

# FRAUD AND CORRUPTION PREVENTION POLICY

DESENVOLVIMENTO COM ENVOLVIMENTO

**SAMARCO** 

## 1. Objectives

The objective of this Fraud and Corruption Prevention Policy (the “Policy”) is to define guidelines and rules to be followed in accordance with applicable anti-corruption laws, including the Brazilian Anti-corruption Law (Law n° 12.846/2013) and the United States Foreign Corrupt Practices Act (15 U.S.C. §78-dd1, et seq., as modified), in order to prevent corruption and fraud involving, directly or indirectly, Samarco and its business operations. This Policy outlines Samarco’s expectations as to how business should be conducted.

## 2. Definitions:

For the purposes of this Policy, the following terms shall be interpreted as indicated:

- **Business Partners:** Any third party who provides services for Samarco and who interacts with, or is expected to interact with, Government Officials or Government Entities on Samarco’s behalf.
- **Collaborators:** Suppliers, Third Parties, Partners, Samarco Representatives and Business Partners, in Brazil and abroad.
- **Corruption:** the act of promising, offering or giving, directly or through others, an Undue Advantage to a Government Official, third party or other representative thereof, or to any employee, representative, or agent of any private company, with the intention of influencing the recipient of the Undue Advantage to give Samarco any improper benefit or advantage, or to obtain or retain business, or to direct business to any other person. Corruption may occur even if the Undue Advantage is only offered or promised, and not actually given or transferred to the recipient.
- **Due Diligence:** Information checks on any Supplier or any other third party that receives any funds from Samarco.
- **Employees:** employees (including directors), interns, trainees, and temporary employees.
- **Facilitation Payments:** nominal payment or offer of favor or benefit to a Government Official to secure or expedite routine, non-discretionary acts, including but not limited to payments to process a document; expedite the processing of licenses, permits or visas; clear customs; obtain a tax benefit; or provide police protection.
- **Fraud:** an illicit or willful misconduct to obtain an Undue Advantage for Samarco, any Collaborator or Employee. For the purposes of this Policy, fraud includes forging documents, theft, misappropriation, embezzlement, larceny, offering or promising an Undue Advantage receipt or attempt to receive discounts outside normal market practices or other benefits in the purchase of goods or services for personal use or consumption as a result of position held within Samarco, any favors, including sexual favors, among others.
- **Government Entity:** any Brazilian or foreign government bodies, agencies or company, at any level of government, as well as any entity which is controlled, directly or indirectly, by any Brazilian or foreign government bodies, agencies or company.
- **Government Official:** Any individual who, even if working on a temporary basis or without remuneration, (i) is an employee of, or who holds an office, job or function in a Government Entity or at a company which provides services, under contract or agreement, which involve an activity which is under concession

from a Government Entity, (ii) is a member or employee of a political party, or who otherwise acts on behalf of a political party, (iii) is a candidate for any public office; (iv) represents the interests of a class or group, such as a community or union leader.

- Partners: individuals or legal entities with whom Samarco maintains a relation formalized through agreements, terms of cooperation or similar instruments.
- Private Entities: any Brazilian or foreign company which is not a Government Entity with whom Samarco already maintains a business relationship or may do so in the future.
- Relatives: spouse, domestic partner, siblings, parents, children or step-children, grandparents, grandchildren, sons and daughters in law, uncles, nephews and nieces, cousin, brothers and sisters in law and parents in law.
- Representatives: individuals or legal entities who have no employment relationship with Samarco but yet work in the interest or behalf of Samarco vis-à-vis third parties.
- Suppliers: any and all individuals or legal entities who provide consumables, materials, goods or services to Samarco. This includes contractors whose employees provide services on Samarco's premises.
- Undue Advantage: unlawful or unfair advantage, with no stipulated minimum value, including, without limitation, cash money, cash equivalent (such as gift cards), gifts, trips, meals, entertainment, use of vehicles, lodging and any intangible benefits or favors such as: education and/or employment opportunities for friends or relatives, or any unofficial payment to encourage the recipient or a third party to perform their existing obligations or attributions, or expedite or refuse to perform a routine task which they would otherwise be required to perform, including sexual favors, receipt or attempt to receive discounts outside normal market practices or other benefits in the purchase of goods or services for personal use or consumption as a result of position held within Samarco.

### 3. Applicability

This Policy is applicable to all Samarco Collaborators and Employees.

