in violation of applicable Brazilian and foreign laws and regulations.





Complaints should be submitted to the Transparency Channel, made available by BRF at the domains below.

- <https://www.brf-global.com/sobre/etica-e-integridade/canal-de-transparencia/>
- [www.compliance.brf.com](http://www.compliance.brf.com)

It is possible to submit complaints via telephone, website, or e-mail. In countries where laws and regulations so permit, anonymous complaints are also possible.

When submitting a report, complainants should submit as much detail as they are aware of in order to assist in the investigation.

BRF strongly condemns any form of retaliation against whistleblowers who have filed a complaint in good faith and with responsibility, even if their complaint proves to be unfounded, as set forth in the Reporting to the Transparency Channel Corporate Policy.

BRF, through the Compliance Department, undertakes to investigate complaints received independently, cautiously, and responsibly, in a fair and impartial manner, and to take appropriate disciplinary and/or legal action, when necessary.

## **5 REFERENCE DOCUMENTS**

### **5.1 ANTITRUST LAWS AND REGULATIONS**

- Federal Constitution, Economic Order (articles 170 to 181).
- Brazilian Federal Law No. 12,529, which structures the Brazilian Antitrust System and provides for the prevention and repression of violations against the economic order.
- Internal Rules of CADE, as amended.
- Resolution No. 2, of May 29, 2012, as amended.
- CADE Guide for Review of Prior Consummation of Acts of Economic Concentration.
- CADE Guide to Compliance Programs.

### **5.2 INTERNAL REFERENCE POLICIES (BRF POLICIES)**

- CE 01.1.100 – *Manual de Transparência da BRF* / BRF Transparency Guide.
- CE 01.1.102 – *Código de Conduta de Parceiros de Negócio da BRF* / Code of Conduct for BRF Business Partners.



- CP 28.1.001 – *Política Corporativa de Brindes, Presentes e Hospitalidade / Gifts, Presents and Hospitalities Corporate Policy.*
- CP 28.1.002 – *Política Corporativa de Denúncias ao Canal de Transparência / Corporate Policy of Reporting to the Transparency Channel.*
- CP 28.1.004 – *Política Corporativa de Doações e Patrocínios / Donations and Sponsorships Corporate Policy.*
- CP 28.1.005 – *Política Corporativa de Conflito de Interesses / Conflict of Interests Corporate Policy.*
- *Política Corporativa de Prevenção à Lavagem de Dinheiro e ao Financiamento ao Terrorismo.*
- *Política Corporativa de Prevenção a Práticas Anticoncorrenciais.*
- *Política Corporativa de Licitações e Contratos com o Poder Público.*
- CN 28.1.008 – *Sistema de Integridade / Integrity System.*
- CN 28.3.003 – *Diretrizes para Aplicação de Consequências.*
- *Norma Corporativa de Projetos de M&A / M&A Projects Corporate Norm.*
- *Norma Corporativa de Associações e Entidades de Classe / Trade Associations and Organizations Corporate Norm.*

## **6 FINAL PROVISIONS**

This document is valid as from the date of its issue and shall be modified at any time and discretion.

Individuals violating these rules will be subject to the legal/disciplinary applicable measures, to be determined by the BRF competent administrators.

It will be incumbent upon the editor area to clarify any possible doubts, establish the procedures required for implementation, checking and dissemination of the rules mentioned in this document.

## **7 APPROVALS**



RESPONSIBLE	AREA / DEPARTMENT
DRAFTING	Compliance Department
APPROVAL	Transparency Committee

## GLOSSARY

**Antitrust Law:** In the case of Brazil, Brazilian Federal Law No. 12,529, of November 30, 2011, which structures the Brazilian Antitrust System and provides for the prevention and repression of violations against the economic order; in the case of other countries in which the Company operates, the corresponding competition laws and regulations.

**Applicable Law(s) and Regulations(s):** In the case of Brazil, Brazilian antitrust law, which includes, but is not limited to, the Antitrust Law; CADE's Internal Rules, as amended; Resolution No. 02/2012, as amended; CADE's Guide to Review of Prior Consummation of Acts of Economic Concentration; and CADE's Guide to Compliance Programs; in the case of other countries in which the Company operates, the corresponding competition laws and regulations.

**Brazilian Antitrust System:** Is composed of CADE and the Bureau for Economic Monitoring – SEAE of the Ministry of Finance, which, together, are responsible for defending the economic order and promoting a competitive economy in Brazil through prevention and repression of actions that may limit or impair free competition. The Brazilian Antitrust System is structured by Federal Law No. 12,529, of November 30, 2011.

**BRF or the Company:** Refers to BRF S.A., as well as all of its Brazilian or international subsidiaries.

**CADE:** Administrative Council for Economic Defense [*“Conselho Administrativo de Defesa Econômica”*].

**Competitors:** Companies or other entities offering similar products or services that compete for the same markets or market segments in which BRF and the companies in its economic group operate.

**Employees:** Are all people employed by BRF who work at all levels of the organization, including managers, senior executives, executives, directors, employees, consultants, service providers, interns, apprentices, trainees, home workers, part-time workers and workers for a fixed term, and occasional workers.

**Market Power:** In the case of Brazil, Brazilian Federal Law No. 12,529 presupposes that an economic agent with a stake of at least 20% in a given market holds Market Power in such a line of business, which may give it the ability to unilaterally change the conditions



**BRF S.A.**  
Companhia Aberta de Capital Autorizado  
CNPJ 01.838.723/0001-27

of competition for goods and services if it abuses its position in order to distort the competitive characteristics of the market. Other competition laws have similar definitions, which may be clarified by International Legal Management.

**M&A Projects:** Refers to any acquisition or sale of full or partial equity interests in companies, places of business establishments, or operating assets, mergers, investments, and partnerships, including joint venture operations.

**Persons:** All BRF Employees and Third Parties.

**Sensitive Competitive Information:** This is information that (i) is not publicly available; (ii) is not shared in the ordinary course of business; and (iii) confers competitive advantages on those who receive it. Examples of competitively sensitive information include: pricing, including discounts and promotions; costs, including inputs and HR; customers, terms and conditions of deals; margins, trends, business strategies, expansion plans, and pipeline, among others.

**Third Parties:** Are all those who provide services to BRF, have a business relationship with the Company, or act on its behalf or for its benefit (with or without power of attorney), such as customers, suppliers, service providers, integrated producers, brokers, and business partners. This concept also includes the members of the Board of Directors and the Audit and Advisory Committees.

**Transparency Channel:** Is an independent channel, managed by a third party and/or the Compliance Department and allows reports to be sent at any time by the Persons, through the various communication channels available, ensuring anonymity to whistleblowers whenever they wish not to identify themselves.