

ANTI-CORRUPTION POLICY



1. AIM AND GUIDELINES 03

2. APPLICABILITY AND SCOPE 03

3. DEFINITIONS 03

4. RELATIONSHIP WITH BRAZILIAN OR FOREIGN PUBLIC OFFICIALS 05

5. PERSONAL AND CORPORATE GIFTS AND ACTS OF HOSPITALITY 06

6. DONATIONS AND SPONSORSHIPS 06

7. PARTY-POLITICAL CONTRIBUTIONS 07

8. TRADE UNION CONTRIBUTIONS 07

9. OCCURRENCE REPORTING 07

10. VIOLATIONS AND APPLICABLE MEASURES 08

11. FINAL CONSIDERATIONS 08

1. AIM AND GUIDELINES

The aim of this Anti-Corruption Policy is to provide instructions on how to prevent, detect and deal with practices and/or conduct that might signify or suggest corruption, irregular payments or bribery, thus reinforcing Racional's commitment to fully comply with the laws applicable to its activity and to compliance best practices.

The rules described herein reflect the instructions established in Racional's Code of Conduct, the rules foreseen in Brazil's Anti-Corruption Law (Law No. 12,846/13) and other rules applicable to Racional's activities, particularly regarding the relationship with public officials, with Brazilian or foreign politicians and their relatives or close friends.

Racional prohibits and has zero tolerance of practices defined as corruption, bribery, or irregular payment or receipt, whether in the public or private sphere.

2. APPLICABILITY AND SCOPE

This Policy applies to all Racional Group employees and companies, its suppliers, service providers, intermediaries, associated companies, and any other business partners with which Racional has a relationship.

3. DEFINITIONS

The following definitions apply to this Policy:

Public Official: Any person (even if employed in a temporary capacity or without remuneration), who by election, nomination, appointment, contracting or any other form of investiture or link exercises a mandate, position (including a position on a committee), job or function (even advisory) in the direct, indirect or foundation-related administration of any of the Federal, State or City spheres, of a state-owned enterprise, or of an entity whose creation or sponsorship by the Government has contributed or contributes more than 50% (fifty per cent) of equity or annual revenue.

Also included herein are candidates for public office or politicians and members of political parties/electoral committees.

Foreign Public Official: Any person who exercises, albeit temporarily or without remuneration, a position, job or public function at government bodies, state entities or the diplomatic representation of a foreign country, or at corporations controlled directly or indirectly by the government of a foreign country or at public international organizations (including candidates for public positions).

Employees: Any employee hired by any Racional Group company under the aegis of the Brazilian Labor Code (CLT), as well as interns, apprentices and temporary employees.

Business Partners: Any individual or company that has a business relationship with the Racional Group, or which acts directly or indirectly in the name of or on behalf of the Group as a service provider, supplier, consultant, proxy, intermediary or associate, regardless of a formal business contract.

Corporate gifts: Any product with a token value, not related to the company's business activity, distributed evenly as a courtesy, as advertising, as standard promotional material, or occasioned by special events or commemorative events. The company's logo is generally printed.

Hospitality: Any party, show, presentations, lunch, dinner, cocktail parties, sporting events and any other activities provided, outside Racional's or the partner's environs, which provides entertainment to create a closer relationship with business partners.

Anything of value: Including, but not limited to: (i) cash or equivalent (including gift vouchers); (ii) benefits and favors (privileged access to certain information or contracting processes and debt payment or forgiveness); (iii) contracts and other business opportunities granted to a company to which a public official is member, has some legal right or is the end benefactor; (iv) employment, consulting or lecturing opportunities; (v) donations to philanthropic bodies; (vi) event sponsorship; (vii) study grants and research backing; (viii) contributions for political-party ends. These examples shall be observed on a case-by-case basis and if there is need for clarification an immediate superior or a representative of the Legal or Compliance areas must be consulted.

Corruption: Any offer, promise or delivery to provide undue advantage to a civil servant in exchange for some kind of favor or benefit. The crime is committed by a private body, an individual, and there is no real need for the public official to accept the undue advantage.

