



OUR PRINCIPLES, OUR IDENTITY

TRANSACTIONS WITH RELATED PARTIES

12/11/2020

PURPOSE

This Policy aims to ensure that all transactions with Related Parties in Randon Companies are conducted in the best interest of the Company and its shareholders, according to the principles of transparency and ethics, mitigating any conflicts of interest that may occur in such transactions and valuing the best corporate governance practices.

1. SCOPE

This Policy applies to all Randon Companies and its Related Parties, its Managers, employees and shareholders, subject to the specific rules of those companies that have their own policy.

2. REFERENCES

- Randon Companies Code of Ethics;
- Randon Companies Anti-Corruption Policy;
- Company's Bylaws;
- Securities and Exchange Commission (CVM) Instruction 480/2009;
- CVM Resolution No 642, of October 7, 2010;
- Law No 6,404/1976, as amended;
- Technical Pronouncement of the Accounting Pronouncements Committee - CPC no. 5 (R1) - Disclosure on Related Parties.

3. DEFINITIONS

Administrator (s): means the members of the Board of Directors and Executive Board of the Company.

Code of Ethics: means the regulation that establishes the guidelines for the performance of the Administrators and employees of Randon Companies with respect to ethical dilemmas and conflicts of interest that may arise in the execution of activities.

Company: means Randon S/A Implementos e Participações.

Market Conditions: means those conditions that, during trading, must be based on the following principles:

- Competitiveness: prices and conditions compatible with those practiced in the market;
- Compliance: meeting the contractual terms and responsibilities practiced by the Company, as well as adequate controls on information security;
- Transparency: adequate reporting of the conditions agreed upon, with due application, as well as reflected in the Company's financial statements;
- Equity: establishment of mechanisms that prevent discrimination or privileges, and practices that ensure the non-use of privileged information or business opportunities for the benefit of individuals or third parties.

Transactions between two parties, when carried out in different countries, must take into account the rules on transfer pricing and tax applicable in each of the jurisdictions of the Related Parties involved in the negotiation.

Conflict of Interest: a conflict of interest occurs whenever the interest of a Key Person in the administration interferes in any way, directly or indirectly, in his/her judgment and objectivity, affecting his/her ability to carry out his/her activities or decide with impartiality or independence.

Controlled Company: means any company in which the Company holds shareholder rights, which assure it preponderance in corporate resolutions and the power to elect the majority of the Directors.

CVM: means the Securities and Exchange Commission.

Randon Companies: means all the companies that belong to the economic group controlled by Randon S.A Implementos e Participações, either located in Brazil or abroad, its subsidiaries, branches, offices, affiliates and/or any entity that is, in any way, directly or indirectly linked to it.

Significant influence: it consists of the power to participate in the financial and / or operational decisions of an entity, but which is not characterized by the control over these policies. Significant influence can be obtained through equity interest, statutory provisions or shareholders' agreement.

Related Parties: is the person or entity that is related to the entity that is preparing its financial statements, as described below:

- (a) Individuals and/or legal entities that, directly or indirectly:
 - Are the controlling company, controlled companies or affiliated companies of the Company;
 - Are part of the same economic group as the Company;
 - Are under common control with the Company;
 - Have significant influence over the Company;
 - Are maintained/sponsored by Randon Companies;
 - Are Joint Ventures in which the Company is a partner.
- (b) The individual (natural person) identified as a Key Person in the management of the parent company or subsidiaries of the Company;
- (c) The individual who is a close member of the family or of any person referred to in subparagraphs "a" or "b", who, due to the bond, may influence that person in business with the Company, including:
 - Spouse or partner and child;
 - Children of your spouse or partner;
 - His/her dependents or those of your spouse.
- (d) Private pension entity that provides post-employment benefits and whose beneficiaries are the employees of Randon Companies.
- (e) Associations for non-economic (non-profit) purposes and foundations, in which Randon Companies or its subsidiaries participate as members and/or sponsors, within the scope of Randon Companies.

