

**OBJECT: STANDARDIZATION OF  
NOVA PARTICIPAÇÕES**

**TITLE: INTEGRITY POLICY  
LIAISON WITH COMPETITORS**

REV	DATE	DESCRIPTION AND/OR REVIEW OF THE	CREATED	VERIF.	APPROV.
0	29/June/2019	Initial Issue - Migration of the Integrity Procedure M0-PI-0001 to Integrity Policy M0-PC-0001 and general review of the document.	CFR	AdCS	YF
A	22/Oct/2019	Replacement of the company's logo and corporate name.	BSL	WLC	YF

CÓPIA NÃO CONTROLADA

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>1 - OBJECTIVE</b> .....	<b>3</b>
<b>2 - COMPLEMENTARY STANDARDS</b> .....	<b>3</b>
<b>2.1 - By Nova Participações</b> .....	<b>3</b>
<b>2.2 - National</b> .....	<b>3</b>
<b>2.3 - International</b> .....	<b>3</b>
<b>2.4 - Terms and Definitions</b> .....	<b>3</b>
<b>3 - scope</b> .....	<b>4</b>
<b>4 - DESCRIPTION</b> .....	<b>4</b>
<b>4.1 - Infringements to the Economic Order</b> .....	<b>4</b>
<b>4.2 - Special Guidelines</b> .....	<b>6</b>
<b>4.3 - Infringements and Sanctions</b> .....	<b>7</b>
<b>4.4 - Communication, Training and Questions</b> .....	<b>8</b>
<b>4.5 - Ethics Channel</b> .....	<b>8</b>
<b>5 - VALIDITY</b> .....	<b>8</b>

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## **1 - OBJECTIVE**

This Policy aims to establish general requirements for the liaison with competitors, in order to mitigate risks and prevent, as much as possible, anti-competitive practices in the management of Nova Participações business internally or with Partners that use dubious, irregular, unethical or illegal methods to, among other activities established in the applicable Competition Law and corresponding regulation, restrict production, increase prices, restrict or concentrate market, form a trust or any other practices that discourage or cause difficulties for other legal entities to enter the market, damaging free competition and consumer relations.

## **2 - COMPLEMENTARY STANDARDS**

The following policies, standards and procedures shall be used in their most recent review or as a complement to laws, technical norms, standards and contractual requirements.

### **2.1 - By Nova Participações**

- M0-NA-0030- Code of Conduct and Ethics;
- M0-PC-0005 - Disciplinary Measures Related to the Ethics Channel.

### **2.2 - National**

- Law no. 12.529/2011 - Law of prevention and repression to infringement against the economic order - Competition Law, structuring of the Brazilian System for Protection of Competition and applicable regulation;
- Law no. 12.846/2013 - Brazilian Clean Company Law or Anti-corruption Law and applicable regulation;

### **2.3 - International**

Applicable laws from the country where Nova Participações or the Partner operate.

### **2.4 - Terms and Definitions**

For the purposes of this Policy, some terms shall be defined as follows:

- “Trust”: anti-competitive practices that use dubious, questionable, irregular, unethical or illegal methods to, among other activities, increase its economic and market power, as they aim to restrict production, increase prices, restrict or concentrate market, form trusts or any other practices that discourage or damage other legal entities to enter the market, removing competition, not attracting new competitors, and performing other actions that damage free competition;
- “Antitrust”: actions, activities and practices that aim to prevent and mitigate risks related to “trust”, ensuring free competition and avoiding infringements to the economic order;
- Trusts: agreements, explicit or tacit, between competitors and/or partners in the same market, related to prices, production and distribution quotas and territorial division of the market, aiming to increase prices and profits together to levels close to those of monopoly. The main feature of a trust is the combination, the agreement, the collusion among competitors and/or partners;

- Economic order: is the set of standards established in law or not, legal or not, that regulate the behavior of economic agents. It has as a basis the free enterprise and the appreciation of human labor, aiming at the dignified existence to all and social justice;
- Free competition: freedom to compete in a correct and honest manner, not allowing artificial or illegal hindrances to the entry of new companies in the market or to the development of business or commercial activity, with the regulation of economy being necessary to the freedom to access the market, in order to avoid detriment to the market itself and to competition;
- Free enterprise: involves the free performance of any economic activity, the freedom to perform any work, trade and career - building the guarantee of the individual right - corresponding to the freedom of choice according to individual vocation, with no interference of the State in this matter;
- Economic Agent: any entity with autonomy, capable of performing economic operations and hold economic value. The Economic Agent may be a family, a company, a financial institution or even the public administration, which, through its decisions and actions, taken rationally, influence the economy somehow;
- Dominant position: every time a company or group of companies is capable of changing unilaterally or in a coordinated way the market conditions or when it controls 20% or more of the relevant market;
- Fault: in Criminal Law, when the Agent caused the result through recklessness, negligence or malpractice. It may be defined then as the voluntary omission of diligence in calculating the potential and predictable consequences of the fact itself;
- Misconduct: in Criminal Law, when the agent wanted the result or took the risk of producing it.