### 4. Corruption and Fraud

Samarco Collaborators and Employees, are not allowed to, directly or indirectly, promise, offer or grant Undue Advantages to Government Officials or employees or representatives of Private Entities, in either case for the corrupt purpose of obtaining some improper benefit for Samarco in return. Likewise, Collaborators and Employees cannot receive Undue Advantages or accept promises of payment or reward for themselves, third parties or Samarco from a Government Official or employee or representative of Private Entities where the Undue Advantage could be interpreted as an attempt to improperly influence the business decision-making of the recipient.

This prohibition includes:

- An Undue Advantage promised, offered or granted to relatives or friends of a Government Official or employees and representatives of a Private Entities, as well as individuals or legal entities indicated by them, and

- Funding, payment, sponsoring or assistance in the granting of an Undue Advantage to a Government Official or employee or representative of a Private Entities.

The prohibition outlined in this item is not dependent upon the achievement of the expected result.

This Policy also forbids and deems illicit the practice of unlawful conduct against a Government Entity, such as fraud in a public tender process.

It is also forbidden to promise, offer or make Facilitation Payments, directly or through third parties, to Government Officials or employees and representatives of Private Entities to:

- Expedite the issue of permits, visas, authorizations or licenses (with the exception of official urgency rates which have specific payment vouchers);
- Obtain tax benefits, or
- Obtain police protection, deliver and send correspondence, supply water or power or any other public utilities.

The following actions are unacceptable and therefore forbidden in the course of Samarco's normal business:

- Offer, promise or grant Undue Advantage to a Government Official to induce the latter to execute, fail to execute or delay the execution of an official act;
- Solicit, demand, require or obtain, for yourself or others, an Undue Advantage or promise of Undue Advantage, seeking to influence an act practiced;
- Induce someone to practice any act which violates his legal duties, and;
- In any way assist in or pay for any illicit act against a Government Entity.

**The well-being and safety of Samarco Collaborators and Employees are a prime concern. If any Collaborator is in a situation of imminent risk of integrity and safety in the course of providing services to Samarco, a payment to a Government Official, when requested, is exceptionally tolerated merely for the purpose of preserving the integrity and safety of the Collaborator. The incident must be immediately reported and justified to the Compliance area, via e-mail [compliance@samarco.com](mailto:compliance@samarco.com), and to the immediate supervisor.**

Samarco's Collaborators and Employees before meet with Government Officials on subjects related to Samarco interests must, mandatory, report this to the Compliance area, through the e-mail [compliance@samarco.com](mailto:compliance@samarco.com) / [relacion.governmental@samarco.com](mailto:relacion.governmental@samarco.com), using the form for reporting events with Government Official, available on the Company intranet or through Cortex System.

After the meeting, the Collaborator and Employees should answer the Compliance questions of the form and send the answers along with the Minutes of the meeting to [compliance@samarco.com](mailto:compliance@samarco.com) / [relacion.governmental@samarco.com](mailto:relacion.governmental@samarco.com) or if the Cortex system is used, the Compliance questions should be answered in the systems and the Minutes of the meeting should be attached. If the meeting does not have a formal minute, the Employee or the Collaborator should send a brief summary of what happened at the meeting to [compliance@samarco.com](mailto:compliance@samarco.com) / [relationship.governmental@samarco.com](mailto:relationship.governmental@samarco.com) and / or include this information in the Cortex system.

If any adverse situation occurs during the meeting, the Collaborators or Employees should immediately inform the Compliance team.

Samarco Collaborators and Employees **must be accompanied by another Samarco Employee** while making formal contacts with Government Officials. This rule is not applicable to judicial hearing, formal contact with Government Official (i) for regular protocols, (ii) to request of mere expedient of judicial order or (iii) to request of any other judicial order; However in the case (iii) the Compliance area must be previously informed via e-mail [compliance@samarco.com](mailto:compliance@samarco.com).

Samarco Collaborators and Employees are forbidden, whether on their own or through others, to participate in the conception or execution of Fraud.