Private gift: Any gift offered by a relative or friend, as long as its cost has been covered by the person offering it and not by a third party wishing to influence the decision of a Racional employee, public official, or a third party with whom Racional intends to do or to maintain business. A private gift is generally associated to a celebration or commemorative event such as a birthday, wedding, birth, etc.

Bribery or irregular payment: Any offer, promise, delivery, acceptance or a request for an undue advantage regarding anything of value, whether financial or not, directly or indirectly, regardless of the position, in violation of the applicable laws. For example, a stimulus or reward to a person to act or cease to act in relation to the exercise of their responsibilities.

Undue advantage: Any benefit offered or granted to a public or private official that could result in an undue personal offer or Racional business-related offer in return, regardless of the value.

4. RELATIONSHIP WITH BRAZILIAN OR FOREIGN PUBLIC OFFICIALS

Employees and business partners that act in the name of or on behalf of Racional **cannot and must not be used as intermediaries for:**

- a) Granting, offering or authorizing any payment, benefit, cash resource or any type of value to public officials and those related to them or private companies linked to them or their employees, seeking to obtain or maintain any business, or to guarantee any form of undue advantage.

Example: *It is forbidden to offer any advantage to a public official, for example the unauthorized payment of meals or any entertainment seeking to guarantee or obtain an undue advantage (e.g.: licenses and authorizations for construction works).*

- b) Coverage of non-recurring costs of one of Racional's end activities, when not authorized by the company's policies or when the required description and adequate supporting documents are not provided;

Example: *It is forbidden to request reimbursement of expenses for meals with clients without duly presenting the receipt accompanied by the motive for the initiative, the date of the occurrence and the name(s) of the beneficiary or beneficiaries.*

- c) Making cash payments when not pegged to an official rate or to another legal payment, or making payments in the form of gifts of any value, to influence the execution of some activity, whether in the public or private interest.

Example: *It is forbidden to offer any advantage to public officials, such as payment of a trip with a view to speeding along the environmental licensing process.*

- d) Executing or influencing the registration of financial or accounting entries that are false or not in compliance with the accounting standards applicable to Racional or its policies.

Example: *To produce a fraudulent forecast for construction works or to submit receipts without due proof/justification of expenses.*

- e) In the execution of construction contracts or public tenders:

- Agreeing on a value beforehand with competitors, business partners or any other third party;
- Offering any type of advantage, benefit or reward to a public official or related third party responsible for the execution, maintenance, extension, renovation of the tender or the signing of a public contract;
- Obstructing the entrance of competitors to a bidding process;
- Omitting or falsifying information requested by entities or public officials during the bidding process or the execution of the contract;

- Maintaining any type of undue, unethical or amoral relationship with public officials involved in the tender, before, during and/or after the bidding process or during the execution of the public contract, seeking to obtain undue information or advantage.

The above described situations are examples. In all other cases the employee or business partner must ensure that their activities always comply with the premises specified in this Policy, with the Racional Code of Conduct and with other related documents or communications. Queries must be submitted to a superior in the hierarchy or to the Legal and Compliance areas.

5. PERSONAL AND CORPORATE GIFTS AND ACTS OF HOSPITALITY

Any offer of personal or corporate gifts, including gift vouchers, trips, lodging, meals, invitations to events and any other form of benefit or advantage must not, whatever the value or circumstances, influence the decisions of Racional and its employees nor be used as a means of payment for any decision by the Government or private sector representative.

Example: *Receiving a ticket for a soccer match from a company that is part of a process to purchase construction work materials, thus seeking to induce the buyer to benefit its company.*

Racional does not allow gifts of any value to be offered to public officials, especially those who have the power to influence decision-making in Racional's current or potential interest.

Corporate gifts are allowed as long as they are given in a context of friendship and cordiality between the parties in a common business relationship, being offered occasionally and in an even and indiscriminate way without raising any suspicion of obtaining benefits or advantages in negotiations.