### **3 - SCOPE**

This policy covers all Nova Participações companies, their employees, either individuals or legal entities and in any hierarchic level, without exceptions, who shall work to ensure the compliance to this policy by the Target Audience and other third parties, who work with public or private entities, directly or indirectly, for the interest or benefit of Nova Participações.

### **4 - DESCRIPTION**

Nova Participações business must be conducted under the principle of free competition.

All the market and competitors information, legitimate and necessary to the business, shall be obtained through transparent and reputable practices, and its obtainment through illicit means is not allowed.

#### **4.1 - Infringements to the Economic Order**

According to what is established in the legislation that covers the theme, the various methods of infringement to the economic order result in the accountability of the company and of its representatives or managers, jointly.

In this way, any action that has objective or that can produce the following effects, even when not accomplished, is considered an infringement to the Economic Order:

- to limit, fake or any form of damaging free competition or free enterprise;
- to dominate the relevant market of goods or services. When the market dominance is in good faith, that is, resulting from a natural process, founded in the best efficiency of an economic agent compared to its competitors, it is not considered illicit;
- to increase profits arbitrarily;
- to exert dominant position in an abusive manner;
- to agree, combine, manipulate or adjust with a competitor, in any form: (i) the prices of goods or services offered individually; (ii) the production or commercialization of a restricted or limited quantity of goods or the provision of a restricted or limited number, volume or frequency of services; (iii) the division of parts or segments of a current or potential market of goods or services, with, among others, distribution of clients, suppliers, regions or periods of time; (iv) prices, conditions, advantages or abstention in public tender;
- to promote, obtain or influence the adoption of a uniform or concerted commercial conduct among competitors;
- to limit or hinder the access of new companies to the market;
- to create difficulties to the constitution, operation or to the development of a competing company or supplier, acquirer or financial backer of goods or services;
- to prevent the competitor's access to supplies, raw material, equipment or technology, as well as to the distribution channels;
- to demand or concede exclusively to advertising diffusion in mass communication media;
- to use misleading means to create price oscillation of third parties;
- to regulate markets of goods or services, establishing agreements to limit or control research and technological development, goods production or service provision, or to hamper investment destined to the production of goods or services or their distribution;
- to impose, in the commerce of goods or services, to distributors, retailers and representatives, resale prices, discounts, payment conditions, minimal or maximum quantities, profit margin or any other commercialization conditions related to their business with third parties;
- to discriminate acquirers or suppliers of goods or services through differentiated price fixing, or operational conditions of sales or service provision;
- to refuse the sales of goods or service provision, within the normal payment conditions to the commercial habits and uses;
- to hamper or break the continuity or development of commercial relations of unspecified duration due to refusal from the other party to subject itself to unjustified or anti-competitive clauses and conditions;
- to destroy, void or appropriate raw material, intermediate or finished products, as well as destroying, voiding or hampering the operation of equipment destined to producing, distributing or transporting them;
- to appropriate or prevent the exploitation of industrial or intellectual property rights or technology;
- to sell merchandise or provide services unjustifiably below cost price;

- to retain production or consumption goods, except to ensure the coverage of production costs;
- to end partially or totally the company activities without proven and fair reason;
- to subordinate the sales of a good to the acquisition of other or to the use of a service, or subordinate the provision of a service to the use of other or to the acquisition of a good; and
- to exert or exploit in an abusive manner the intellectual, industrial, technology or brand property rights.

The antitrust laws are specific and complex, so, if there is doubt or any warning sign, consult the Ethics and Integrity area, before taking action or making a decision.

#### **4.2 - Special Guidelines**

All employees and third parties shall be aware of the full compliance of the Code of Conduct and Ethics of Nova Participações that states the duties of everyone, thus established, but not limited to:

- to watch over for loyal competition and not engage in activities or business that are damaging to the consumer, to the public administration or society;
- not to liaise with competitors and/or partners, in order to make agreements related to prices, production capacity, market division, sales territories or production programs and attitudes that eliminate healthy competition;
- not to establish agreements with competitors and/or partners in a way of not competing, restricting business with suppliers, presenting fictional offers in proposals or divide markets, territories or production programs;
- not to obtain and not to use confidential information of competitors and/or partners.

