

| Alupar Corporate Policies

Corporate Governance Policy



ALUPAR

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1 CONTROL INFORMATION

VERSION	DATE	REVIEW TYPE	DETAILING
01	02/2015	New	Creation of the new policy.
02	07/2017	Change	Necessary policy updates.
03	08/2020	Change	Necessary policy updates.

Review Types

- **Inclusion:** Inclusion of information not existing in the previous version.
- **Exclusion:** Exclusion of information existing in the previous version.
- **Change:** Alteration or adjustment of information already existing in the previous version.
- **New:** Indicates that the regulation was created, which corresponds to the first version of the document.





2 PURPOSE

This Policy aims to consolidate the Corporate Governance practices to be followed by Alupar and its controlled/subsidiary companies ("Companies"), in order to (i) bring objective recommendations to all employees, members of the Board of Directors and Executive Board, which are guided by the basic principles of good Corporate Governance practices; (ii) improve the relationship between shareholders, members of the board of directors, executive board and other stakeholders, through the implementation of internal procedures to be followed by all; (iii) minimize the Companies' risks, through the adequate flow of information to the Companies' management bodies for decision making; (iv) increase the value of the Companies and enable their perpetuity; (v) establish the procedures to be followed for the adequate holding of General Shareholders' Meetings, Board of Directors' meetings and Executive Board meetings, enabling the adequate decision making, based on reliable, complete, adequately presented and timely information.

3 SCOPE

This Guideline applies to all departments and employees and covers the subsidiaries and controlled companies of Alupar Investimento S.A., involving their internal organizational structures, at all levels of hierarchy.

When new concessionaires are incorporated or new companies are formed, these guidelines become valid for them.

4 AREAS INVOLVED

All areas of the Companies.

5 DURATION

This document, as well as the other normative documents of the company, will be valid for 12 months from the date of its publication.

If the validity expires without the proper validations of the areas, it will be considered updated and will be republished with the new date and the name of the manager responsible for the process.





6 CONCEPTS/DEFINITIONS

VERSION	DATE
Corporate Governance	It is the system by which companies and other organizations are directed, monitored and encouraged, involving the relationships among partners, board of directors, executive board, supervisory and control bodies and other stakeholders.
Transparency	It is the desire to make available to stakeholders the information that is of interest to them and not only that imposed by provisions of laws or regulations. It should not be restricted to economic-financial performance, also contemplating the other factors (including intangibles) that guide the management action and that lead to the preservation and optimization of the organization's value.
Equity	It is characterized by the fair and equal treatment of all partners and other stakeholders, taking into account their rights, duties, needs, interests and expectations.
Accountability	Accountability for their actions in a clear, concise, understandable and timely manner, fully assuming the consequences of their acts and omissions and acting with diligence and responsibility in their roles.
Corporate Responsibility	The governance agents must take care of the economic-financial feasibility of the organizations, reduce the negative externalities of their business and their operations and increase the positive ones, taking into account, in their business model, the various capitals (financial, manufactured, intellectual, human, social, environmental, reputational, etc.), in the short, medium and long term.

7 REFERENCES

- Joint Stock Company Law;
- Code of Best Corporate Governance Practices – IBGC;
- Good Practices Book for Board of Directors' Meetings - IBGC; and
- Conselho de Administração eficaz para sociedade de capital fechado [Effective Board of Directors for a privately-held company] – Fernando Cunho, Editora Saint Paul – Edition 1 – 2010.





8 REGULATORY FOUNDATIONS

Not Applicable.

9 GENERAL GUIDELINES

The guidelines brought by this Policy are based on the Basic Principles of Corporate Governance, which are extremely important for the Companies to have a high degree of reliability, either internally or before third parties. They are: Transparency, Equity, Accountability and Corporate Responsibility.

The Corporate Governance practices established in this policy have as central elements the General Meetings, the Board of Directors and the Executive Board, since the decisions of such bodies must be properly grounded, recorded, subject to verification by third parties and ethical. It is through proper decision making that companies will show their identity and their values.

