



STANDARD FOR THE RELATIONSHIP
WITH PUBLIC AUTHORITIES



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#1

PURPOSE

THE STANDARD FOR THE RELATIONSHIP WITH PUBLIC AUTHORITIES ("STANDARD") IS INTENDED TO COMPLEMENT ZAGOPE'S CODE OF ETHICS AND CONDUCT ("CODE") AND ESTABLISH GUIDELINES COMPATIBLE WITH THE PRINCIPLES OF COMPLIANCE THAT SHOULD GUIDE THE ETHICAL CONDUCT OF COLLABORATORS IN THEIR RELATIONSHIP WITH PUBLIC AUTHORITIES AND PUBLIC AGENTS, WHETHER NATIONAL OR FOREIGN.

#2

SCOPE

THIS STANDARD APPLIES TO ALL COLLABORATORS, WHO MUST ACT TO ENSURE COMPLIANCE WITH THIS STANDARD BY PARTNERS WHO HAVE RELATIONSHIPS WITH PUBLIC AUTHORITIES IN THE INTERESTS OR FOR THE BENEFIT OF ZAGOPE.



#3

DEFINITIONS

DEFINITIONS FOR THE PURPOSES OF THIS STANDARD:



- (i) Public Agent: any national or foreign public official;
 - (a) any candidates for public office;
 - (b) political party leaders;
 - (c) people in diplomatic posts and international organizations (such as Ex-Im Bank, OPIC and other international development institutions);
 - (d) employees of companies directly or indirectly controlled by national or foreign public entities;
 - (e) any representative of such persons, which may include their relatives;

(ii) Collaborators: all ZAGOPE collaborators, including directors, managers, employees, trainees and apprentices.

(iii) Facilitation Payment: Payments usually of small value made to both public and private sector officials, whether national or international, even through a third party intermediary, to guarantee or speed up the execution of administrative activities or government actions under their responsibility. For the purposes of this standard, in line with Portuguese and Brazilian criminal law, facilitation payments will be considered acts of bribery and active corruption. Payments made by official means and permitted by law, provided that they do not conflict with the provisions of applicable anticorruption laws, will not be considered in this definition.

(vii) Partners: any and all ZAGOPE business partners, including clients, suppliers, consortium companies or any other third parties.



#4

INTRODUCTION

ZAGOPE, S.A., AND THE COMPANIES UNDER ITS DIRECT OR INDIRECT CONTROL, ("ZAGOPE") ARE COMMITTED TO MAINTAINING THE HIGHEST STANDARDS OF ETHICAL CONDUCT, WITH STRICT COMPLIANCE WITH THE LAWS IN FORCE IN EACH OF THE MARKETS IN WHICH IT OPERATES.

AMONG THE GUIDELINES ADOPTED TO FULFILL THIS COMMITMENT, THE CODE STATES THAT:

"It is expressly forbidden for any Collaborator to offer, promise or authorize, directly or through third parties, any undue advantage of any nature, whether in cash or any valuable good or service, to public agents, political parties and their members or to any candidates for public office, national or international, as well as to family members or equivalent of any such persons, in order to obtain personal benefit or benefit for ZAGOPE."

Strict compliance with this Standard will protect ZAGOPE and its employees from criticism, litigation or embarrassment that may result from actual or alleged conflicts of interest or unethical practices. Each Collaborator must take responsibility for conducting ZAGOPE's business with integrity, discussing their doubts and promptly informing their manager, the "*Talk to Us*" channel or the Ethics Committee of any improper requests or extortion attempts by Public Agents, as well as any suspicions regarding the violation of the principles contained in this Standard or in the Code.



#5

GENERAL RULES

ZAGOPE PROHIBITS AND WILL NOT TOLERATE ANY ACTS OF CORRUPTION OR BRIBERY IN ITS RELATIONSHIPS WITH PUBLIC AUTHORITIES, INCLUDING THROUGH THIRD PARTIES.

IN VIEW OF NATIONAL LEGISLATION, THE FOLLOWING CAN BE CLASSIFIED AS ACTS OF CORRUPTION AND BRIBERY OR CONTRARY TO PUBLIC ADMINISTRATION:

- (i) Promising, offering or giving, directly or indirectly, an undue advantage to a Public Agent or a third party related to them;
- (ii) Financing, funding, sponsoring or in any way subsidizing the practice of illegal acts harmful to the public administration;
- (iii) Using a natural or legal person to hide or disguise their real interests or the identity of the beneficiaries of the acts carried out;
- (iv) Frustrating, defrauding, manipulating, preventing, disturbing or obtaining an undue advantage in relation to tenders and contracts with the public administration, or creating a legal entity in a fraudulent or irregular manner in order to participate in such tenders and contracts;
- (v) Hindering the investigation or inspection activities of public bodies, entities or agents, or intervening in their activities.

Some activities in the relationship with public authorities pose greater compliance risks, given the prohibitions laid down in national and foreign legislation. Such activities include:

- (i) Gifts of any kind, such as presents, entertainment expenses, travel, accommodation and hospitality;
- (ii) Participation in tenders and administrative contracts;
- (iii) Political donations;
- (iv) Sponsorships and charitable donations;
- (v) Transactions with intermediaries.