Acts classified as Fraud by the Policy include:

- Forging of payment authorizations, checks and/or invoices
- Request for reimbursement of expenses which are false, fictitious or unrelated to legitimate Samarco business.
- Appropriation, change, embezzlement and/or theft of valuables, stock, supplies or any other Samarco property.
- Acceptance of incorrect billing, such as invoices for services not actually rendered, invoices for goods or services which are not delivered, or overbilling.
- Inclusion in the Vendor List of companies without required technical qualifications.
- Authorization or reporting of undue or fictitious payments;
- Supplier discounts which are not passed along to Samarco.
- Averting Samarco customers or business to another entity (owned by self or others).
- Failure to report entries in Samarco accounting operations or falsification thereof.
- Improper change, appropriation, destruction or falsification of electronic information contained in Samarco's systems.
- Improper use of unlicensed or illegal software.
- Offer or granting of any Undue Advantage to allow Samarco to be favored in an iron ore sale process;
- Receipt of any Undue Advantage so that a Supplier is favored in a Samarco bidding process;
- Favoring of a Supplier and/or Customer in violation of the Samarco procedures for qualification and selection;
- Offering of a payment or granting of an Undue Advantage to an employee of a Samarco competitor to obtain advantage for self or for Samarco.
- Supply of confidential Samarco information to third parties in exchange of a promise or payment of Undue Advantage.
- Payments made in advance or during a bidding process so that other bidders refrain from participating.
- Receipt or attempt to receive discounts outside normal market practices or other benefits in the purchase of goods or services for personal use or consumption as a result of position held within Samarco.

- Unduly direct Samarco business to a Supplier who is controlled or managed by or employs a Relative, provoking a risk of conflict of interest.

### 5. General Prohibition

While the focus of this Policy is on the prohibition of bribes and improper payments to Government Officials, it is critical to understand that Samarco prohibits all forms of bribery and corruption, regardless of whether the recipient is a Government Official or a private company.

No Collaborator may ever offer, promise, authorize the payment of, pay, or provide, either directly or through a third party, a Undue Advantage to a Government Official that is intended to induce or reward any kind of improper performance of any duty, responsibility, or obligation of that Government Official, such as making a decision that benefits Samarco.

No Collaborator may ever offer, promise, authorize the payment of, pay, or provide, either directly or through a third party, a Undue Advantage to any employee, agent, or representative of another company that is intended to induce or reward the improper performance of any professional duty, responsibility, or obligation of the recipient.

No Collaborator may ever offer, promise, authorize the payment of, pay, or provide, either directly or through a third party, a Facilitation Payment.

No Collaborator may ever, or ever attempt to, 1) thwart or defraud, by means of collusion, arrangement or other means, the competitive nature of private bidding process or public procurement procedures; 2) prevent, disturb, or defraud the performance of any act in private bidding process or in a public tender process; 3) disqualify a competing bidder by means of fraud or by offering any type of advantage; 4) defraud private bidding process or a public procurement procedure or a contract stemming therefrom; 5) fraudulently create a legal entity to participate in a private bidding process or in a public procurement procedures, or to enter into contracts with a Government Authority; 6) fraudulently obtain improper advantage or benefit from amendments or extensions to contracts with private entities or with the public administration, without legal authorization set forth by law, by the terms of the public tender, or by the respective contracts; 7) manipulate or defraud the economic and financial balance of contracts with private entities or with the public administration; or 8) hinder the investigation or auditing activity of public agencies, private entities, or officials by interfering with their work.

No Collaborator may ever solicit, agree to receive, or accept, either directly or indirectly, a Undue Advantage as inducement or reward for improper performance any duty, responsibility, or obligation of their position in Samarco to influence decisions such as hiring personnel, the award of contracts, or the selection of the priorities of Samarco.

Transactions that violate anti-corruption laws and this Policy may arise in a variety of settings and Undue Advantages include a broad range of arrangements beyond the obvious cash payment or kickback. To be clear, transactions that would violate this policy are prohibited even if they are only offered or promised, but never actually given.

The following non-exhaustive list of Undue Advantages is intended to demonstrate the wide scope of “anything of value”:

- Gifts, travel, meals, or lodging;
- Educational opportunities, job interviews or offers, letters of recommendation, medical services.
- Donations (including charitable ones) to organizations that are related to the third party or to a Governmental Official directly or indirectly.
- Steering contracts to a certain supplier tied to the third party or to a Governmental Official.

- Allowing the use of Samarco resources (e.g., allowing unlimited access to Samarco vehicles for personal use).
- Reimbursement for a third party's or a supplier's unjustifiable expenses.
- Political party or candidate campaign contributions (e.g., donations, providing facilities for political events or campaign workspace, event sponsorships, transportation).

