

## **ANTI-CORRUPTION AND BRIBERY POLICY V2 (UPDATE 14/01/2021)**

### **INTRODUCTION**

REGNIER HYDRAULIC and its employees are committed to conducting business in a legal, ethical, transparent and professional manner. Therefore, this is the conduct that the company must adopt when conducting business and under anti-corruption laws.

REGNIER HYDRAULIC rejects any form of direct or indirect corruption, always seeking transparency in matters that affect its business and establishing mechanisms of corporate governance to avoid unnecessary risks to the organization. It rejects any practices of its administrators, employees or interns that are linked to actions that favor people and characterize situations of Corruption or Bribery, so that everyone must ensure that situations of this nature are not practiced under any circumstances.

### **GOAL**

Establish minimum standards of behavior for senior management and employees in situations that may involve or characterize bribes and corruption, in order to reduce exposure to image and reputation risks.

### **COVERAGE**

- Company employees;
- Members of the Administration;
- Providers;
- Service providers;
- Sales representatives;
- Any third party acting on behalf of the Company.

### **POLICY IMPLEMENTATION**

Immediate.

### **APPLICABLE ANTI-CORRUPTION LAWS**

They mean all anti-corruption laws and regulations to which the Company and / or the Employee may be subject:

- Brazilian law no. 12,846 / 2013 (Anticorruption Law)
- United States Foreign Corrupt Practices Act ("FCPA")
- United Nations Convention against Corruption – Global Pact (UN)
- UK Bribery Act (UK Bribery Act)
- OECD Anti-Bribery Convention

### **CORRUPTION CONCEPTS**

It is abuse of power or authority, by a person, to obtain advantages for himself. The most common form of corruption is bribery.

## **BRIBERY**

It consists of offering, donating, receiving something of value in exchange for favorable treatment by a company, official authority or public official.

## **PUBLIC OFFICER OR GOVERNMENT OFFICER**

A "civil servant" or "government employee" is considered to be all directors and employees of public or government-controlled companies. As this term is widely interpreted by the anti-corruption authorities, we have listed below some categories of individuals considered as "civil servants" for the purposes of anti-corruption laws:

1. Directors and employees of any governmental entity at the national, state, regional, municipal or local level, including elected officials;
2. Any individual acting temporarily in an official capacity for or on behalf of any governmental entity;
3. Directors and employees of companies with government participation;
4. Candidates for political office at any level, political parties and their representatives;
5. Directors, officers or official representatives of any international public organization, such as the World Bank, the United Nations and the International Monetary Fund. The term "civil servant" also includes members of the family of any of these people (spouse, partner, grandparents, parents, children, siblings, nephews, uncles and uncles and cousins) first degree).

## **PRIVATE EMPLOYEE**

Refers to any person or entity of a private nature with whom REGNIER HYDRAULIC conducts business or any other activity

## **FACILITATOR PAYMENT**

It is a small payment to a public official to ensure or expedite the execution of an action or service to which a person or company has a normal and legal right.

## **MONEY LAUNDRY**

It is a set of commercial or financial operations that seek to incorporate in the economy the resources, goods and services that originate or are linked to illegal acts.

## **ADVANTAGE OR MONEY PAYMENT**

Cash payments and any transfer of value, tangible or intangible, to influence or reward any official act or decision by a public official.

## **VALUE THING**

For the purposes of this Handbook, things of value include money, gifts, travel, entertainment, job offers, meals on the job. Any item of value may also include sponsoring events, scholarships, supporting research and requested charitable contributions, or for the benefit of a government official, his or her family members, even if they are for the benefit of a legitimate charitable organization.

## **CONDUCT SEALED BY THIS POLICY**

Reputation is one of the most important assets of any company. In this way, any unethical or inappropriate conduct will not be tolerated.

Any payments, offers or promises of undue advantages, under any circumstances, are prohibited in REGNIER HYDRAULIC's relations with the public or private sector. Fraudulent combinations or falsification of company data are also absolutely prohibited and unacceptable.

## **PRIVATE CORRUPTION**

When an undue advantage is promised or conferred on an individual in the private sector, as opposed to a public official, it is considered an act of private corruption. For example, the fact that a supplier promises or grants an undue advantage in exchange for confidential information during a public bid is considered an act of private corruption and is condemned by law. It is important to understand that both promising or giving on the one hand, as well as requesting, accepting or receiving on the other, are crimes of corruption and are condemned by law.

REGNIER HYDRAULIC does not tolerate any form of corruption, whether public or private.

## **UNDUE PAYMENTS**

All Internal employees and third parties are prohibited from: directly or indirectly, promising, offering, delivering or giving any form of bribe, kickback or any other improper advantage or anything of value, whether to public agents, employees of government agencies or agencies, including municipalities, state-owned companies, mixed-capital companies, international organizations, political parties, candidates for elective office, members of the Executive, Judiciary or Legislative Branch ("Public Agents").

The prohibition also extends to people close to Public Agents, such as spouse, partner, girlfriend / family, relatives and the like ("Close Persons") and any others who receive the promise, offer or benefit to influence any decision by a Public Agent.

This prohibition, as well as the Anti-Corruption Laws, apply not only to the individual who makes the payment, but also to all those who knowingly participated in the payment, or who, knowing the possibility of the corruption act, did nothing to prevent it. It. No Internal or Third-Party Employees will be harmed, retaliated or penalized due to delay or loss of business resulting from their refusal to allow an act of corruption.

## **GIFTS, GIFTS AND HOSPITALITY**

A gift is a souvenir distributed as a courtesy, advertisement, usual dissemination or on the occasion of events or commemorative dates of a historical or cultural nature. In addition, its distribution must be for an indiscriminate group of people, that is, it is not intended for a single individual or very small group.