ZAGOPE is committed to the compliance of its business and to preventing, monitoring and investigating any violation of the Code or this Standard. The guidelines relating to the above activities are dealt with in more detail in the sections below.

Under no circumstances, regardless of the value of the gift, will entertainment, accommodation or hospitality, the following shall be allowed:

- (i) Payments in cash or cash equivalents of any kind;
- (ii) Offering gifts, entertainment or hospitality to family members of Public Agents, or third parties related to them;
- (iii) Offering gifts, entertainment or hospitality without any commercial reason, commemorative event or specific publicity purpose, in excess of the legal limits allowed.

#5.1

HIRING PUBLIC OFFICIALS AND/OR THEIR RELATIVES

The hiring of Public Agents and/or their family members to hold positions that require a relationship with the public bodies from which the Public Agent or their relatives come must be approved in advance by a director of the applicable area and the reasons for the approval must be sent to the Ethics Committee. Collaborators who are second-degree relatives of Public Agents of bodies with which they have a relationship must immediately inform their manager and the Compliance area, which must take the necessary measures to avoid potential conflicts of interest.



#5.2 GIFTS

ONLY PROMOTIONAL GIFTS OR PRESENTS WITH NO COMMERCIAL VALUE MAY BE GRANTED OR DISTRIBUTED AS A COURTESY, ADVERTISEMENT, CUSTOMARY PUBLICITY, ON THE OCCASION OF SPECIAL EVENTS OR COMMEMORATIVE DATES, OFFERED IN A DIFFUSE MANNER AND THEREFORE NOT INTENDED FOR SPECIFIC BODIES OR AUTHORITIES. UNDER NO CIRCUMSTANCES MAY GIFTS TO PUBLIC AGENTS EXCEED €150 (ONE HUNDRED AND FIFTY EUROS) OR THE EQUIVALENT IN LOCAL CURRENCY.

#5.3

ENTERTAINMENT AND HOSPITALITY

ENTERTAINMENT AND HOSPITALITY SHALL BE INTERPRETED AS ANY TYPE OF ADVANTAGE, INCLUDING SERVICES, FAVORS, DISCOUNTS, LOANS, PRIZES, IMPROVEMENT OR UPGRADE IN GOODS OR SERVICES, MEALS, TRANSPORTATION, TRAVEL, LODGING, PARTIES, SHOWS, EVENTS, AMONG OTHERS.

Entertainment and hospitality of Public Agents is permitted in situations expressly provided for in contracts with public entities, as well as at conferences supported by ZAGOPE. For example, concession contracts, public-private partnership contracts and works contracts may stipulate that ZAGOPE bears the costs of inspection by the public agent and, consequently, ZAGOPE has to pay for air tickets, hotels and meals related to inspection activities.

Entertainment and hospitality offered to Public Agents for tourist purposes will not be permitted.

Entertainment and hospitality invitations may be used as an opportunity to discuss matters of interest to ZAGOPE and the Public Agent. As for business meals with a Public Agent, these should be in accordance with the guidelines for meals for both parties, unnecessary expenses should be avoided, and meals should be reasonable in value and in line with local customs.



#5.4 TENDERS AND ADMINISTRATIVE CONTRACTS

PORTUGUESE AND BRAZILIAN LEGISLATION CONSIDERS CORRUPTION TO BE A SERIES OF ILLICIT ACTS COMMITTED IN THE CONTEXT OF TENDER AND CONTRACTING PROCESSES WITH PUBLIC AUTHORITIES. IN SOME CASES, THE PARTICIPATION OF A PUBLIC AGENT IS NOT EVEN NECESSARY FOR THE ACT TO BE PUNISHABLE BY THE COMPETENT PUBLIC AUTHORITIES.



Therefore, the Collaborator must be aware that Portuguese and Brazilian legislation and ZAGOPE prohibit any act with the purpose of:

- (i) Frustrating or defrauding, by means of an arrangement, agreement or any other expedient, the competitive nature of a public bidding procedure;
- (ii) Preventing, disturbing or defrauding the performance of any act of a public bidding procedure;
- (iii) Removing or seeking to remove a bidder by means of fraud or offering an advantage of any kind;
- (iv) Defrauding public tenders or contracts arising from them;
- (v) Fraudulently or irregularly creating a legal entity in order to participate in a public tender or enter into an administrative contract;
- (vi) Obtaining undue advantage or benefit fraudulently from modifications or extensions of contracts entered into with the public administration, without authorization by law, in the public tender invitation or in the respective contractual instruments;
- (vii) Manipulating or defrauding the economic and financial balance of contracts concluded with the public administration.

#5.5 POLITICAL DONATIONS

Political donations by any Andrade Gutierrez or Zagope company are prohibited. Collaborators can make donations using their own resources, provided they comply with the applicable legislation and without any involvement from ZAGOPE.



