




# NO.13 – SUPPORT AND SPONSORSHIP FOR SOCIAL PROJECTS USING TAX INCENTIVES

Responsible Area: Human and Organizational Development - HR

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 **What do you find in this document:** guidelines for carrying out sponsorships using federal, state and municipal incentives arising from tax waivers.

## 1. PURPOSE

Establish guidelines and rules for sponsorship, through a cash contribution by the Company, using Federal, State and Municipal Tax Incentives.

## 2. COVERAGE

This Standard applies to all areas of Dexco, its managers and employees.

## 3. NORMATIVE REFERENCES

- Federal Sports Law (nº 11,438)
- Federal Culture Law (old Rouanet law nº 8,313/91, article 18)
- Audiovisual Law (nº 8,685/93 11,437/06 article 1º A)
- State Law of the State of São Paulo nº 12,268/06 do PROAC - Cultural Action Program)
- State Sports Law (São Paulo Sports Incentive Law Decree 55,636/2010)
- PRONAS - National Program to Support Health Care for People with Disabilities
- PRONON - National Oncology Care Support Program (Federal Law nº 12,715/12)
- Elderly Funds (Law Nº 12,213/10)
- FUMCAD's – Municipal Funds for the Rights of Children and Adolescents
- Dexco Supplier Conduct Guide
- PO.14 Fight against corruption

## 4. CONCEPT OF SOCIAL INVESTMENT

The contribution is intended for actions, projects and programs aimed at promoting sustainability, social impact and development of local communities, provided that they are provided for by law and in compliance with the guidelines of the Code of Conduct and the Anti-Corruption Policies; of Sustainability and Related Party Transactions.

## 5. DEFINITIONS:

- 5.1. Sponsorship:** investment for financing and executing programs, projects and actions for the benefit of society.
- 5.2. Tax Incentive:** the direct or indirect reduction or elimination of the respective tax burden arising from a specific law or rule of the Public Administration, for application in public interest projects.
- 5.3. Proponent:** legal entity responsible for the authorship, implementation and development of the project or social program.
- 5.4. Institutional Projects:** projects aimed at expanding positive social impacts and working on the Company's corporate image.

## 6. DESCRIPTION OF PROCEDURES AND RESPONSIBILITIES

### 6.1. Sponsorship Spheres with Tax Incentives

The Company may carry out Sponsorships through Tax Incentives to initiatives aimed at culture, sports, the elderly, health and children and adolescents, among others legally provided, whose funds available for investment will necessarily be related to the amount of taxes paid by the Company, such as Tax Income paid to the Federal Government and ICMS paid in each State where the Company is present.

#### 6.1.1. Reference legislation (not limited to the following)

Federal Sports Law (No. 11.438); Federal Culture Law (former Rouanet law nº 8.313/91, article 18); Audiovisual Law (nº 8.685/93 11.437/06 Article 1 A); State Law SP nº 12.268/06 of PROAC - Cultural Action Program) and State Sports Law (São Paulo Law of Incentive to Sport Decree 55.636/2010); PRONAS - National Program to Support Health Care for People with Disabilities and PRONON - National Program to Support Oncology Care (Federal Law No. 12.715/12), Elderly Funds (LAW No. 12.213/10) and FUMCAD's - Municipal Funds for Rights of Children and Adolescents.

#### 6.1.2. Social Investment and Projects

The company may carry out sponsorships aimed at social investment and the development of projects with access to the general public, always committing to the guidelines provided for in current legislation

and applicable to each project. Projects must have a defined scope for framing in:

- Incentive to Culture: Projects focused on the Performing Arts, Visual Arts, Film and Video, Literature, Music, Sociocultural Heritage, among others.
- Sports Incentive: Projects focused on sports as leisure; and
- Sport as a tool for education and social inclusion; and sports infrastructure;
- Guarantee and defense of the rights of Children and Adolescents;
- Quality of life and guarantee of the rights of the Elderly;
- Encouraging the rehabilitation of people with disabilities;
- Cancer prevention, combat and treatment;
- Incentive to Education: Social projects with a socio-educational bias, which use Education as a tool for social transformation; Entrepreneurship and Income Generation.

### 6.2. Selection Criteria

In compliance with the legal requirements, the projects that may receive sponsorship will be selected by the Human and Organizational Development - Social Management based on meeting the minimum criteria listed below:

- The location of the project execution, which should preferably be within the territory of operation or interest of the Company;
- The project's affinity with the business strategy, Sustainability, other related internal rules and/or institutional interest;
- Meeting the priority demands of the communities where the Company has operations;
- Promotion of social impact in communities benefited by the initiative;
- The potential for replicability of the project to different locations and audiences;
- Eligibility, in the case of the Children and Adolescent Funds and the Elderly Fund;
- Do not represent or appear to be an undue advantage to any of the parties, including under the terms of PO.14 Combating Corruption;
- No Sponsorship that exposes the image and/or reputation of the Organization, its shareholders, directors or employees may be carried out.