## 6. Payments

No Collaborator may authorize the payment of or make cash payments of any kind to a third party.

No Collaborator may make a bank payment of any kind to a third party account without first verifying the account number is associated with the tax-id of the intended recipient.

No Collaborator may use personal funds to provide anything of value to third parties in a manner that if paid for by Samarco directly would be prohibited under this policy.

## 7. Partners, Suppliers, Representatives and Business Partners

The Partners, Suppliers, Representatives and Business Partners, in the performance of their activities in compliance with the contracts signed with Samarco, including subcontracting to other companies, must comply with the provisions of the Code of Conduct and this Policy.

Contracts with Samarco Partners, Suppliers, Representatives and Business Partners must contain a clause requiring compliance with the applicable anti-corruption laws.

All business relations must always abide by the principle of free competition, as outlined the Samarco Antitrust Policy.

The relationship of Samarco Collaborators and Employees with its Partners, Suppliers, Representatives and Business Partners must be transparent and free of conflict of interest. Samarco Collaborators and Employees must assure that their personal interests do not prevail over those of the Company.

In order to minimize the risk of Corruption and Fraud, the hiring of Partners, Suppliers, Representatives and Business Partners must be preceded by a survey which includes the investigation of public information to allow Samarco to learn about and assess the risks involved in the relations with said entities (Due Diligence process). The due diligence process is carried out in accordance with the requirements and conditions contained in a Specific Procedure.

In addition to the due diligence process, Samarco may, at any time, engage the services of an independent external auditor to check on the strict and proper compliance with the provisions outlined herein by the Partners, Suppliers, Representatives and Business Partners.

Some signs (Red Flags) alerting to potential corruption and fraud refer to the contracting of Partners, Suppliers, Representatives and Business Partners who:

- Insist on negotiating with a specific Collaborator;
- Have a reputation of adopting dishonest business practices;
- Insist on remaining anonymous;

- Do not cooperate in audits;
- Refuse to sign clauses requiring compliance with the applicable anti-corruption laws;
- Submit inaccurate invoices;
- Request excessively large or advance payments;
- Request deposits to be made in offshore accounts with unidentified account beneficiaries;
- Act as intermediaries between Samarco and other Suppliers, in other words, they themselves do not produce or provide services.

The contracts must also abide by the following principles:

- The services to be provided must be lawful;
- The prices charged must reasonably reflect the value of the services rendered;
- The Partners, Suppliers, Representatives and Business Partners must have proven experience in the supply of the services or products being contracted.

In the event of situations such as those described above or any other conditions which raise doubts as to the proper conduct of Partners, Suppliers, Representatives and Business Partners, the Compliance area should be consulted via e-mail [Compliance@samarco.com](mailto:Compliance@samarco.com).

## **8. Conflict of interest**

As defined in the Samarco's Code of Conduct, conflict of interest exists when the private or personal interests of the employees conflict or could conflict with the performance of their unbiased activities in the best interests of Samarco. Conflict of Interest also exists when the private activities of employees are incompatible with their obligations and responsibilities to Samarco.

Samarco periodically requests its employees, through a specific procedure, to report any situation involving Conflict of Interest.

Additional information about situations which could generate Conflict of Interest are outlined in the Code of Conduct

## **9. Offering and receiving gifts and hospitality**

It is forbidden to grant any gifts or hospitality (such as meals, entertainment, air tickets and lodging) to Government Officials or employees and representatives of Private Entity other than as outlined in the Gift and Hospitality Policy (Gift and Hospitality Policy).

It is also forbidden for Samarco Collaborators and Employees to receive or accept gifts and hospitality in disagreement with the Gift and Hospitality Policy.

Collaborators and Employees may not request gifts of any kind whatsoever.

Any meals and expenses incurred with Government Officials, in the manner outlined in the Gift and Hospitality Policy, including meals offered at Samarco units, must be reported in specific bookkeeping accounts - PEPs, to allow their tracking.



## 10. Projects, Sponsorships, Donations and Contributions

The granting by Samarco of funds for Projects, Sponsorships, Donations and Contributions must follow ethical and legal guidelines and comply with the provisions of Samarco's Code of Conduct and Socio-Institutional Investments Policy - PIIS.

