



# **COMPLIANCE GUIDEBOOK**

## **Afianci Global Networking**

January of 2021



## Letter of the Compliance Committee

To whom it may concern,

Considering the challenges that shape business and in the search of Values and Beliefs that are aligned to lawful and regulative norms, we begin the implementation of the “Afianci Global Networking Compliance Program”. It is our belief that working within such confines means to internalize, understand and apply the policies and norms that pertain to our business, as well as to follow other policies defined by corporations, thus avoiding, detecting and remedying possible challenges and inconsistencies that may arise. For these reasons, the Afianci Compliance Program will entertain the following objectives:

- To identify and follow laws and regulations, including antitrust and -- anticorruption policies in accordance to the current legislation;
- To operate our establishment with the required licenses, authorizations and certifications;
- To fulfil the contracts and agreements signed by our company;
- To act preemptively in order to avoid losses and fraud;
- To continuously provide professional development opportunities to personee.

It is the role of our leadership to incentivize their respective teams to always be in conformity and to act in accordance to the ethical standards for the conduct of our organization, of third parties, suppliers and of all which are involved in the business.

The Compliance, Risk Assessment and Internal Control teams will develop actions to supports its collaborators in managing their adherence to these guidelines, strengthening processes and policies, developing training measures, communication channels (including the reporting area on our website), as well as making available a new system for oversight, which aims at creating transparency towards our business compliance.

The Afianci Compliance Program belongs to our entire organization!

**Radamés Parmeggiani**  
President of the Afianci Compliance Program

## **Statement from the board of directors:**

Good practices work to align the involved parties' interests with the goal of preserving the company and to optimize Afianci's value. The cornerstones of this approach are:

- I. Ethics as the basis for all actions;
- II. Support for all legal and regulatory demands pertaining to the business;
- III. Transparency for customers' demands.

Within the present scope, Afianci is confident that the adoption of the present Compliance Plan will ensure the betterment of management practices, contributing to its longevity and arbitrating its conflicts of interest with the utmost professionalism and effectiveness and perpetually reassessing its organizational purpose.

The work that goes into the regulation of our governance aims towards reducing the negative effects of ill-used resources in trying to resolve them, thus preserving the legitimate interests of the company and without compromise of Afianci's business foci.

This Compliance Manual promotes the establishment of the responsibilities and limitations of all who are involved at Afianci's management level, as well as towards all team members, creating specific mechanisms for the discussion and decision-making process when pertaining to the issues that ensure the ethical approach and service to legal and regulatory issues and thus allowing for an informed and professional discussion of their respective attributions.

Caxias do Sul, January 2021.

## **A.Afianci's commitment to ethics and conformity**

Afianci is committed to the utmost ethical and conformity standards to the legal framework in the operation of its business and in developing its strategic partners, aiming to ensure its longevity.

Afianci defines its purpose as the following:

To promote the development of our customers, thus connecting them to the world.

In order to make this a reality, the highest international standards to good conduct and conformity to norms and regulations will be adopted.

The same standard of internal ethics and conduct adopted by Afianci is also to be implemented by its employees, business partners and suppliers. Thus, deviations from the established conducts or other violations and unlawful actions will not be allowed.

The internal code of ethics and conduct must be rigorously followed by all team members and by all business partners who develop their business under the Afianci name. Any daily decisions must adhere to the following organizational principles:

- I. Professional team;
- II. Environment conducive to growth and opportunities;
- III. Proactivity;
- IV. Collaboration.