9.1 GENERAL MEETING

The General Meeting, which is the forum for discussing and voting on shareholders' decisions, has powers to decide all business related to the object of the Companies and take the resolutions it deems convenient to its defense and development. It is through this body that the main decisions of the organization are adopted.

Shareholders' votes should always be cast in the best interest of the company. Matters of private jurisdiction of the General Meeting are provided in article 122 of the Joint Stock Company Law. Company Meetings may be Ordinary or Extraordinary:

9.1.1 Ordinary General Meeting

The Ordinary General Meeting shall be held annually during the first four months following the end of the corporate year and shall deliberate on: (i) rendering of accounts of the managers, examine, discuss and vote on the financial statements; (ii) deliberate on the allocation of net profit for the year and the distribution of dividends; (iii) elect the managers and members of the Audit Board, when applicable; (iv) approve the indexation of the capital.

The managers shall communicate, up to 1 (one) month before the date set for the Ordinary General Meeting, by means of announcements published pursuant to article 124 of the Joint Stock Company Law, which are at the disposal of the shareholders, at the companies' headquarters: (i) the management report on the corporate business and main administrative facts of the ended fiscal year; (ii) a copy of the financial statements; (iii) the opinion of the independent auditors; (iv) the opinion of the Audit Board, if any. Publication of the announcement is waived when the documents are published up to 1 (one) month before the date set for the Ordinary General Meeting.

If the announcement is published, the Companies' financial statements may be published in the newspaper at least 5 (five) days prior to the date set for the Annual General Meeting.

It is worth remembering that, in the case of election of managers, the respective resumes must also be available.





9.1.2 Extraordinary General Meeting

The following matters shall be deliberated exclusively through an Extraordinary General Meeting: (i) reform of the Bylaws; (ii) authorize the issuance of debentures, observing the Bylaws of publicly-held companies in relation to the issuance of non-convertible debentures, which may be delegated to the Board of Directors; (iii) suspend the exercise of the rights of the shareholder; (iv) deliberate on the evaluation of assets with which the shareholder competes for the formation of the capital stock; (v) authorize the issuance of beneficiary parties; (vi) deliberate on the transformation, merger, incorporation and split of the company, its dissolution and liquidation, elect and dismiss the liquidators and judge their accounts; (vii) authorize the managers to confess bankruptcy and request judicial reorganization¹.

9.2 BOARD OF DIRECTORS

The Board of Directors is a collegiate body that aims to make all decisions related to the strategic direction of the Company, as well as to monitor the activities carried out by the Executive Board. It is this body that shall establish the general orientation of the company's business, exercising the role of true "guardian of the principles, values, business purpose and governance system of the organization, being its main component"².

It is important to remember that it is not within the scope of the Board of Directors to discuss matters related to the day-to-day management of the companies. Thus, in order for the board members to be aware of the activities developed in the day-to-day of the companies, the executive directors shall arrange for the sending of regular management reports.

If clarification is needed, the board members may request the presence of the executive directors, to bring additional information. It is essential that management reports are sent in advance to the ordinary meetings of the Board of Directors, which will be included in the annual calendar.

All votes of the members of the Board of Directors must be cast in the best interest of the Company, so that their decision cannot be based on the exclusive or particular interest of the shareholder who elected them. In addition, the collegiate must define action plans, strategies and policies that seek the valuation of the company, its continuity, and the return on investment desired by shareholders. The decision making of board members should also take into account the degree of exposure to risk, which is defined by the organization³.

Every manager must employ, in the exercise of his duties, the care and diligence that every active and honest man usually employs in the administration of his own business⁴, and it should be noted that the Company may file a civil liability suit against a manager who causes losses, when he does so: (i) within his powers and duties, with guilt or malice: (ii) with violation of the law or bylaws.

¹ See article 122 of the Joint Stock Company Law.

² Code of Best Corporate Governance Practices , 5th edition, page 39.

³ Risk appetite is associated with the level of risk that the organization can accept in carrying out its strategy (activity more associated with preliminary risk analysis); risk tolerance refers to the acceptable level of variability in attaining defined goals and objectives (activity more associated with risk monitoring). These two components together define the risk profile of the organization with respect to the risk exposure it accepts to incur. Code of Best Corporate Governance Practices - 5th edition, page 16.