6. DONATIONS AND SPONSORSHIPS

Racional's donations must be made strictly for sincere philanthropic reasons and pursuant to the laws regarding humanitarian interest and support for cultural or educational institutions, always in compliance with company policy and following assessment of the probity of the potential beneficiary.

Example: *It is forbidden to offer donation of furniture that is part of a construction work, after its completion, to a charitable entity designated by the environmental agent responsible for issuing the report of good standing for these works.*

In the case of sponsorship quotas, the media exposure generated for the company must be proportional to the sponsorship amount, which has to be recorded in a Sponsorship Purchase Contract through an invoice issued to Racional and passed along to the seller by a standard bank cashier's check or by bank transfer to the

current account under its name, registered at the place of the contract's signature or where the selling company is situated. Racional may sponsor legal events that generate little or no publicity for it as long as the nature of the event and its purpose are in line with the policies and values of the company and do not seek any kind of undue favor in contracting with private and public bodies.

Any kind of philanthropic contribution, support or sponsorship seeking to influence business decisions or satisfy personal interests or benefits, directly or indirectly, is prohibited.

7. PARTY-POLITICAL CONTRIBUTIONS

It is prohibited to make cash or any other type of contribution on behalf of in the name of Racional to political parties or to candidates for political office.

Example: *Granting use of a physical space free of charge to set up an electoral campaign committee or use of a company vehicle for electoral campaigning or for transporting campaign material.*

8. TRADE UNION CONTRIBUTIONS

All and any contributions or donations that are made to unions, their members or to a body controlled by a union must be guided by the highest ethical standards, being necessarily and strictly in accordance with the requirements and limits established by the applicable legislation and executed only after express authorization from Racional's senior management.

9. OCCURRENCE REPORTING

On the occurrence or suspicion of corruption, bribery, irregular payments, money laundering or any other practices in breach of the principles that have been established in or are related to this Policy, or with the prevailing legislation applicable to Racional's business, the employee or business partner must inform his or her immediate superior, the party responsible for management of the business relationship, the Legal and Compliance area, or the whistleblower channel **Canal Livre**:

Online form: **www.racional.com/Contato/CanalDenuncias/**

Telephone: **0800 702 2312** (free calls answered from 8:00 a.m. to 5:50 p.m.)

E-mail: **canal.livre@tmf-group.com**

All complaints will be dealt with in a neutral and impartial manner, with the complainant's right to remain anonymous being guaranteed.

Racional does not tolerate any type of retaliation nor accusations that are made in bad faith.

10. VIOLATIONS AND APPLICABLE MEASURES

To ensure compliance with this Policy:

- a) It is the responsibility of all employees (directly employed or outsourced) to communicate any violation or suspected violation of this Policy. Failure to report any malfeasance described herein is considered to be a violation that may result in disciplinary measures against the party who remained silent.
- b) It is the duty of every manager/team leader: (i) to inform their teams that compliance with the premises of this Policy is mandatory; (ii) to inspect and monitor the activity of those under them and of any other third parties that act in the name of or on behalf of Racional and whose activity is under their responsibility; (iii) to deal with all of the circumstances that could generate or facilitate an environment that favors corruption, bribery or irregular payment; (iv) to interrupt any act of corruption and, with the assistance of the Legal and Compliance areas, adopt the applicable measures for dealing with it and preventing its recurrence.
- c) When any malfeasance is detected the offender will be subject to appropriate disciplinary measures, without adversely affecting the penalties that are applicable by law.

The seriousness and impact of acts that are in violation of this Policy shall be assessed by Racional's Ethics Committee, the body responsible for determining applicable disciplinary measures in proportion to financial, operational or reputational consequences (or their potential for damage).

11. FINAL CONSIDERATIONS

If you have any queries about the requirements or information contained in this Policy, please contact your immediate superior or a representative of the Legal or Compliance area.

Racional periodically inspects and monitors compliance with the standards contained in this Policy and in other related policies.