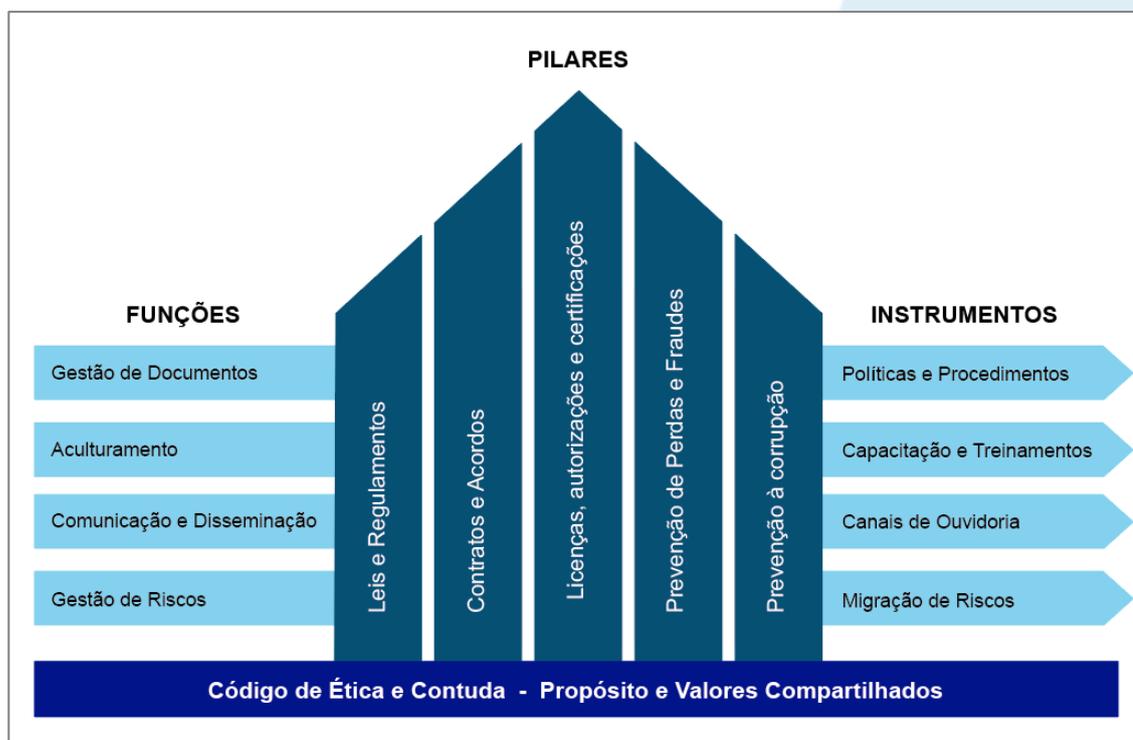
Our perspective in guiding our internal decisions is that all must decline business opportunities whenever situations which present unethical actions or unlawful behaviors, without the imposition of penalties from internal management when such illegal nature is perceived.

For the structure and approach of these compliance measures, a part of our team will become responsible for providing guidance for the Compliance Committee.

The Compliance Committee aims towards ensuring the effectiveness of the dissemination of the principles delineated by upper management for Afianci’s business practices, ensuring that no party can exceed the limitations prescribed on its conformity policies, as well as offering the necessary support to Afianci’s people and departments, so that all parties can be aware of their individual obligations and of the conduct that is expected by the company. As such, Afianci seeks to carry out its activities in an ethical matter and committed to the utmost standards of adequacy to the established by the company’s compliance.

The compliance committee must adhere to the organizational model proposed by upper management, whose framework is presented on Figure 01.

Figure 01 – Compliance Committee development model



As our pillars, Afianci understands that support should come from:

- I. Laws and regulations;
- II. Contracts and agreements;
- III. Licenses, authorizations and certifications;
- IV. Losses and Fraud preventions;
- V. Corruption avoidance.

These pillars guide and support our efforts in the implementation of conformity. They represent our work that goes toward by management when guiding our team in obtaining every necessary regulatory factor that goes into operating the business.

Thus, the teams must adhere to the laws and regulations, be aware to the necessary licensing requirements, authorizations and certifications to adequately fulfil their obligations within the relevant legislation.

All must fulfil the agreed upon contracts and agreements, always remaining attentive to the costs and values discussed with the involved parties, in their entirety.

In order to best execute the aforementioned pillars, the company has developed the following measures:

- I. Document management;
- II. Culture;
- III. Communication and dissemination;
- IV. Risk management.

Afianci has developed a systematic set of revisions of its internal documents, supported by legislative consultancy services, evaluating in detail each of these revisions and aiming towards the enlightenment of each clause and responsibility limitations, thus clearly establishing the rights and obligations of each party.