### 6.3. Procedures and Responsibilities

#### 6.3.1. Feasibility Analysis and Social Investment Planning

- It is up to the Human and Organizational Development - Social Management to analyze and pre-select the social projects received, considering the criteria established for private social investment in the year.
- Cabe à Gerência de Impostos informar à Gerência de Desenvolvimento Humano e Organizacional quanto à disponibilidade de recursos na Companhia para a realização dos Patrocínios por meio de Incentivos Fiscais, sendo a primeira previsão até o mês de agosto de cada ano para que o plano de investimento social privado considere a melhor alocação de recursos
- After defining the amount available, it is up to the Human and Organizational Development - Social Management to prepare the proposed investment plan, in line with the Company's purpose and strategy.
- It is the responsibility of the Human and Organizational Development - Social Management to forward the projects included in the investment proposal to the Compliance area, with the documentation described in the Sponsorship Approval Form: Sponsorship Form duly signed by the Human and Organizational Development - Social Management ; a simple copy of the identity card and CPF, in the case of an individual; or simple copy of the consolidated bylaws or contract; minutes of the election of the board, in the case of a legal entity; description of the project and publication in the Official Gazette.
- The Compliance area must analyze the proponent's reputation by consulting available public records. The Compliance area may require from the bidder all the documents it deems necessary for the preparation of its reputation report to be sent to the Human and Organizational Development - Social Management. If Compliance issues an unfavorable opinion, the sponsorship shall not be carried out.
- Based on the favorable opinion of the Compliance area, the Human and Organizational Development - Social Management may continue the sponsorship process, submitting the social investment plan for approval by the Executive Committee and the Sustainability Committee.
- It is up to the Tax Management to pay for the projects, according to the social investment plan approved by the Executive and Sustainability Committee, during the month of December. The payment of projects made possible through state laws must follow the respective schedule of the Secretariat of Finance. For projects whose investment will be

made from its own resources, payment will be made according to negotiation with the proponent.

### 6.3.2. Sponsorship Realization

- All Sponsorships will be carried out upon the execution of the respective sponsorship agreement between the Company and the Bidder (and the borrower, if any), who must adhere to the Dexco Supplier Conduct Guide by the agreement to be entered into.
- It is the responsibility of the Legal area to provide legal advice to the areas involved in Sponsorships with the use of Tax Incentives and with its own resources and prepare the model contract used by the Human and Organizational Development Management to contract potential projects, as well as validate at the end of the contracting process contracts filled out by the Proponent and reviewed by the Human and Organizational Development Management.
- It is up to the Human and Organizational Development Management to send the applicable standard contract to the Bidder so that it can be returned filled out, with its complete qualification (corporate name, address, CNPJ, type of company and form of representation);
- The Tax Management must make payments as determined by current legislation, based on the analysis steps established in item 6.3.2.
- It is necessary to receive receipts evidencing receipt of amounts contributed to projects through federal law (Federal Law of Culture, formerly Rouanet), Federal Sports Law, CMDCA, CMI, Pronas and Pronon. These receipts must be delivered to the tax area by the end of February, considering that the contribution is annual and takes place in December of the previous year.
- The distribution of tickets, invitations, copies, items etc. of projects sponsored by the Company under this standard must meet the limits established in the applicable legislation in force, as provided below:
  - a. The offer or delivery of tickets, invitations, copies, items etc. is prohibited. of projects sponsored by the Company to public agents or similar to them, under the terms of the Anti-Corruption Policy.
  - b. The amount of the total amount allocated to sponsorship through the Tax Incentive Laws will be allocated as follows: up to 15% for projects with an institutional focus and the remainder for other projects according to Dexco Private Social Investment strategy.

### 6.3.3 Post Analysis and Document Archiving

It is up to the Human and Organizational Development - Social area:

- Keep all documentation, contracts and evidence required in this Standard registered.
- Report in the Company's annual report the sponsorships carried out within the scope of this Standard, in order to ensure transparency in the use of tax incentives.
- Ensure the proponent's accountability, who in turn, must submit a full copy, for file and control by said Management, of the documentation delivered to the Public Administration.

#### **6.4. Prohibitions**

Without prejudice to other prohibitions in laws, pursuant to Normative Instruction No. 01/2017 of the Ministry of Culture, any Sponsorship of a cultural project related to the Federal Culture Law, formerly Rouanet, is subject to the prohibition of the following considerations to the Company, even if the sponsorship is carried out through a private (non-incentive) budget, even if only through this:

- Differentiation between audiences in the marketing of cultural products under conditions different from those practiced for the general public.
- Reservation of space at the event to a specific public.
- Placement of a brand or name in advertising pieces other than those approved by the Ministry of Culture.
- Execution of rehearsals, presentations, visits, receptions, parties, cocktails, catering or any activities associated with the cultural project of a restricted nature or with limited access.

**6.2.** Fornecimento de produtos ou serviços ao projeto, além do aporte em dinheiro objeto do patrocínio.

#### **6.5. In carrying out the Sponsorships, it is prohibited:**

- The offering or receipt by the Company or its managers and employees of any consideration above the legal limits, financial or material illicit advantage as a result of the Sponsorship that it makes;
- Sponsorship outside the legally established provisions and limits;
- The granting of Sponsorships directly to public agents, bodies or entities of the direct or indirect Public Administration, or to relatives of public agents, in a straight line, collateral or by affinity, up to the third degree;

- The use of a Tax Incentive for Sponsorship of projects intended for individuals, without meeting the public interest criterion established in current legislation;
- The celebration of Sponsorship that involves non-independent cultural activity, that is, that (i) has an association or bond, even if indirect, with sound and image broadcasting companies, or open or subscription electronic communication operators. If you have a direct or indirect association or link with the Company, its shareholders, managers, directors and/or their respective spouses and relatives up to the third degree, except in the case of assets proven to be protected by public bodies, the proposal must also be approved by the related parts.
- Sponsorship of political, partisan and/or religious projects.
- Sponsorships using Tax Incentives are carried out by the Company exclusively in cash, and the transfer of the Company's goods or services is prohibited.

#### **7. SANCTIONS**

Non-compliance with the guidelines of this Standard will be subject to the application of the appropriate disciplinary and judicial measures.

#### **8. TERMS**

This standard will take effect from its publication date and must be revised every 2 (two) years.

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