Key Management Person or Key Person: Key management person/personnel are:

- Those who have authority and responsibility for planning, directing and controlling the Organization's activities, directly or indirectly, including any non-statutory administrator or director, who have significant influence on Randon Companies management;
- Members of the Board of Directors and/or of the Company's advisory committees;
- Members of the Company's Fiscal Council;
- Members of the Company's Executive Board (statutory or not).

Related Party Transaction: Transfer of resources, services or obligations between the Company and a related party or between Randon Companies, regardless of whether a price is charged in return or not.

(a) Examples of related party transactions:

- Purchase and sale of products and services;
- Inter-company sharing/apportioning of costs;
- Rent or purchase and sale of assets;
- Sponsorships and donations according to the guidelines of the Sponsorships and Donations Policy;
- Financial operations for cash management, such as loans between the Company and its Subsidiaries;
- Provision of guarantees in favor of subsidiaries with financial institutions for contracting financial transactions, subject to applicable guidelines, limits and policies;
- Corporate reorganization.

(b) The following will not be considered Related Parties for the purposes of this Policy:

- Two Entities simply because they have an Administrator or another Key Person in common, or in which a Key Person has significant influence over the other Entity;
- Two investors who share joint control over an enterprise;
- Entities that may finance or invest in any of the Randon Companies;
- Unions and other class entities with which Randon Companies are associated;
- Entities providing public services;
- Customer, supplier, franchisor, dealer, distributor or general agent with whom Randon Companies have a significant volume of business, also due to the resulting economic dependence.

All definitions contained in item “4” will be automatically updated as a result of any change in the applicable rules and standards.

4. GUIDELINES

Randon Companies may carry out transactions with Related Parties if such transactions are conducted in a transparent manner and in compliance with this Policy.

Transactions with related parties must observe the same control and monitoring mechanisms, in compliance with the standards and certifications required in Randon Companies operations and negotiations with third parties.

5.1. CONDITIONS AND FORMALIZATION

In Transactions with Related Parties, as established in this Policy, at least the following conditions must be observed:

- (a) be in Market Conditions and according with the provisions of this Policy; they also be in line with the other practices of the Company's Management, such as the guidelines of the Code of Ethics;
- (b) be signed in writing, specifying its main characteristics and conditions, such as: global price, unit price, terms, guarantees, tax collection, payment of fees, obtaining licenses, among other information that are considered as relevant;
- (c) meet the related parties' needs in supplying goods and/or services;

- (d) be clearly disclosed in the Company's financial statements, in accordance with the materiality criteria set forth in accounting standards;
- (e) prohibit forms of remuneration for advisors, auditors, consultants or intermediaries that may generate a conflict of interest with the Company, its Administrators, shareholders or classes of shareholders;
- (f) ensure equitable treatment for all the Company's shareholders in corporate restructuring involving Related Parties;
- (g) observe the approval levels provided for in item 5.2 below.

Prior to being contracted or amended, any Transaction with a Related Party that is subject to the approval of the Executive Board and/or Board of Directors, must be previously forwarded to the Corporate Compliance Risk Management Area, to:

- (a) prior assessment in order to establish its recommendations regarding the respective Transaction with a Related Party, evaluating: (i) if there are clearly reasonable reasons, from the point of view of the Company's business, for the Transaction with the Related Party; (ii) whether the transaction is carried out under Market Conditions; (iii) whether or not a competitive process was carried out for such contract and its result; and (iv) the pricing methodology used and other possible alternative forms of pricing the transaction;
- (b) reporting to the Company's Management bodies responsible for approving the respective Transaction with a Related Party, about possible additional guidance so that the Transaction with the Related Party may comply with this Policy, considering the specific case; and
- (c) recommendations regarding rejection or approval.

5.2. SCOPE OF APPROVAL

Transactions between Related Parties must comply with the following guidelines, limits and approval levels.