As such, every document in use at Afianci has been revisited and widely discussed, within a method of control and oversight of its issue and update.

In order to ensure that every party involved with the company is aligned towards observing the conformity of this approach, Afianci will promote monthly meetings for the dissemination of the compliance guidelines, aiming to engrain the company culture to all parties, in a manner that promotes the internalization of the principles delineated in this compliance guidebook.

The communication and dissemination of the principles pertaining to the compliance process must be operationalized systematically through monthly meetings for the dissemination of the pillars Afianci spouses for its compliance.

For risk management, the Compliance Committee will congregate monthly with the institution of formalized meetings, where compliance matters will be thoroughly analyzed. In addition, demands raised through the anonymous communication channel will be investigated and given the appropriate response.

In order to aid in the effectiveness of this program, Afianci will promote the following instruments:

- I. Policies and procedures;
- II. Training and capacitation;
- III. Communication channels; and
- IV. Risk mitigation.

The delineation of policies and procedures is the responsibility of the company's upper management, as is its dissemination among all relevant parties.

Training and capacitation programs will be promoted through initiatives from upper management, supporting the development of sectorial know-how in order to ensure proper conduct in the providing of our services and the applicability of the principles adopted by Afianci.

The communication channel, as well as the ombudsman systems will be established in order to ensure the correct handling of all the information provided, preserving the informing parties from any form of retaliation or mishandling.

All risks that are identified must be properly handled by the Compliance Committee and correctly mitigated when appropriate.

**B. It is the responsibility of all parties involved in the business:**

It is the responsibility of all parties involved in the business:

- I. Each individual is responsible for their conformity to all obligations pertaining to the activities related to their function, including identifying, managing and communicating eventual violations in conformity.
- II. The involved parties should lead by example and ensure that all carry out their activities in an ethical matter and in accordance to the relevant legal determination to each step conducted in the development of any given demand.
- III. All must respect and ensure the fulfilling of the internal guidelines, the code of ethics and conduct.

- IV. Contribute to the betterment of internal conducts, as well as the revision of this Compliance Guidebook, maintaining it up to date so that it may serve as a point of reference in the maintenance of these values.
- V. To incentivize to the discussion of the necessary ethical conducts to the development of the compliance process, thus reaffirming the internalization of the conformity proposed by management.

### **C. How will the communication channels be operationalized?**

Whenever non-compliant behavior is identified, such fact must be communicated immediately, aiming towards retuning to a state of conformity to the Compliance Guidebook.