⁴ See article 153 of the Joint Stock Company Law.





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Furthermore, if deviations of employees from the Company's principles and values are identified or reported to the board members, or even the misconduct of business decisions, the Board of Directors shall propose the penalties set forth in the Companies' Code of Conduct.

It is essential that the member of the board of directors have the time and availability to study the supporting material to be made available to him/her to cast his/her vote and that, in the event of any conflict, he/she abstains from participating in the discussion and voting on the subject, in accordance with article 16 of the Joint Stock Company Law⁵.

Pursuant to article 142, paragraph 1 of the Joint Stock Company Act, the minutes of the board of directors' meetings containing deliberations intended to produce effects before third parties shall be filed in the trade register and published.

The matters to be deliberated at a meeting of the Board of Directors are provided for in article 142 of the Joint Stock Company Act and in the Bylaws of the Companies. Thus, the executive board must act diligently and investigate their limits of jurisdiction, under penalty of being held responsible.

These are matters of exclusive competence of the Board of Directors:

- Set the general direction of the company's business;
- Elect and dismiss the company's directors and establish their attributions, observing what the bylaws provide in this respect;
- Supervise the management of the directors, examine, at any time, the books and papers of the company, request information on contracts signed or in the process of being signed, and any other acts;
- Call the general meeting when it deems convenient, or in the case of article 132 of the Joint Stock Company Law;
- Give its opinion on the management report and the accounts of the board of directors;
- Authorize, if the bylaws do not provide otherwise, the disposal of permanent assets, the constitution of real liens and the provision of guarantees to third party obligations;
- Authorize, if the bylaws do not provide otherwise, the disposal of non-current assets, the constitution of real liens and the provision of guarantees to third party obligations;
- Choose and dismiss the independent auditors, if any.

9.2.1 Approval of an Annual Calendar

The President of the Board of Directors shall propose a calendar with the dates of meetings for the following year.

Good corporate governance practices establish that meetings should be held at least quarterly and at most monthly. If there is a need for approval of a certain matter on a date prior to the next scheduled meeting, the reasons shall be justified to the President of the Board of Directors, who shall assess the actual need.

⁵ Article 156, Joint Stock Company Law: It is forbidden for the manager to intervene in any corporate operation in which he/she has an interest conflicting with that of the company, as well as in the deliberation that the other managers make in this regard, and he/she must inform them of his/her impediment and consign, in minutes of a meeting of the board of directors or executive board, the nature of the extent of his/her interest.





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It is essential for the executive officers of the Companies to align the schedule of the undertaking and the matters that require approval of the Board of Directors with the annual calendar. It is thus recommended that, at the beginning of the fiscal year, the deliberations already scheduled be communicated to the president of the Board of Directors, in order to organize the work in advance and properly.

10 RESPONSIBILITIES

This Policy applies to Alupar and all its direct and indirect subsidiaries and affiliates, including those located outside the country, insofar as it does not conflict with local legislation. It is the duty and responsibility of all employees, executive officers and members of the Board of Directors to be aware of this Policy and to comply with its terms.

RACI MATRIX			
Process Activities	ALL EMPLOYEES	PRESIDENT OF THE BOARD OF DIRECTORS	CORPORATE GOVERNANCE SECRETARY
Observe and comply with the determinations brought by this Policy.	R		
Observe the responsibilities inherent to his/her role, in accordance with this Policy.		R	
Assist the Executive Officers and President of the Board of Directors in the performance of their tasks, pursuant to this Policy.			R
Ensure full compliance with this Policy.			R

R = responsible (responsible for the execution) / A=approver (approves the work) / C=consulted (will give information to complete the work) / I = informed (person who should be informed)

11 ATTACHMENTS

Not Applicable.

12 DOCUMENT APPROVALS

In order to ensure sustainability, the approvals of these documents and their reviews will be sent by e-mail to the In Agreement of the owner of the processes and the intervening areas, with the owner of the process being responsible for requesting all the approvals and sending the evidence to the Process area.

13 DISCLOSURE

The area is responsible for disclosure of the material, as well as guarantee of understanding of the information.