- (a) It is up to the Executive Board to approve of an operation, or set of related operations, except for the purchase and sale of goods for the production process involving Transactions between Related Parties: (i) at amounts lower than R\$ 50,000,000.00 (fifty million Reais); or (ii) carried out with Key Persons;
- (b) It is up to the Executive Board to approve of an operation, or set of related operations, involving Transactions between Related Parties: (i) at amounts of or greater than R\$ 50,000,000.00 (fifty million Reais); or (ii) unusual transactions or not provided for in a specific policy already approved by the Board of Directors.

5.3. IDENTIFICATION AND REGISTRATION OF RELATED PARTIES

Persons who qualify as a Related Party must complete the registration form for Related Parties, according to **Attachement I**.

The form will be received and analyzed by the Corporate Risk and Compliance Management Area, being made also available to the Executive Board and/or Board of Directors.

Every Management Key Person must, at least once a year, update the information contained in the registration form. It is the obligation of the Related Party to communicate changes to this information at any time.

The data contained in the Reference File of Related Parties must be available for consultation by the Randon Companies.

5.4. BANNED TRANSACTIONS

Transactions involving the participation of shareholders, Administrators, Key Persons, and employees in businesses of a private or personal nature, that may interfere or conflict with the interests of Randon Companies or that may result from the use of confidential information obtained as a result of the office or function held in the Company by such persons

In addition, the Company may not grant, in a direct manner, loans or loan operations or provide guarantees (sureties or guarantees):

- (a) to Administrators and members of the Fiscal Council, as well as to their respective spouses, companions, and their dependents;
- (b) to the shareholders, either individuals or legal entities, in which the capital held is greater than 5%, any Directors of the Company, as well as members of their family.

5.5. TRANSACTIONS EXEMPT FROM THE PROCEDURES OF THIS POLICY

Without prejudice to the accounting records and their disclosure, provided for in this Policy, the transactions listed below are exempt from the procedures of this Policy.

- (a) the payment of remuneration to the Company's Administrators and Fiscal Council Members, provided that its global amount has been approved by the General Meeting, pursuant to law No. 6.404 /76, or by the Board of Directors;
- (b) Inter-company transactions, directly or indirectly, where the percentage is higher than 99% of the capital.

5. DISCLOSURE OF RELATED PARTIES TRANSACTIONS

The Company must disclose information on Transactions and outstanding balances with Related Parties in its financial statements and by other means determined by the applicable legislation and regulations, including the conditions under which the transactions were carried out.

Transactions with Related Parties that constitute a Material Act or Fact shall be disclosed to the market in compliance with the applicable legislation and with the Material Act or Fact Disclosure Policy of the Company.

In any disclosures, the Company must provide sufficient details to identify the Related Parties, as well as the subject matter of the transaction, to allow the Company's shareholders to monitor and evaluate management activities related to such transactions.

6. CONFLICT OF INTERESTS

Situations involving conflict of interest must be formally communicated to the Risk Management and Corporate Compliance area for registration.

Issues related to conflicts of interest involving Related Parties should be directed to the Related Parties Committee so that, through the guidelines of this Policy, it may recommend or not the agenda for deliberation by the Board of Directors.

The assessment of the conflict of interest situation and the consequent abstention of the person who has significant influence must be included in the minutes of the respective meeting.

Whenever an administrator with a conflict of interest does not speak, any other member of the Body to which he belongs, who is aware of the situation, may speak. In this case, the administrator who has not voluntarily reported the conflict of interest may be considered as violating this Policy of Transactions between Related Parties of the Company.

7. RESPONSIBILITIES

8.1. Board of Directors

- (a) Approve of this Policy on Transactions with Related Parties, its eventual amendments and revisions;
- (b) Approve of operations involving Related Parties, as per the scope of this Policy;
- (c) Annually monitor transactions carried out with Related Parties;
- (d) Ensure equitable treatment for shareholders when analyzing corporate restructuring operations involving Related Parties.

