



Anti-Corruption Policy



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ANTI-CORRUPTION POLICY

1. Introduction

The Anti-Corruption Policy is intended to all the constituents, including employees, managers, counselors and shareholders (jointly, (“Constituents”) from GranEnergia Investimentos S.A., GranCapital S.à.r.l. and the companies controlled by it (“GranEnergia”) and to Third Parties, including, but not limited to customers, suppliers, service providers, business partners, public agents, among others.

This Policy aims at providing for the Ethics and Conduct Code guidelines on the prohibition of corrupt practices in relations with employees of the public and private sector, national and foreign sector, as well as the ethical principles and behavior standards, which must guide the internal and external relations, in order to stimulate an ethical, straightforward and clear environment.

GranEnergia and its management have the commitment to conduct all its business with ethics, Integrity, transparency in compliance with the applicable laws and standards, including the national and foreign anti-bribery laws, such as the Brazilian Anti-Corruption Law 12.846 and the USA Anti-Corruption Law “Foreign Corrupt Practices Act (“FCPA”)”, and they expect the compliance with the guidelines and procedures established in this Policy from all their Constituents and Third Parties.

The observance of this Policy is mandatory. Under no circumstances or argumentation, the Constituent can claim unawareness of the responsibilities established herein.

2. Prohibition of Corrupt Practices

GranEnergia does not condone the practice of harmful acts against the Government, national or foreign, and forbids any corruption practice, in all its active and passive forms, either by act or omission, or through the creation and / or maintenance of irregular, favoritism or fraudulent situations.

GranEnergia and its Constituents will not pay, nor will receive bribe or kickback, including in the transnational form.

3. Payment for Facilitation and Relations with Government

Small payments made to employees from a lower hierarchy, in both the public sector and the private sector, as personal benefit, to secure or expedite the performance of routine actions which the company is entitled to, are known as “payments for facilitation”.

It is strictly forbidden to promise, offer or give, directly or indirectly, undue advantage to a public servant, or third parties related to it, aiming at obtaining favors.

GranEnergia also does not accept the payment or offering undue advantages to public servant, aiming at speeding up or favoring the administrative proceeding analysis, including with views to obtaining licenses, authorizations, permits or any other measures of regulatory or inspection nature.

When in contact with the Government, the Constituent must follow the guidelines below:

- a) The provision of information to all government spheres, including municipal, state and federal public agencies, must be always carried out in writing, upon a filing with due orientation from the legal sector;
- b) Whenever a request is submitted by a government representative, including the inspection representative, the Constituent must submit it to the legal sector before any forwarding. If a court order is submitted to any Constituent, he/she must cooperate, but immediately contacting the legal department for assistance and prior guidance on how to proceed;
- c) The Constituent must not use GranEnergia’s name when handling personal subjects from any nature in the relationship with the government;
- d) In case of meetings with any public agent, the Constituent representing GranEnergia must (i) request the inclusion of the hearing in the public agenda of the mentioned authority; and (ii) mandatorily attend it with another Constituent.

GranEnergia reserves the right to publicly express itself on government and policies which may affect the business progress and relationship with the Constituents and customers. This act, however, can only be exercised or authorized to the Constituent by the GranEnergia CEO.

4. Bidding

“Bidding” is the instrument used by the government, by public agencies and companies to contract services and purchase products from a private company.

In case of participation in bids or executing contracts with the public administration, including concessions and public-private partnerships, it is prohibited any conduct aimed at:

- a) Frustrating or defrauding by adjustment, combination or any other expedient, the competitive nature of public bidding procedure;
- b) Preventing, hindering or defrauding the performance of any act of public bidding procedure;
- c) Driving away or looking for driving the bidder away, through fraud or offering advantage of any kind;
- d) Defrauding public bidding or contract arising therefrom;
- e) Creating, fraudulently or irregularly, legal entity to participate in public bidding or enter into administrative contract;
- f) Obtaining advantage or undue benefit, fraudulently, from modifications or extensions of contracts entered into with the government, without authorization by law, in the public bidding invitation act or in the contractual instruments;
- g) Manipulating or defrauding the economic and financial balance of contracts entered into with the public administration.

In case of participating of bidding proceedings or executing contracts with the government, the Constituent must ensure the full compliance of the guidelines of this Policy and of the GranEnergia Ethics and Behavior Code, being subject to the applicable disciplinary sanctions in case of noncompliance, notwithstanding the remaining applicable sanctions according to the law in force.

If the Constituent comes across any situation contrary to the provisions of this chapter, he/she shall immediately report the fact to the GranEnergia legal and compliance departments.

