

## MERGER RATIONALE AND PROTOCOL

By this private document,

(1) The management of **BK BRASIL OPERAÇÃO E ASSESSORIA A RESTAURANTES S.A.**, a publicly-held company registered with the Brazilian Securities and Exchange Commission ("**CVM**"), with its headquarter located in the City of Barueri, São Paulo State, at Alameda Tocantins, 350, 10º andar, Alphaville Industrial, Postal Code (CEP) 06455-020, Corporate Taxpayer's ID (CNPJ/ME) No. 13.574.594/0001-96, represented hereby pursuant to its bylaws ("**BKB**");

(2) The management of **KING FOOD COMÉRCIO DE ALIMENTOS S.A.**, a publicly-held company, with its headquarter located in the City of Goiânia, Goiás State, at Avenida E, 1.470, Qd B29A Lt. Área, 11º andar, salas 1.101 a 1.116, Jardim Goiás, Postal Code (CEP) 74810-030, Corporate Taxpayer's ID (CNPJ/ME) No. 07.400.611/0001-76, represented hereby pursuant to its bylaws ("**King Food**");

(3) The management of **GOOD FOOD COMÉRCIO DE ALIMENTOS S.A.**, a publicly-held company, with its headquarter located in the City of Curitiba, Paraná State, at Rua Brigadeiro Franco, 2.300, Lj 426, Piso L4, SLJ, Centro, Postal Code (CEP) 80250-030, Corporate Taxpayer's ID (CNPJ/ME) No. 08.186.139/0001-83, represented hereby pursuant to its bylaws ("**Good Food**"); and

(4) The management of **FAST BURGER COMÉRCIO DE ALIMENTOS S.A.**, a publicly-held company, with its headquarter located in the City of Belo Horizonte, Minas Gerais State, at Rodovia BR-356, 3.049, Loja OP53, Bairro Belvedere, Postal Code (CEP) 30320-055, Corporate Taxpayer's ID (CNPJ/ME) No. 07.415.082/0001-84, represented hereby pursuant to its bylaws ("**Fast Burger**" and jointly with King Food and Fast Burger referred to as "**Companies**"),

execute this Merger Rationale and Protocol ("**Protocol**"), pursuant to articles 224 and 225 of Law No. 6,404, dated December 15, 1976, and later amendments thereto ("**Brazilian Corporation Law**") and CVM Instruction No. 565, dated June 15, 2015 ("**ICVM 565**"), describing the reasons, as well as establishing the terms and conditions regulating the merger of King Food, Good Food and Fast Burger (hereinafter jointly referred to as "**Companies**") into BKB, abiding by applicable legal requirements, as follows:

### 1. Purpose

**1.1.** The purpose of this Protocol is to present the reasons, terms and conditions of the merger of the Companies into BKB, with consequent extinction of the Companies, to be proposed to the General Meetings of Shareholders of BKB and the Companies ("**Merger**").

### 2. Current Shareholding Structure

**2.1.** BKB is a publicly-held company registered with the Brazilian Securities and Exchange Commission (CVM), with capital stock of R\$ 943,345,658.28 (nine hundred and forty-three million, three hundred and forty-five thousand, six hundred and fifty-eight reais and twenty-eight cents), divided into 227,381,070 (two hundred and twenty-seven million, three hundred and eighty-one thousand and seventy) registered common shares with no par value.

**2.2.** The capital stock of the Companies is fully held by BKB.

**2.3.** King Food is a publicly-held company, with capital of R\$ 18,521,960.00 (eighteen million, five hundred and twenty-one thousand, nine hundred and sixty reais), divided into 18,521,960 (eighteen million, five hundred and twenty-one thousand, nine hundred and sixty) registered common shares, all with par value of R\$ 1.00 (one real) each, fully subscribed and paid up.

**2.4.** Good Food is a publicly-held company, with capital of R\$ 15,690,998.00 (fifteen million, six hundred and ninety thousand, nine hundred and ninety-eight reais), divided into 15,690,998.00 (fifteen million, six hundred and ninety thousand, nine hundred and ninety-eight) registered common shares, all with par value of R\$ 1.00 (one real) each, fully subscribed and paid up.

