

Compliance Manual

1) PURPOSE

This manual is a set of measures adopted by Bequisa and Degesch do Brasil to ensure compliance with internal rules and regulations (policies, procedures, manuals and guidelines) and external as well (regulatory bodies within the standards required for the segment in the areas of labor, tax, accounting, financial, environmental, legal, social security, ethics, among others), voluntarily undertaken by the organization.

The creation of this document aims to clarify Compliance within the companies in order to help the understanding and the participation of each employee in the building of a culture of compliance.

The Compliance Program assists in the prevention of risks, anticipation of problems, recognition of unlawful situations, reputation promotion, awareness, cost reduction, among others.

It represents an important instrument of corporate integrity, describing the company's commitments to the promotion of the highest ethical values and transparency in the conduct of their business, with zero tolerance of fraud, corruption and money laundering.

Attitudes inconsistent with this document will be subject to sanctions set forth in laws, rules and internal documents.

Companies are subject to anti-corruption laws and regulations, including but not limited to Decree No. 12.846/2013 (Anti-Corruption Law), Decree No. 8.420/2015 (Decree regulating the objective administrative accountability of legal entities (partners and employees) for the practice of acts against public administration, either national or foreign), Law 8.137/1990 (crimes against the tax and economic order and against consumer relations), Decree Law No. 2.848/1940 (Penal Code), and Law no. 12.529/2011.

This manual may be revised whenever necessary by senior management.

1) FIELD OF APPLICATION

This procedure applies to employees regardless of their hierarchical level, being valid also for trainees, minor apprentices and outsourcers of Bequisa and Degesch do Brasil.

3. DEFINITIONS

- a) **Compliance:** to comply in English means “to be in accordance with the rules”, which explains much of the concept of the word. The meaning of the word Compliance is related to the conduct of the company and with the rules of the regulatory bodies.
- b) **Internal Controls:** It is a set of internal measures that enables prevention and/or assistance in mitigating the risks of violation of laws resulting from the activity carried out, and the set of actions and strategies adopted by Bequisa and Degesch do Brasil.
- c) **Corporate Governance:** Corporate governance or governance of corporations or companies is the set of processes, procedures, customs, policies, laws, regulations and institutions that regulate the way a company is governed, managed or controlled. The term also includes the analysis of the relationships between the various stakeholders and the goals that guide the company. The main players typically are shareholders, senior management and the board of directors. Other participants in corporate governance include employees, suppliers, customers, banks and other creditors, regulatory institutions, and the community at large. From Wikipedia, the free encyclopedia.
- d) **Compliance Committee:** the committee is a non-statutory body made up of employees of the companies, whose purpose is to advise senior management in performing the role related to the adoption of measures aimed at multiplying the culture of Compliance and internal controls, risk mitigation and compliance in accordance with corporate standards, procedures, policies and manuals. Bequisa and Degesch do Brasil Compliance Committee is made up of area managers and general management.
- e) **Risks:** they are events with negative impacts on achieving a goal.
- f) **Corruption:** Corruption is the act of corrupting someone (a natural person or legal entity) with the purpose of obtaining advantages over others by means considered illegal or unlawful. Corruption may be passive or active and characterized by misappropriation, bribery, fraud, kickbacks, extortion, nepotism, money laundering, things of value (gifts, favors), facilitating payment (granting of permits, licenses, government documents such as visas, provision of services like water, telephone), among others.