Conflict of Interest, according to the definition contained in item 8 of this Policy, could arise if any Projects, Sponsorships, Donations and Contributions were to be approved by Samarco employees who hold an executive position in the entities to benefit from this support, and therefore such approval is forbidden.

## 11. Accounting records:

Samarco and its Collaborators and Employees have the obligation to keep complete and accurate accounting books and records, which properly and truthfully reflect the object and amounts of all Samarco transactions which they were responsible for. It is forbidden to effect or request entries which obfuscate or change the nature and details of transactions and payments made and received by the Company.

No Collaborator may record an amount or description of a transaction inaccurately or in any way that attempts to conceal the true nature of the transaction. Any attempt to do so is grounds for termination of the contract.

A sampling of all accounting entries and the supporting documentation will be periodically reviewed to identify discrepancies, errors, and omissions. All Collaborators and Employees must fully cooperate with requests related to these efforts. Failure to do so is grounds for termination.

## 12. Violations

If you are a Collaborator or Employee and receive a request or demand for a Facilitation Payment, bribe, kickback or any other prohibited Undue Advantage, or you are offered a bribe or other Undue Advantage in an attempt to influence how you perform your duties at Samarco, you should take the following steps (if practical):

- Make sure you have not misheard or misunderstood the other party.
- Clearly and deliberately refuse to cooperate.
- End discussions as promptly as possible.
- Report the non-compliant request or demand promptly to your supervisor and the Compliance team immediately after leaving the meeting.
- Document your recollection of the incident in writing as soon as is practical.
- Be prepared to cooperate fully with the Compliance area's investigation team.

Third parties working on Samarco's behalf who receive any such request, demand, or offer in connection with work for Samarco are required to refuse to cooperate and to report the incident to their primary Samarco contact before taking any further action. In Brazil, criminal liability is personal and is applicable to the person directly related to the practice of illicit conduct. Thus, the Collaborator, or any other person who has practiced or attempted to practice corruption or any fraudulent act, will be held accountable.

The Brazilian anti-corruption law, and Foreign Corrupt Practices Act (15 U.S.C. §78-dd1, et seq., as modified), will also be applied in the case of a violation.

Internally, Samarco shall apply the criteria defined in its consequence management policy to the cases of violation of this Policy. Any Collaborator who violates this Policy shall be subject to disciplinary measures, including dismissal, in the case of an employee, or contractual termination, in the case of a contractor.

In addition to the measures outlined above, the violation of this Policy may imply in an investigation by local or foreign authorities, which, in the case of condemnation, will involve the application of heavy fines for Samarco. The investigations may also generate a parallel action against the persons involved in the violation, who may be condemned both for civil and criminal crimes.

Ignorance of law, is not a valid defense nor is willful blindness an exemption of liability in the case of a violation thereof. In any case, the failure to act in the occurrence of an observed violation by another Collaborator may be interpreted as consent or cooperation with those violations.

### **13. Whistleblowing**

Any violation or suspicion thereof related to this Policy on the part of Samarco Collaborators and Employees must be immediately reported to the Ombudsman, using the following contacts:

- Toll-free hotline: 0800 377 8002;
- E-mail: [ouvidoria@samarco.com](mailto:ouvidoria@samarco.com)/[Compliance@samarco.com](mailto:Compliance@samarco.com);
- Website: [www.canalconfidencial.com.br/ouvidoriasamarco](http://www.canalconfidencial.com.br/ouvidoriasamarco).

The Ombudsman will respond with total independence and full authority, free of any external or internal influence, in the investigation of any violations committed by Samarco Collaborators and Employees and in the application of the applicable penalties. The Ombudsman shall also take measures to assure that any detected violations are immediately discontinued, and shall make all endeavors to remedy any damage caused thereby.

Samarco expressly forbids any retaliation against Collaborators and Employees who report violations or potential violation of this Policy, even if they are ultimately proven to be mistaken. Any acts of retaliation must be immediately reported and shall subject the person responsible therefor to disciplinary measures. The prohibition of retaliation also applies to any Collaborator who cooperates with the investigation of a possible violation.

All Collaborators and Employees must supply accurate information when requested, and collaborate with Samarco's investigation of deviations from the Policy.

The cases reported to the Ombudsman shall be duly registered and verified, and regularly reported by the Ombudsman to the competent parties.

DESENVOLVIMENTO COM ENVOLVIMENTO

**SAMARCO**