Due to these requirements, all employees and third parties shall follow some special guidelines when they face situations that may bring risks to the company. Thus, always:

- be careful in Trade Association meetings, in Business Fairs and where you may find competitors and/or partners;
- in meetings with the participation of competitors and/or partner, check the invitation, agenda, always seek to go accompanied of a witness and, in the end, the meeting notes, to certify that nothing infringed or will infringe the principles of this procedure;
- leave the meeting, in case the discussion is directed to themes that may damage the competition or are characterized by inappropriate practices, in relation to antitrust themes, and report to the Ethics and Integrity area Manager;
- if you receive unsolicited documents with critical content of the competitors and/or partners, immediately contact the Ethics and Integrity area Manager;
- if any competitor starts talking about price, market or clients, interrupt the chat immediately, ask to include in the minutes your refusal in participating of the meeting due to infringement to the protection of competition and report the fact to the Ethics and Integrity area Manager;
- if your business may be considered as a dominant position in the market or may impose competition restrictions, consult the Ethics and Integrity and Legal areas so they can

understand your business model and assess eventual contracts, as to ensure that no precept of the antitrust policies and legislation is infringed;

- consult the Ethics and Integrity and Legal area whenever you are in doubt;
- report all potential breaches of practices or procedures in relation to competition laws, inappropriate attitudes by our employees and third parties, misconduct or law infringement.

Other important guidelines. Avoid:

- talking with competitors and/or partners, unless you have a strong and justified business reason and the theme does not violate the Competition Law;
- discussing or exchanging information with competitors and/or partners, such as:
  - sales prices (margin, discounts and costs);
  - Sales strategy, participation in offers and tenders;
  - production capacity;
  - new products, Research & Development (R&D).
- agreeing and/or discussing about strategies and information of purchases and actions related to “marketing” activities;
- participating in meetings only with competitors and/or partners, without an independent element and whom you can trust (for example, a member of a Trade Association or Chamber of Commerce, a technical specialist from a University or standards organization, a reputable NGO, etc.).

Finally, actions that are not tolerated and shall never be performed:

- enter in trusts (fixating prices, allocating clients or territories or manipulating proposals with competitors);
- use insider information from the competitor and/or partner or obtain an unfair advantage (competitor and/or partner information shall only be used if they are of public domain);
- impose to partners the exclusive purchase or supply obligations, loyalty discount guarantee, charge of excessive prices, or discrimination among clients (except if there is a clear reason and that may be justified), especially if the company has a strong position in the market, for example: 20% or more participation in the market;
- participate in a fraudulent tender (works and services subcontracting agreements, in order to benefit competitor companies, directly involving the pricing in bids and tenders);
- take any action that may damage the principles of loyal and fair competition.

### **4.3 - Infringements and Sanctions**

All reports of suspicion of violation of this Policy will be immediately investigated and in an appropriate manner. If, after the investigation, there is proof that there was a conduct infringing the rules of this Policy, immediate and exemplary corrective measures will be taken, always according to the circumstances, severity and the applicable law, in compliance to the established in the Code of Conduct and Ethics of Nova Participações.

In addition to the internal sanctions at Nova Participações, the infringement of economic order subjects those accountable for the actions to the following penalties established in the law and in the Policy of the Disciplinary Measures.

#### **4.4 - Communication, Training and Questions**

Nova Participações keeps a constant and frequent communication and training plan, developed for its Employees, in order to promote and bring awareness on the importance of complying with the rules of this Policy.

It is the responsibility of all the Leaders Nova Participações to widely promote to their subordinates the content of this Policy, make them aware of the importance of compliance to it and encourage them to present questions or concerns about its application.

Any situation, exception and/or clarification about the application of this Policy shall be sent to the Ethics and Integrity area email ([compliance@novaengevix.com.br](mailto:compliance@novaengevix.com.br)).

#### **4.5 - Ethics Channel**

It is essential that all those covered by this Policy report immediately any actions or suspicions that violate this Policy and/or the Code of Conduct and Ethics. In this sense, we make the Ethics Channel available:

- Website: <http://www.novaparticipacoes.com/>;
- Website: [www.contatoseguro.com.br/novaparticipacoes](http://www.contatoseguro.com.br/novaparticipacoes);
- Telephone: 0800 648 6307 - 24 hours per day.

This channel is operated by a specialized company, ensuring even more the confidentiality and safety. Identification is not required when using the channel, although it is fundamental to act responsibly when reporting, which shall be consistent and truthful.

It is not allowed any form of retaliation against people that may file reports in good faith or complaints of violation of this Policy or anti-corruption law.

### **5 - VALIDITY**

This policy takes effect on its publication date.