4. COMPLIANCE ROLES AND RESPONSIBILITIES IN THE COMPANY

- ✓ Understand the business, goals and objectives of managers;
- ✓ Analyze in detail operational risks (inadequate systems and controls, management errors and human flaw), image (reputation) and legal risks (non-compliance with current laws) to ensure business continuity plan;

- ✓ Participate in the implementation and management of internal controls, policies, procedures and standards in all spheres of the company;
- ✓ Acting in an advisory manner for fraud prevention;
- ✓ Monitor together with the area of Information Technology the measures and mechanisms adopted by the companies to ensure the security of information;
- ✓ Assist internal and external audits;
- ✓ Work on the dissemination of Compliance in the organizational culture, ensuring the proper behavior of employees (ensure dissemination of the program in the available sources and training);
- ✓ Identify and handle possible conducts contrary to the Compliance Manual; and
- ✓ Reproduce and maintain the minutes related to the Compliance Committee meetings, as well as the evidence of the analyzes for use in audits and regulatory inspections.

5. RISK OF COMPLIANCE

The planning and prevention of Compliance risks are included in the repertoire of good Corporate Governance practices, as well as the methods to detect and correct these risks.

The risk is determined by the probability of occurrence and by the consequences of non-fulfillment of Compliance obligations, as defined by the company.

The risks should be observed and mitigated by all employees (regardless of the hierarchical level), third parties, distributors, business partners and customers.

Main risks:

- ✓ Labor problems (hiring, vacation leave and dismissals in disagreement with the *CLT* (Consolidation of Labor Laws), payments off the payroll, noncompliance with health and occupational safety standards);
- ✓ Tax problems [tax postings, evasion and/or undue payment (delay, wrong value) on operations];
- ✓ Financial transactions not accounted for or masked;
- ✓ Damage to physical assets;
- ✓ Hiring of child labor (except for programs that include minor apprentices) and/or slave labor;
- ✓ Financing of terrorism;

- ✓ Problems with the security of stored and shared information, as well as Information Technology tools (includes use of pen-drives or other storage media, which are not used for carrying out the activities; connection of other equipment in the network or programs installed other than for professional use or for personal purposes without prior authorization from senior management; use of printer, internet, e-mail in a negligent, unethical and unprofessional manner; among others);
 - ✓ Intellectual property law (insert personal passwords in company documents; provide unauthorized access of unauthorized persons to information about processes, inventions, ideas, projects, formulas, software and trade secrets that are designed or acquired by the companies);
- ✓ Confidentiality of information (leakage of information relevant to the company, not disclosed or obtained as a result of the professional relationship such as financial results, production, prices, customers, market, budget plans, mergers, spin-offs or takeovers, litigation cases or other matters still kept confidential);
- ✓ Formation of cartels (trusts) (association of competitors for the purpose of manipulating the market to raise prices or prevent change, restricting quantity of product in the market, limiting supply, encouraging the division of market, systematizing actions in bidding processes. Some practices are prohibited such as passing on company information about production, sales, profit margins, distribution to competitors, which induce any concurrent behavior of competitors; restricting business with suppliers; obtaining confidential information from competitors using subterfuge such as espionage, bribery, communication of fictitious information about a competitor, among others);
- ✓ Corruption of any kind;
- ✓ Prejudiced, obscene, pornographic, offensive or discriminatory content of any kind (origin, religion, race, social class, gender, politics, age, disability);
- ✓ Conflicts of interest (important decisions made by employees based on personal interests and relationships, relatives with hierarchical reporting; close relatives in decision positions involving public bodies; employee with relative or relationship in a competing company; employee with corporate interest in the organization; employee having a similar company (product or branch of activity) and/or performing any parallel remunerated activity without formal communication to the companies; employee providing consulting services to a customer or supplier of the group companies; employee with direct or indirect participation in companies that provide services or in a company whose Bequisa and Degesch do Brasil have shares or interest; employee involved in external activities that may harm his or her performance in the company; among others);
- ✓ Travel expenses that are excluded from the policy adopted by the companies without proper authorization and proof;
- ✓ Failure to contract or in relationships with suppliers, partners, service providers and

customers (including competition problems, business courtesies, informal agreements entered into and/or without verification of need or price assessment in the market, among others);

- ✓ Losses, frauds and/or financial diversions (money laundering; amounts whose origin or owner is impossible to identify; cash payments that do not go through the banking system; non-transparent financial operations, among others, falsification and tampering of document; disclosure of false information; embezzlement);
- ✓ Non-compliance with internal and external regulatory laws and rules, which may result in financial loss or impairment of the image;
- ✓ External reports (statements prepared in an unreliable manner);
- ✓ Corporate areas of authority not implemented; and
- ✓ Relationship with the press (statements and interviews to the press without the express permission of senior management).