#5.6

SPONSORSHIPS AND CHARITABLE DONATIONS

PROJECTS OF RECOGNIZED REPUTATION AND RESPECTABILITY, WHETHER OF AN EDUCATIONAL, SPORTING, CULTURAL OR CHARITABLE NATURE, AS WELL AS SPONSORSHIP OF ACTIVITIES WHOSE VALUES ARE COMPATIBLE WITH THE PRINCIPLES OF THE CODE, ARE PART OF ZAGOPE'S COMMITMENT TO SOCIAL RESPONSIBILITY.

Collaborators responsible for sponsorships and charitable donations are prohibited from approving them for individuals and must make all transfers of resources by bank transfer, duly registered in the accounts and financially, in accordance with the Code.

In addition to the technical requirements of the projects, the qualification process (due diligence) should at least require that applicants to sponsorships or donations present, declare or prove in writing to ZAGOPE:

- (i) Relevant experience in the types of projects seeking sponsorship or donations;
- (ii) Identification and brief curricula vitae of the executive directors or persons responsible for investing the funds;
- (iii) A declaration that the institution is not controlled, directly or indirectly, by any Public Agent, that the project will not employ or transfer resources, directly or indirectly, to Public Agents, their family members or other third parties related to them.

If any of the eligibility requirements set out in this Standard or in procedures approved on its basis raises doubts, sponsorships and charitable donations may only be made with the prior written approval of the Ethics Committee.





#5.7 TRANSACTIONS WITH INTERMEDIARIES

COLLABORATORS MUST TAKE ACTION TO ENSURE COMPLIANCE WITH THIS STANDARD BY PARTNERS WHO ACT AS INTERMEDIARIES (EX. BROKERS, LAWYERS AND ENVIRONMENTAL CONSULTANTS) IN ACTS BEFORE PUBLIC AUTHORITIES, IN THE INTEREST OR FOR THE BENEFIT OF ZAGOPE, AND ALWAYS IN ACCORDANCE WITH LOCAL LEGISLATION.



In accordance with the Code, ZAGOPE will only relate to Partners that:

- (i) adopt practices of integrity and satisfactory ethical conduct;
- (ii) comply with the applicable legislation in carrying out their activities and fulfilling their contractual commitments;
- (iii) maintain appropriate confidentiality regarding confidential information that they may acquire as a result of the activities carried out for or together with ZAGOPE.

ZAGOPE will not enter into contractual commitments with Partners who have been declared disreputable by the public authorities.

In order to effectively select, monitor and supervise Partners covered by this Standard, internal integrity processes and procedures must be drawn up, adopted and periodically reviewed.

#5.8

FACILITATION PAYMENT



Although there is no legal provision against Facilitation Payments in the countries in which ZAGOPE has commercial relations, such payments contravene Brazilian law and are considered acts of bribery.

Thus, facilitation payments to speed up or favor the analysis and obtaining of licenses, authorizations and permits carried out by its collaborators, third parties, suppliers, partners or any intermediary agent will not be tolerated.

The collaborator, third parties, suppliers and partners who are asked to make a payment must refuse to do so and inform the requester of the prohibitions laid down by ZAGOPE and immediately report the situation to their superior and the Compliance Department.

No collaborator, third party, supplier or partner will suffer any kind of retaliation or penalty due to a delay or any negative consequence for the business resulting from the non-payment of a facilitation fee. They may consult the Compliance area if they are faced with any request or what appears to be a request for payment, whether in person, by email, telephone or other means of communication.

#6

PENALTIES

THE COLLABORATOR WHO COMMITS A VIOLATION OF THE STANDARD WILL BE SUBJECT TO THE SANCTION CORRESPONDING TO THE SERIOUSNESS OF THE INFRACTION, INCLUDING WARNING, SUSPENSION AND DISMISSAL FOR JUST CAUSE, WITHOUT PREJUDICE TO FULL REPARATION OF THE DAMAGES CAUSED AND COMMUNICATION OF THE ACT TO THE COMPETENT PUBLIC AUTHORITIES, AS APPROPRIATE.



Crimes related to bid-rigging, practiced against the administration, including influence peddling and corruption, practiced against the national or foreign administration, carry a penalty of detention or imprisonment and a fine, according to the legislation applicable to ZAGOPE operations. These crimes are summarized in the first paragraph of item 5 and in item 5.4 above.



#7

FINAL PROVISIONS

ANY OMISSIONS OR DOUBTS REGARDING THE STANDARD SHOULD BE CLARIFIED WITH MANAGERS, THROUGH THE TALK TO US CHANNEL, OR RESOLVED BY CONSULTING THE ETHICS COMMITTEE.

The documentary, financial and accounting records relating to the relationship with public authorities must be kept in such a way that they can be verified and audited for at least 10 (ten) years.

TERM OF COMMITMENT

I hereby declare that: a) I have received, read and understood **Zagope's Standard for the Relationship with Public Authorities**; b) I fully agree with the rules and guidelines contained therein; c) I undertake to comply with them in full.

Collaborator ()

Partner ()

NAME: _____

Collaborator No.: _____

TIN (partner) : _____

Signature: _____

Date: ____ / ____ / _____