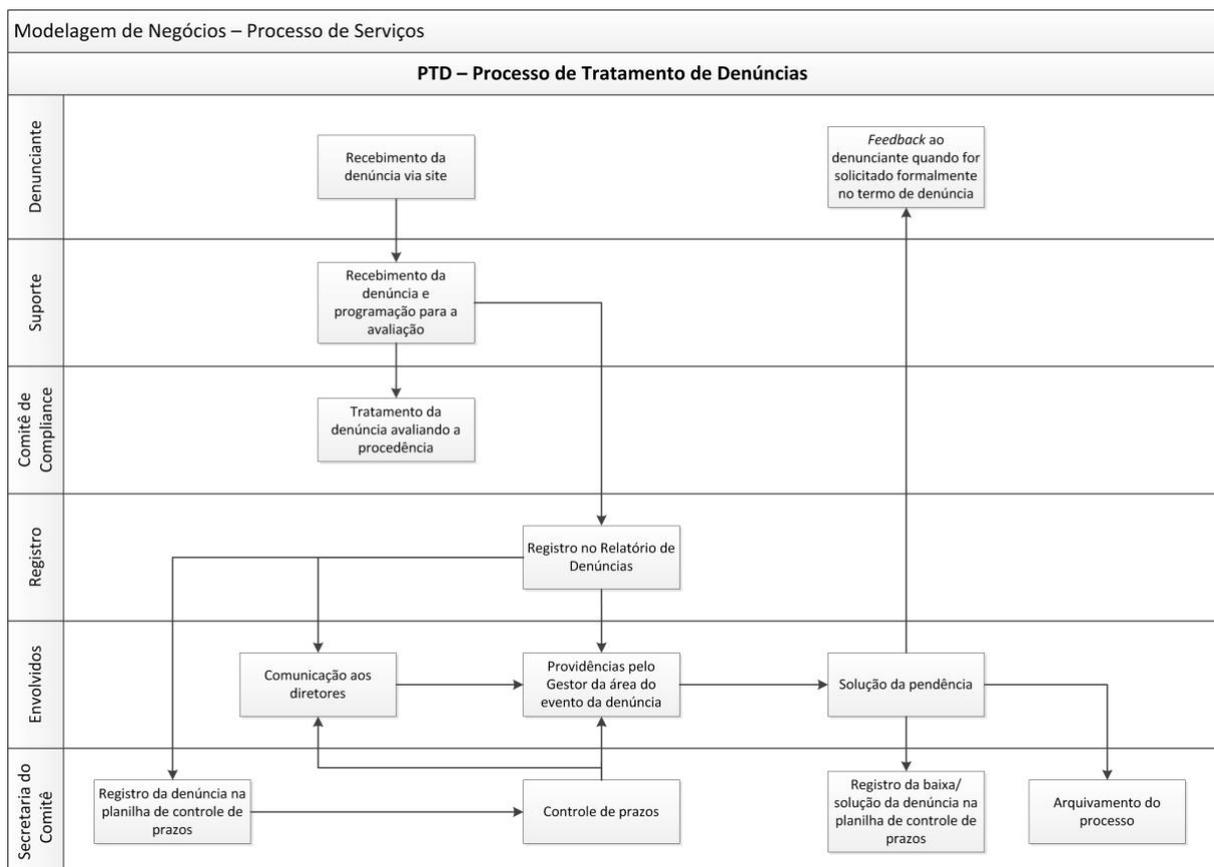
Under ideal conditions, each party must report directly to management, the Directors or even members of the management team, which will then develop the necessary measures with immediate effect.

However, in the instance that someone does not feel comfortable enough to communicate the aforementioned instance, there are channels in place that allow for the anonymous nature of every denounced matter.

Thus, in order to facilitate the reporting of non-compliant behaviors towards the principles developed by upper management and present in this Compliance Guidebook, Afianci will make available two distinct reporting tools, as follows:

Direct channel to management: any reporting of non-compliant behavior can be directly communicated to the company’s directors, which in turn will then take appropriate action with the goal or restoring the proper institutions delineated within this Compliance Guidebook.

Ombudsman: within the Afianci website there is a dedicated URL that access the anonymous reporting tool, which seek to preserve the integrity of the complaint without any form of retaliation. The report will be relayed within the scheduled meeting of the Compliance Committee, which will evaluate the relevance and precedence of the non-conformity report. This committee will handle the matter appropriately when necessary, using the method illustrated by Figure 02.



### **Process archival**

The complaint treatment process follows the set of activities planned for the adequate forwarding of the proposed solutions, with the support of the Compliance Committee members, giving notice to the General Directors, which will in turn monitor the decision-making process pertaining to the handling of the report and controls the deadlines for each case, seeking to avoid delays in the development of an adequate solution.

If the necessity for feedback is present, the reporting party can be notified of the decisions and resolutions taken by the Compliance Committee and validated by the General Directors.

## **D. Meeting plan for the Compliance Committee**

The company's General Directors has defined the annual schedule of meetings for the monthly evaluation of the compliance demands.

The annual plan will adhere to the following rule: Meetings will be held every month's second Friday at a location reserved for this end.

The first meeting will establish the Compliance Committee, where the handling of non-compliant instances will be conducted, as well as the reporting inputs via the Afianci website, considering the developmental actions proposed by the relevant management.

This meeting will last for up to an hour, beginning at 9am of the scheduled day. The first three months will begin at 8am in order to account for the procedure developmental stages.

The proposed dates will be deliberated by the Compliance Meeting Plan, as defined by upper management. If scheduling conflicts arise, the general Directors will delineate an appropriate re-scheduling procedure.

Initially, the meetings scheduled within the annual plan of the Compliance Committee will develop the guidelines for the formation and handling of demands and after that they will be used to handle the response actions to incoming reports or perceived inconsistencies, so that Afianci can distance itself from non-compliant conduct and adhere to the proposed guidelines.