**2.5.** Fast Burger is a publicly-held company, with capital of R\$ 17,532,795.00 (seventeen million, five hundred and thirty-two thousand, seven hundred and ninety-five reais), divided into 17,532,795 (seventeen million, five hundred and thirty-two thousand, seven hundred and ninety-five) registered common shares, all with par value of R\$ 1.00 (one real) each, fully subscribed and paid up.

### **3. Rationale**

**3.1.** Simplification of the shareholding structure and reduction of costs: The merger of the Companies into BKB, as proposed herein, fully meets the corporate interests of the Companies and BKB, since the integration of the activities and management of the four companies results in the reduction of administrative, selling, financial and tax costs, as well as in the streamlining of work, operations and targets of the organization, thus leading to increased profitability of the overall enterprise, concurrently simplifying the shareholding structure of the group in Brazil.

**3.2.** The Companies were acquired by BKB as a way of acquiring the Burger King restaurants held and operated by certain franchisees. Such restaurants are already directly operated by BKB, in such a way that the continuing existence of the Companies is no longer justifiable.

### **4. Equity Components to be Transferred and Conditions Applicable to the Merger**

**4.1.** Equity Transfer: Upon the merger of the Companies, the equity of the Companies will be fully transferred to BKB, with the consequent extinction of the Companies and cancellation of their shares.

**4.2.** Specialized Appraiser and Valuation of the Companies: The equity of the Companies to be transferred to BKB upon the merger was valued at book value, based on the related balance sheets as of April 30, 2019 ("**Reporting Date**"). Vértice & Masc Auditoria Contábil, an entity with its headquarter located in the City of Rio de Janeiro, Rio de Janeiro State, at Travessa do Ouvidor, nº 17, 4º andar, Postal Code (CEP) 20040-040, Corporate Taxpayer's ID (CNPJ/ME) No. 02.796.387/0001-60 and registered with the Regional Accounting Council of the Rio de Janeiro State under CRC-RJ No. 00.3246/O-3 ("**Appraiser**") has been appointed for the valuation of the Companies' equity at book value to be transferred to BKB, pursuant to Article 226 of Law No. 6,404/76. The appointment of Appraiser to prepare the valuation report shall be ratified by the Extraordinary General Meetings of BKB and the Companies deciding about the proposed Merger.

The valuation report has been prepared based on the elements contained in the Financial Statements of the Companies and reflected in the audited Financial Statements of BKB as at the Reporting Date, pursuant to Article 10 of CVM Instruction 565.

**4.2.1.** Based on the valuation report prepared by the Appraiser, the equity at book value of King Food to be transferred to BKB due to the merger amounts to R\$13,480,419.91 (thirteen million, four hundred and eighty thousand, four hundred and nineteen reais and ninety-one cents). Since all the shares issued by King Food are directly held by BKB, the merger of King Food into BKB shall not entail increase of BKB's capital or change in the shareholding interests of its shareholders, therefore, there shall not be issue of new shares of BKB as a result of said Merger.

**4.2.2.** Based on the valuation report prepared by the Appraiser, the equity at book value of Good Food to be transferred to BKB due to the merger amounts to R\$16,542,980.69 (sixteen million, five hundred and forty-two thousand, nine hundred and eighty reais and sixty-nine cents). Since all the shares issued by Good Food are directly held by BKB, the merger of Good Food into BKB shall not entail increase of BKB's capital or change in the shareholding interests of its shareholders, therefore, there shall not be issue of new shares of BKB as a result of said Merger.

**4.2.3.** Based on the valuation report prepared by the Appraiser, the equity at book value of Fast Burger to be transferred to BKB due to the merger amounts to R\$14,013,182.85 (fourteen million, thirteen thousand, one hundred and eighty-two reais and eighty-five cents). Since all the shares issued by Fast Burger are directly held by BKB, the merger of Fast Burger into BKB shall not entail increase of BKB's capital or change in the shareholding interests of its shareholders, therefore, there shall not be issue of new shares of BKB as a result of said Merger.