8.2. Executive Board

- (a) Propose updates to the Policy on Related Party Transactions, and submit them to the Related Parties Committee and Board of Directors;
- (b) Approve of Related Party Transaction agreements, according to its hierarchical level;
- (c) Monitor annually the contracts and or transactions carried out with Related Parties;
- (d) Disclose the terms of this Policy to the responsible areas and persons of Randon Companies.

8.3. Investor Relations Department

- (a) Disclose transactions with Related Parties through the Company's Reference Form, or through other means required by current legislation;
- (b) Make the Policy for Transactions with Related Parties available to shareholders, through the Investor Relations website and CVM (Securities Commission), and whenever possible, publicize this Policy to internal and external stakeholders.

8.4. Accounting Department (CSC)

- (a) Keep in place adequate systems, mechanisms and processes for capturing information and determining Related Party Transactions;
- (b) Disclose Related Party Transactions in the quarterly and annual financial statements.

8.5. Corporate Compliance and Risk Management Area

- (a) Ensure compliance with this Policy, as the responsible area for its management;
- (b) Receive, monitor and update the related party registration forms;
- (c) Receive and analyze documents related to transactions with Related Parties;
- (d) Keep the filing of supporting documents for the transactions that have been carried out;
- (e) Clarify any doubts regarding the classification of transactions as Transactions with Related Parties or with a potential conflict of interest;
- (f) Forward the agreements of transactions with Related Parties, so that they can be monitored by the parties involved;

- (g) Receive complaints and declarations of conflicts of interest.

8.6. Legal Department

Assist, as required, the Executive Board, the Board of Directors and/or the Risk Management and Compliance Area in the legal analysis of documents related to Transactions with Related Parties.

8.7. Areas responsible for Transactions with Related Parties:

- (a) Follow the Policy on Transactions with Related Parties;
- (b) Inform the Risk and Compliance Management Department about the transaction to be carried out with Related Parties by sending documents for prior analysis.

8. POLICY BREACH

Failure to comply with this Policy or the failure to report its violation may result in punitive action for any of those involved, in accordance with the Company's internal rules.

Violations to the provisions of this Policy must be referred to the Executive Committee, which will analyze and recommend the adoption of the applicable penalties.

In cases of violation of the Policy by the Administrators, they must be immediately referred to the Chief Executive Officer or the Chairman of the Board of Directors, by the member of the Management who becomes aware of it, so that he/she can take measures in line with the principles and the Code of Ethics of Randon Companies.

9. DOUBTS AND COMPLAINTS

Questions and clarifications regarding the interpretation or application of this Policy can be directed to the Risk Management and Compliance area. Questions can be directed to the email compliance@empresasrandon.com.br.

If you suspect or witness any practice that violates the guidelines of this Policy, report it through our Ethics Hotline. This communication channel guarantees the confidentiality of your contact. The Ethics Hotline can be accessed by calling 0800 777 07 68 or www.canaldeetica.com.br/empresasrandon.

10. CONTROL INFORMATION

This Policy was approved by the Board of Directors on December 11, 2020 and will be effective as of January 1, 2021.

People Responsible for this Document:

Responsible	Area
Preparation	Corporate Governance Group
Revision	Risk and Compliance Management Area
Approval	Board of Directors

Registration of Amendments:

Version	Item	Modification	Reason	Date
1	NA	NA	NA	Dec 11, 2020

ATTACHEMENT I

TERMS OF AGREEMENT AND DECLARATIONS KEY PERSONS OF THE ADMINISTRATION

By this document, Mr., Ms [NAME], [NATIONALITY], [MARITAL STATUS], bearer of identity card [No.], enrolled with the Private Taxpayers' Registry (CPF) under no. [No.], with business address at [ADDRESS], functional registration No. [No.], ("Registration"), as a member of the Randon Companies' staff, whose parent company is Randon S.A. Implementos e Participações, a listed company, headquartered in the city of Caxias do Sul, State of Rio Grande do Sul, at Abramo Randon Ave., 770, Bairro Interlagos, enrolled with the General Taxpayers' Registry (CNPJ) under no. 89.086.144/0011-98 ("Company"), in the position of [POSITION], hereby declares / informs that:

- (a) It has received a copy of the "Related Party Transactions Policy" from Randon Companies;
- (b) It has read and has fully understood the Policy and that it fully agrees with its rules, committing to faithfully comply with them in all its activities, throughout the term of the contract or in its professional relationship with Randon Companies;
- (c) It is aware that Randon Companies will carry out consultations and research related to his/her name and/or the name of Close Members of the family, including companies in which he/she or Close Members of my family have a participation, in order to verify the possible existence of Transactions with Related Parties.

NOTE: ALL THE FOLLOWING FIELDS MUST BE FILLED OUT.

1. CLOSE FAMILY MEMBERS

Please list your family's Close Members in the table below, as follows:

- (a) children and/or dependents;
- (b) spouse or partner;
- (c) children and/or dependents of your spouse or partner.

Name	CPF (Private Taxpayer's Registry)	Kinship	Does he/she Works at Randon Companies?		If your previous answer is YES, please indicate:	
			Yes	No	Company	Position

☐ No Close Member of the Declarant's family works at the Randon Companies.

2. FULL OR SHARED CONTROL

Please list in the table below all legal entities that you and / or your Close Family Members have control, directly or indirectly, in Brazil or Abroad. Control is the power to conduct, directly or indirectly, business and the financial and operational policies of a legal entity, using such power to affect the value of its returns.

Example 1: The Declarant's son is a majority shareholder in a company, with power to manage the company and guide its business.

Example 2: The Declarant has a shareholding interest in a company that, despite not being a majority interest, allows him/her to actually control the management, such as the appointment of the majority of managers.

Legal Person Controlled (directly or indirectly)	CNPJ (General Taxpayers' Registry) or equivalent	Controlled by: (please inform your name or the name of your Family member who controls a Legal Person)

☐ The Declarant and / or his/her close family members does / do not control Legal Persons.

3. RELATIONSHIP WITH THE INDEPENDENT EXTERNAL AUDIT

Please inform if the Declarant and / or Close Family Members have any business relationship with the Independent Audit, or if you have rendered services to the Independent Audit in the last 12 months prior to the date of this questionnaire response.

Describe in the table below the object of this relationship and the period of this contract.

Name	
Kinship (If applicable)	
Object	
Period	From Month/Year to Month/Year
Revenue	
Balance of accounts receivable (If applicable)	

- ☐ The declarant and/or his/her Close Family Members does/do not have any business relationship with the Independent Audit.

4. EXISTENCE OF TRANSACTIONS WITH RELATED PARTIES

Please inform if any of the persons, individual or legal, mentioned above have or have had, in this year, a legal relationship with Randon Companies, whether for the provision of services and/or for the acquisition or supply of materials or products *:

Description	Agreement subject matter	Agreement Period

5. CONFLICT OF INTERESTS

Please inform below if you are aware of any situation that represents a potential, actual or apparent conflict of interest, as defined below, related to the Declarant.

- (a) Real: a situation in which there is, in fact, a clear conflict of interest;
- (b) Potential: a situation that has not yet become a real or apparent conflict, but there is a possibility that a conflict may arise in the future; and
- (c) Apparent: an observer could deduce that a conflict of interest exists even if it does not actually exist, such as a lack of impartiality.

- ☐ The Declarant is not aware of any conflict of interest situation to report.

[PLACE AND DATE] _____

[READABLE NAME] _____

[SIGNATURE] _____



Empresas



VEÍCULOS E IMPLEMENTOS

AUTOPEÇAS

SERVIÇOS