### **E. Compliance training plan**

Afianci has developed a proprietary method for integration and adequate training initiatives in order to ensure that all collaborators and business partners become aware and disseminate the principles and directives proposed in this guidebook as well as all norms and directives imposed by regulatory bodies.

The coordination of the compliance will promote the updating of all involved parties whenever alterations are made to this guidebook, or whenever it deems necessary vis a vis eventual changes to the norms proposed by regulatory institutions, thus ensuring the knowledge and relevance of the conformity and ethics principles.

If needed, Afianci will hire third party professionals that may contribute to the dissemination of knowledge pertaining to this matter.

### **F. Term of adhesion for Compliance**

All collaborating parties and service providers will receive this guidebook when joining Afianci and must certify, through the signature of the Term of Adhesion to the Compliance Guidebook (Annex 1), which must be properly received, read and understood.

Additionally, they must inform, in the occasion of the signature, of any instances that, to their knowledge, violate the terms described in the present document.

## **G. Compliance term of confidentiality**

When carrying out their professional activities, collaborators and service providers will have access to confidential and public information pertaining to Afianci's business dealings.

All information and documentation which are the property of Afianci or of its customers will be considered confidential.

All confidential information must remain in confidence, and the collaborator must not reveal it to any person in its personal sphere or to share it to their personal e-mail.

All collaborators of Afianci are responsible for safeguarding confidential information, regardless of the manner in which they are acquired.

In order to safeguard the strict confidentiality of such information, Afianci has established the "Contract for the protection of confidential information, non-occurrence, non-grooming and regulation of the rights pertaining to industrial property" (currently valid), which all collaborators and service providers must sign when joining the team or establishing a contract of service to the company, thus committing themselves to utilize the available confidential information only towards the development of their professional activities and to maintain absolute confidentiality of all information that is made available or acknowledged by them.

**IMPORTANT:** it is vetoed to collaborators and service providers, even after termination of their labor contract or other business relationship formats with Afianci, directly or indirectly, to use or spread confidential or privileged information to which they are granted access to through their relationship to the company, unless previously authorized by the Compliance Coordinator.

## H. Rules for international commerce compliance

Afianci understands and advocates that the rules imposed by customs and by the international transfer of funds and merchandize must be strictly followed.

Afianci condemns tax evasion for customs operations, as well as any attempt to receive preferential treatment, improper benefits or licenses through unethical actions.

Afianci denounces and has the duty to combat the commerce of illicit goods, especially the commerce of drugs, weapons and animals, whenever possible.

Afianci's collaborators must respect regulations imposed by ports, airports, roadways and railways, as well as other relevant norms to international commerce. It is vetted to them to attempt any kind of unlawful advantages before the authorities - which may be punished by the termination from the company by a just cause.

Afianci commits itself to ensuring that its activities are realized in a manner that does not violate national and international laws pertaining to import and export control, embargoes and regulations in the countries in which the company operates. Additionally, adhering to these regulations is vital to preserve Afianci's reputation.

If Afianci's collaborators develop questions pertaining to such legislation, national or international, or have suggestions to the betterment of our practices, these should be channeled to the Compliance Coordinator.

## **ANNEX 1 – Term of adhesion to the compliance guidebook**

I, \_\_\_\_\_, carrier of the national ID number \_\_\_\_\_ declare that:

I possess complete awareness of the existence of the Compliance Guidebook, which I have received, read and commit to follow its terms and to promote the application of all principles contained therein.

I agree that from this date forward, that the non-conformity to the Afianci Compliance Guidebook can implicate on the development of a severe fault, which can be subject to the application of appropriate penalties, up to and including justified termination.

I recognize that the rules established on the Compliance Guidebook are complimentary to other rules within Afianci and enlighten our procedure for dealing with situations that might arise from the development of my activities.

Finally, I declare that I have taken part on Afianci's training program, where I became aware of its internal norms, in addition to the main norms and laws that delineate the company's activities.

Caxias do Sul, \_\_\_\_\_

Name/signature



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