6. GIFT POLICY

It is known that offering and receiving gifts, freebies and hospitality (accommodation, food, transportation, entertainment) without commercial value is considered a common practice of courtesy in the building of business relations. However, some of these situations may generate expectations or discussions of benefit (undue advantage, suggest actions incorrectly), which characterize contexts of conflict of interest.

It is up to the employee to see if these offers do not appear or influence the processes of decision making or adversely affect reputation of his or her own image or the image of the companies.

Examples of conflicts of interest:

- ✓ Monetary value (any amount);
- ✓ Article perceived as illogical, excessive or disproportionate, respecting the cultural diversities of the countries;
- ✓ Regular frequency for receiving or donating gifts;
- ✓ Illicit or controlled substance; among others.

The internal commercialization of gifts, freebies and hospitality received by employees of any hierarchical level is prohibited.

If there is doubt about the relevance of the article offered (gifts, freebies, hospitality), the employee should contact top management of the companies for guidance.

7. INTERNAL CONTROLS / MONITORING

The companies keep formalized mechanisms in procedures, regulations (manuals) and internal policies available to all employees, which must be complied with and abide by, meeting the specified points.

- ✓ Responsibilities within the company;
- ✓ Segregation of the activities assigned to each employee in order to minimize labor risks (paradigms) and to monitor areas;
- ✓ Means to identify and evaluate internal and external factors, which may affect the company's business continuity plan; and
- ✓ Continuous assessment of risks associated with the company business.

These mechanisms aim to minimize operational and Compliance risks.

Employees should keep all documents and information relevant to the company filed and in order, so that they can be used for monitoring activities and for internal and external audits and/or investigations.

The constant risk assessment and the review and evaluation of internal controls are part of the monitoring of the Compliance Program, so that new and previously unacknowledged risks are linked to the necessary measures.

8. DUE DELIGENCE

Due Diligence process is a detailed and specific study that a stakeholder uses to investigate information about a company, aiming to mitigate legal risks of the business completion (contracting of suppliers, distribution agreements, mergers, takeover).

This process includes four analyzes:

- ✓ **Financial Analysis:** check financial data and business performance.
- ✓ **Accounting Tax Analysis:** check the contribution in general (debts and tax payments).
- ✓ **Legal Analysis:** verify that stakeholders have litigation against them, and if so, if there are sufficient assets to settle these outstanding court costs.
- ✓ **Risk and Insurance Analysis:** check material risks (risk tolerance, history of insurance claim experiences, areas of natural and unnatural risks, insurance policy, among others).

A Due Diligence study provides a broad overview of the actual situation of the company involved and aims to prevent the transaction from being considered void or null by the judiciary branch or an unfavorable investment in terms of business. The assessment may include accounting, social security, financial, labor, technological, legal, real estate, and other aspects depending on the business profile.

9. TRAINING

Bequisa has an induction program when hiring professionals, in which information about the companies, activities and management that the new employee will be linked to is passed on; in addition to company procedures, policies and manuals.

The company also has an annual training program that is fundamental to promote internal culture, multiplication of knowledge, qualification and/or update of employees regarding technical and behavioral knowledge, safety, internal controls such as the Compliance Manual and other relevant topics for business continuity.

This program is approved and supervised by senior management and may be taught by employees (internally) or by competent third parties.

10. COMMUNICATION CHANNEL

All employees, regardless of their hierarchical level, must use the communication channels to indicate a violation or suspected violation of Compliance guidelines, unlawful or unethical behaviors (including violation of the Compliance Manual and other company procedures, policies and guidelines).

