MARFRIG GLOBAL FOODS S.A.
Public Company
Taxpayer ID (CNPJ/MF): 03.853.896/0001-40
(B3: MRFG3)

MATERIAL FACT

São Paulo, August 27, 2018 – Marfrig Global Foods S.A. ("Marfrig" or "Company" – B3: MRFG3 and Level 1 ADR: MRRTY), in accordance with Article 157, Paragraph 4 of Federal Law 6,404/76 and with Instruction 358/2002 issued by the Securities and Exchange Commission of Brazil, hereby announces to its shareholders and the market that MMS Participações Ltda. ("MMS") and BNDES Participações S.A. – BNDESPAR have entered into the Third Amendment to the Shareholders' Agreement of the Company that, among other changes, establishes the adoption of a Financial Policy with the goal of gradually deleveraging the Company.

Under said Financial Policy, the Company will be required to observe a ratio of Consolidated Net Debt to Consolidated Adjusted EBITDA equal to or lower than: (i) two point five (2.5) as of December 31, 2018; and (ii) three point five (3.5) on the closing date of each quarter of subsequent years. The ratio of Consolidated Net Debt to Consolidated Adjusted EBITDA of the Company will be verified as of December 31, 2018 based on the Company's quarterly financial statements.

The Third Amendment to the Shareholders' Agreement will be filed at the registered office of the Company and will be duly registered in the records kept by the stock transfer agent, for the purposes of Article 118 of Federal Law 6,404/76, an electronic copy of which will be made available for consultation on the websites of the Company (www.marfrig.com.br/ri), of the São Paulo Stock Exchange B3 – Brasil, Bolsa, Balcão (www.b3.com.br) and of the Securities and Exchange Commission of Brazil (www.cvm.gov.br).

In the event of a breach of the established financial leverage metrics and in accordance with said Financial Policy, the Company will be prohibited from:

(a) distributing dividends in an amount greater than the minimum mandatory dividend;

(b) acquiring ownership interests greater than 10% of the Company's Consolidated Adjusted EBITDA in the last 12 months, except for investments in the maintenance of production capacity;

(c) making new expansion investments greater than 20% of the Company's Consolidated Adjusted EBITDA in the last 12 months, except for investments in the maintenance of production capacity;

(d) distributing or paying variable compensation to members of the Board of Directors and to the Board of Executive Officers beyond that already agreed upon as of the date on which the breach of the leverage ratio target was verified;

(e) increasing the individual or overall fixed compensation of members of the Board of Directors and of the Board of Executive Officers, except for any adjustments needed to reflect a positive variation in the IGP-M index;

(f) executing transactions with any Related Party that exceeds the amount of R$100 million in the period of 12 months, except for transactions between the Company and its wholly-owned subsidiaries and transactions between the Company and subsidiaries; and

(g) making any and all distribution of dividends or new investments in expansion or acquisitions if said distribution or investment results in a breach of the leverage ratio targets.

With the new policy, the Company effectively reaffirms its commitment to financial discipline and to deleveraging gradually.

José Eduardo de Oliveira Miron

Chief Financial and Investor Relations Officer

Marfrig Global Foods S.A.