**4.2.4.** Any changes in equity of the Companies from the Reporting Date to the date of Merger shall be absorbed by BKB.

**4.2.5.** The Appraiser (i) informed that it is not aware of any direct or indirect conflict of interests, or any other circumstance representing conflict of interest regarding the services that were rendered; and (ii) represented that it is independent of said companies and that its works have not been guided, limited, hindered or impaired by the accountant or management of the Companies.

**4.3.** Nonexistence of Capital Increase of BKB; Share Replacement Ratio. Since BKB directly holds all the capital stock of the Companies and their equity is already accounted for in the financial statements of BKB by the equity method, the merger of the Companies shall not entail change in BKB's equity, as such, there will not be any increase in BKB's capital.

**4.4.** Pro Forma Financial Statements. It is not necessary to prepare Pro Forma Financial Statements pursuant to Article 7 of CVM Instruction 565 owing to the provisions in its Article 10.

**4.5.** Exemption from Valuation of the Companies at Market Value. As already decided by CVM Joint Board, Article 264 of Brazilian Corporation Law shall not apply to the case of merger of a wholly-owned subsidiary, as such, no valuation reports at market value have been prepared.

**4.6.** Nonexistence of Amendment to BKB's Bylaws. The Merger shall not entail any amendment to BKB's bylaws or change in rights to which BKB shareholders are currently entitled.

**4.7.** Nonexistence of Right of Withdrawal. BKB will not exercise its right of withdrawal as shareholder of the Companies. There is no right of withdrawal to which BKB shareholders are entitled, as per applicable legal provisions.

**4.8.** Exposure to Risks. The Merger will not result in exposure of BKB or its shareholders to additional risks to those BKB is already exposed, since it will essentially involve transfer of assets, goods, rights and obligations already indirectly held by BKB through its interest in the Companies.

## **5. Corporate Approvals**

**5.1.** The conduction of the Merger is subject to fulfillment of the following conditions:

**5.1.1.** the holding of a General Meeting of each of the Companies to (i) approve this Protocol; (ii) ratify the appointment of the Appraiser; (iii) approve the valuation report of the Companies; and (iv) approve the Merger of the Companies into BKB;

**5.1.2.** the holding of a Board of Directors' Meeting of BKB to (i) approve the proposal of Merger pursuant to this Protocol; and (ii) authorize submitting the proposal to the Extraordinary General Meeting of BKB and the convening thereof.

**5.1.3.** the holding of an Extraordinary General Meeting of BKB to (i) approve this Protocol; (ii) ratify the appointment of the Appraiser; (iii) approve the valuation report of the Companies; (iv) approve the Merger of the Companies into BKB, with no capital increase or amendment to its bylaws.

## **6. Other Provisions**

**6.1.** As a consequence of the Merger, the Companies will be extinguished and all the shares representing their capital stock will be cancelled, pursuant to paragraph one of article 226 of Brazilian Corporation Law, also BKB will succeed the Companies in all of their assets, branches, rights and obligations.

**6.2.** The documents relating to this Protocol will be made available to BKB shareholders, pursuant to applicable law and regulations, and may be consulted by its shareholders.

In witness whereof, the parties sign this document in 4 (four) counterparts, in the presence of the undersigned witnesses.

Barueri, June 12, 2019.

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**BK BRASIL OPERAÇÃO E ASSESSORIA A RESTAURANTES S.A.**

By: Clayton de Souza Malheiros and Fabio Chaves de Arruda Alves

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**KING FOOD COMÉRCIO DE ALIMENTOS S.A.**

By: Clayton de Souza Malheiros and Fabio Chaves de Arruda Alves

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**GOOD FOOD COMÉRCIO DE ALIMENTOS S.A.**

By: Clayton de Souza Malheiros and Fabio Chaves de Arruda Alves

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**FAST BURGER COMÉRCIO DE ALIMENTOS S.A.**

By: Clayton de Souza Malheiros and Fabio Chaves de Arruda Alves

*(Page of signatures of the Merger Rationale and Protocol of BK Brasil Operação e Assessoria a Restaurantes S.A., King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A., executed on June 12, 2019.)*