



## **FINANCE POLICY EXTRACT**

## 1. PORPOUSE

This policy establishes financial management guidelines, ensure that the best market conditions are obtained when contracting financing and investments and define mechanisms in order to ensure cash management efficiency and security, credit limits establishment, receivables control and payment management.

## 2. APPLICATION AND SCOPE

This policy applies to all Randon Companies, their subsidiaries and affiliates, in Brazil and abroad, except Financial and Digital Services Division, which follow specific regulatory bodies policies and guidelines.

## 3. DEFINITIONS

**Cash Management:** refers to financial institutions products management, related to current accounts, receivables and payments.

**Funding:** set of funds, own or from third parties, that composes the company capital.

**Hedge:** a company strategy to protect/mitigate/neutralize the effects from unexpected fluctuations in financial prices of assets/liabilities and/or the market on its balance sheet/result.

**Risk:** the potential for a given threat to exploit the vulnerability of an asset or group of assets and cause loss or damage.

**Intercompany loan:** it is a financial instrument that consists of a loan relationship between two parties, which can be individuals or legal entities, and must have a term and an interest rate to be applied on the borrowed funds.

**Related-party:** the person or entity that is related to the entity that prepares its financial statements, as established in the Related-Party Transactions Policy.

**Market Conditions:** conditions that, during trading, must follow the guidelines established in the Related-Party Transactions Policy.

## 4. GUIDELINES

Randon Companies decision making guidelines in financial processes management are:

- The focus of Randon Companies is to generate value in their operational activity;
- Maximizing resources and meeting the Company operational and strategic needs, without exposing finance to risks that do not derive from the company operational activities;

- Minimum cash position establishment and periodic monitoring based on parameters and KPIs that consider the next 12 (twelve) months uses and sources projection, in order to maintain liquidity at an adequate level to meet needs;
- Balance between financial investments income and the associated risk, from first class financial institutions and considering the good relationship with them;
- Constant improvement in Randon Companies valuations by investors, creditors, suppliers, customers and the market as a whole due to conservative financial practices aimed at reducing risks;
- Effectiveness in protecting exposure to foreign exchange risk, by contracting financial instruments or by natural hedges;
- Receivables control, credit limits and risk classes establishment, promoting the Company's business, according to the level of risk exposure of each business division;
- Company's credibility and positive image, due to financial management efficiency and punctuality, avoiding notary payments and the incidence of expenses with late payment interest;
- Compliance with Randon Companies safety and quality parameters, respecting legality and impersonality principles;
- Financial planning must be in accordance with the Company's strategic objectives;
- Financial risk management is an ongoing process and must involve the different areas of the Companies;
- Intercompany loans operations between related-parties must apply current market conditions;
- Intercompany Loan operations from Subsidiary to its Parent are not permitted;
- Endorsement and Sureties between Related Parties in favor of Third Parties, must observe the following guidelines, when there is no specific contractual provision between the Related Parties:
  - a) Operations from the Subsidiaries with the Controller's holding in the Share Capital equal to or greater than 99% (ninety-nine percent): there is no need for fee/remuneration and must be approved by Randon Companies CFO.
  - b) Operations from the Subsidiaries with the Controller's holding in the Share Capital less than 99% (ninety-nine percent): there is the need to charge a fee/remuneration, it must be in compliance with market conditions and approved by Randon Companies CFO.
  - c) The fee/remuneration requirement is exempt when both parties participate with the placement of Endorsement and Sureties related to their shareholding.

- Financial operations must compliance with the limits established by powers of attorney, contracts and by-laws, partner agreements, policies and specific procedures.

## 5. FINANCIAL MANAGEMENT PROCEDURES

Actions and administrative procedures that involve planning, analysis and control of Randon Companies financial activities are briefly the following activities:

- **Treasury Management:** cash flow planning; minimum cash position; daily cash flow management; banking relationship; cash management; sureties, endorsements and guarantees; foreign exchange transactions and derivative instruments; financial institutions updated records.
- **Funding:** the act of providing resources to finance short or long term current activities and/or investments, through equity or third parties;
- **Foreign Exchange Exposure Control:** to ensure the efficiency and effectiveness in protecting against exposure to foreign exchange risk, by contracting financial instruments or observing natural hedges existence and the correlations between different assets and markets prices.
- **Credit and Collection Management:** definition of customer credit analysis criteria and limits, renegotiations and extensions of securities, collection and default control;
- **Payment Management:** operationalize Randon Companies payment process that covers payments flow and control, settlement, reconciliation and proof obligations;
- **Project Analysis and M&A:** economic and financial viability analysis of investments, in order to support strategic decisions, regarding mergers and acquisitions.

To give sustainability to the business and in accordance with this policy guidelines, the Company financial management profile is defined as conservative.

Corporate Finance Area is responsible for ensuring and monitoring compliance with this finance policy, enabling the report of the results to the capital market regularly, so that their shareholders are able to monitor Randon Companies performance.

This Policy has been available since November 2017. There is periodic review and approval by the Board of Directors.

## Responsables for the document:

### Elaboration

Finanças Corporativas

### Review

Gestão de Riscos e Compliance

### Approval

Conselho de Administração

Version	RCA	Date	Validity
1 <sup>a</sup>	841	07/11/2017	07/11/2017
2 <sup>a</sup>	869	14/03/2019	14/03/2019
3 <sup>a</sup>	882	08/08/2019	08/08/2019
4 <sup>a</sup>	921	03/03/2021	03/03/2021
5 <sup>a</sup>	952	26/04/2022	26/04/2022
6 <sup>a</sup>	981	14/12/2023	14/12/2023