A gift is something of value, usually of greater value than a gift, chosen with the aim of pleasing those who receive it. Unlike Brinde, it is addressed to one or a few people in particular, and is offered as a result of a personal or commercial relationship with the recipient.

Hospitality is the offer of meals, air, land or sea tickets, accommodation in any type of hotel establishment, tickets to cultural or sporting events or any other type of entertainment or non-material amenity.

Gifts, Gifts and Hospitality can, in many cases, constitute legitimate and usual business tools. However, all of them can, depending on the circumstances, constitute an undue advantage. As a rule, none of these offers can have an individual value in excess of R \$ 100.00 (One Hundred Reais), and many codes of ethics applicable to Public Agents prohibit the offering of Gifts.

The Internal Employee must ensure that any gift, gift or hospitality offer complies with the rules established in this Policy, in addition to ensuring that the person to whom the offer is made is authorized to receive it, according to their own applicable internal rules or regulations. In case of doubt, make the prior consultation in writing.

REGNIER HYDRAULIC does not offer and does not accept that its Internal Employees or Third Parties offer, in its name or under the pretext of benefiting it, any form of Gift, Gift or Hospitality, with the intention of unduly influencing or compensating an Agent act or decision Public or expecting to receive preferential treatment or favoring.

In exceptional situations, dictated by reason of protocol, courtesy or other legitimate circumstance that justifies it, a Gift, Gift or Hospitality may be offered and which exceed the value provided above. However, prior written approval from REGNIER HYDRAULIC's managing partner will be required.

## **DONATIONS TO CHARITY**

In certain circumstances, REGNIER HYDRAULIC intends to have a positive impact on the communities in which it operates and where the company's employees live. However, to prevent a donation from being used to disguise a bribe, senior management should be able to be held responsible for the charity donation and ensure that:

- The organization is a legitimate philanthropic entity;
- donation request is made in writing by the recipient, describing the charitable purpose of the donation (diversity, education or humanitarian projects) and sufficient details about the recipient;
- recipient is investigated in order to determine that there is no connection with an individual who is in a position to act or make a decision in favor of the company and to prevent that there is no other intention to improperly influence a decision or guarantee a undue advantage;
- recipient has assured in writing that the donation does not benefit, directly or indirectly, any individual who has the power to decide on a pending or anticipated issue that may affect the company's interests;
- Payments are never made with cash available for small advances or to an individual's private account;
- recipient has issued a receipt for the donation, specifying the amount received;
- The donation is launched impeccably and accurately in the company's books and records;
- All documentation is maintained with a view to possible future audits.

## **POLITICAL CONTRIBUTIONS**

This Policy prohibits REGNIER HYDRAULIC from making any political contribution, including to any political party or candidate for political office.

This Policy, however, is not intended to prevent employees from participating in the political process or making personal political contributions.

However, if they wish to do so, these employees cannot state that their own political contributions (or any related opinions or affiliations) are related in any way.

## **CONFLICT OF INTEREST**

All employees must avoid conflicts of interest and are expected to perform their duties in a conscientious, honest manner and in the best interests of REGNIER HYDRAULIC. Employees must not abuse their positions, use confidential information improperly for personal gain or that of an intermediary, or have any direct involvement in any business that conflicts with REGNIER HYDRAULIC's commercial interests or that in any way compromises their independence and impartiality.

## **RESPONSIBILITIES**

All persons subject to this policy are prohibited from:

1. Offer or authorize the bribe offer or suggestion;
2. Accept, pay or receive a bribe;
3. Requesting or accepting bribes to influence a decision, obtain unauthorized access to confidential information, commit or refrain from taking action, regardless of whether the result could have been the same if the bribe had not occurred;
4. Use third parties to perform any of the above actions;
5. Use suppliers who are proven to be involved in situations of corruption or bribery;
6. Handling funds that are known or reasonably suspected to be used for bribery or corruption.

## **PREVENTIVE PRACTICES**

In refuting corruption, REGNIER HYDRAULIC reinforces below some preventive practices to be followed by all Employees:

- Understand the Anti-Corruption Law, the Code of Ethics and related rules;
- Search for information about the third party to be hired and the service to be performed, before hiring;
- Develop a critical sense to be able to identify attitudes that may result in undue advantage, and not to practice them;
- Avoid and seek clarification on contracts outside the Company's activity, invoices without an identification number or description of the services provided;
- Meetings with public officials outside the scope of work;
- Proposals for apparent accounting artifice to hide or in any way cover up payments;
- Refusal to sign contracts that contain anti-corruption clauses.

## PENALTIES

Violations of the Anti-Corruption Laws can result in severe civil and criminal penalties for REGNIER HYDRAULIC and its Internal Employees and Third Parties involved, which may fall on individuals or legal entities, subjecting Internal Employees to disciplinary sanctions, including termination of their employment contract. for just cause or, in the case of Third Parties, the motivated termination of your contract and the termination of any commercial relations.

## TRAINING

Periodic training on REGNIER HYDRAULIC's anti-corruption program will take place according to the schedule defined annually. The training will include, at a minimum, management and employees whose responsibilities require them to interact with Public Authorities, as well as employees in the areas of Accounting, Sales, Internal Audit, Risk and Internal Controls, Legal, Marketing, Compliance and Supplies - in addition Intermediary Third Parties, as necessary and appropriate.

## OMBUDSMAN

Any violations or suspected violations of this policy and / or the Anti-Corruption Laws must be reported.

Said complaints and denunciations may be made anonymously and confidentially through the Ombudsman's Office e-mail: [compliance@regniergroup.com.br](mailto:compliance@regniergroup.com.br)

Serra, ES, 14/01/2021



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20.079.774/0001-67



PREVIOUS VERSIONS: V1-02/01/2017