The Compliance Committee will establish a process to investigate and to adequately address the information presented by:

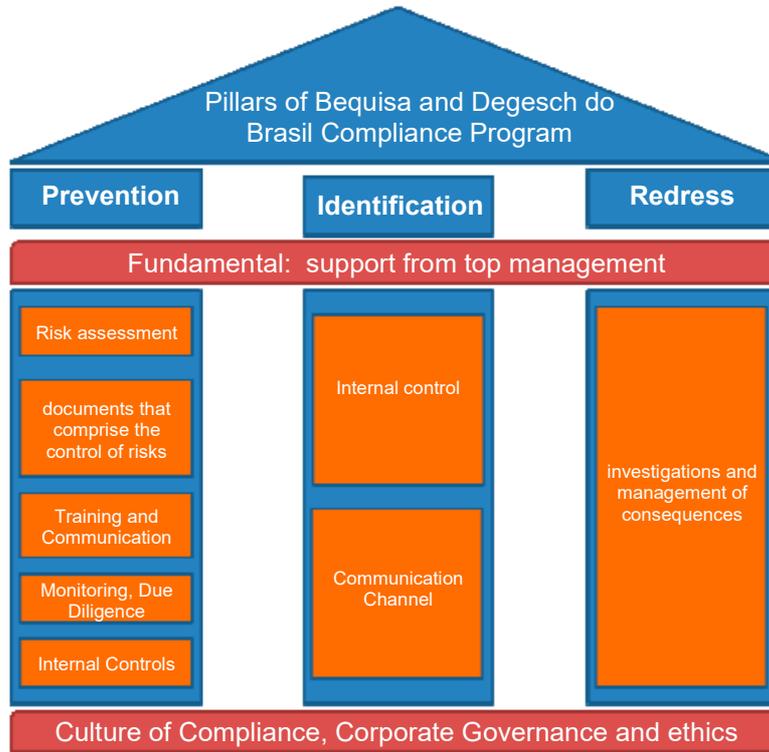
- 1) Appointing those responsible for investigating complaints;
- 2) Setting deadline for completion of the investigation; and
- 3) Identifying the authority or area (administrative, legal or internal) for which the results of the investigations will be reported.

The complaint can be made by e-mail degesch.compliance@bequisa.com .

The information brought to the notice of the committee will be handled with confidentiality, maintaining the anonymity of the notifier and the person indicated in the alleged infraction, and related corrective and disciplinary measures will be implemented.

Any retaliation against the complainants will not be allowed, whether in good faith or in view of breach of company guidelines.

11. BEQUISA COMPLIANCE PROGRAM



12. ROLE OF SENIOR MANAGEMENT

Top management is indispensable and permanent to promote a culture of ethics and abidance by the Compliance Program.

It is senior management role:

- ✓ Plan and implement the structure of internal controls and means to identify internal and external factors that may affect the business;
- ✓ Keep compliance with the ethical and legal precepts inherent in the activities performed, adhering to the internal and external guidelines of the organization;
- ✓ Promote and favor Compliance within the sphere of corporate governance;
- ✓ Guide reports on compliance provisions of the companies, monitor the Compliance Program and indicate the required diligence to block and resolve identified non-compliances;
- ✓ Implement the activity of internal audit as a monitoring measure, when necessary;

- ✓ Promote institutional commitment to comply with internal controls; and
- ✓ Disseminate the culture of Compliance to employees, customers, suppliers, distributors, service providers and shareholders.

13. GENERAL GUIDELINES

The contents of this manual are for internal use of Bequisa, and external publication and disclosure without prior knowledge and authorization of the Board of Executive Officers is prohibited.

14. RELATED SUBJECTS/DOCUMENTS

- a) Procedures, Policies, Manuals and other guidelines implemented in the organization

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