5. Money Laundry

GranEnergia does not accept nor supports any initiative related to “Money laundry”, which is understood as a proceeding carried out to omit or legitimate illegal financial resources, So, it is extremely important that everyone is aware to the following situations:

- 1) Payment unusual forms or complex models;
- 2) Unusual transfers to/from countries not related to the transaction;
- 3) Customers and/or suppliers with operations appearing to have little integrity;
- 4) Customers and/or suppliers showing anxiety to avoid the requirements of information registration;
- 5) Transactions involving locations previously associated to “Money laundry” or to tax evasion
- 6) Financial transactions involving, directly or indirectly, banks with head office in a tax haven jurisdiction, must be reviewed and approved by the legal department of GranEnergia.

If the Constituent acknowledges any suspect of the situations listed above, it shall immediately communicate the fact to the legal and compliance departments.

6. Conflict of Interests

GranEnergia Constituents must act in a way to prevent conflict of interests with the private and public activities. In this case, interests conflict is considered as a situation created by the confrontation between public and private interests, which may jeopardize the group interest or influence, inappropriately, the performance of the public function.

So, the following behaviors are forbidden:

- a) Maintenance of business or contracting by GranEnergia of companies with participation of public agent, its spouse, life partner or related ones, consanguineous or the like, in a straight or collateral line to the third degree, in order to influence their acts of management;
- b) Offering gifts to public agents, whose decisions interest to GranEnergia, except for gifts, whose amount is lower than R\$ 100,00;
- c) Contracting, even indirectly or as an advisor, public agent, while exercising the position or in the period of six months after leaving the position, except the cases where the law authorizes the contracting;
- d) Use of privileged information received from public agent who had the obligation to keep it confidential;
- e) Acting with or in partnership with public servants who are family constituents (as defined below) of the constituents and have decision-making power within the business and operations of GranEnergia.

7. Intermediaries

It is forbidden to contract intermediaries (as defined below), to act in benefit of GranEnergia with public agencies, except in the circumstances expressly provided by law or regulations.

“Intermediaries” are: agents, service providers, external lawyers, consultants, sales representatives, distributors, retailers, or any third party acting on behalf of GranEnergia with public agencies, by power of attorney or not.

Since GranEnergia can be held legally responsible for any unlawful acts committed by third parties acting on its behalf, in the event of contracting, the Intermediaries can be subject to anti-corruption *Due Diligence*, with the purpose of identifying the history existence which involves corruption or other illegal and anti-ethical behaviors

If any “red flag” is identified, the result of the *Due Diligence* can be submitted to the Ethic and Behavior Committee, which shall decide on proceeding or not the contracting and shall determine, if that is the case, the mitigation and applicable risks measures.

8. Gifts, Entertainment and Hospitalities

Offering gifts, entertainment and hospitalities must not influence, at any moment, GranEnergia decisions, nor be used as a reward for any decision.

Expenses with gifts and entertainment given to public agents or received from people who are involved with GranEnergia's business must not exceed the amount of R\$ 100,00 (one hundred reais) and they are only acceptable if they are not understood as influence, kickback or corruption.

In the event the amount of a gift to be received exceeds the maximum stipulated limit, the employee shall refuse the gift and report on the GranEnergia policies. If the refusal is not reasonably justified, the legal department must be informed, in order to formally donate the gift to any charity institution selected by GranEnergia.

Offering gifts, bribes and hospitalities to public agents and employees from the private sector must follow the guidelines of the Gifts, Entertainment and Hospitality policy of GranEnergia.

It is forbidden to give and receive gifts in cash.

The Constituent must always observe that third parties with whom GranEnergia interacts, can also be subject to the policies and internal guidelines which restrict their possibilities of accepting a gift, entertainment or hospitality and they must also be fully observed. Therefore, before providing a gift, hospitality or entertainment, the Constituent must see the Third Party Ethic and Conduct Code, must ask about the internal policies.

In case of doubt as to offering or receiving gifts, entertainment or hospitalities, the Constituent must always see the GranEnergia Ethic and Behavior Code or contact the GranEnergia legal and compliance departments.

9. Donations and Sponsorships

The contributions and donations to charity institutions, as well as sponsorships, must be handled carefully, because they may be a channel for illegal or corruption generators payments.

To minimize this risk, GranEnergia requires the implementation of an anti-corruption and integrity due diligence of the beneficiary or sponsored institutions. Therefore, all the donations and sponsorships must be previously submitted to evaluation and approval of the compliance department, regardless of the amount.

The donations and sponsorships until the amount of R\$ 1.000.000,00 (one million reais) must be approved by the CEO followed by GranEnergia legal department, observing that any donations and sponsorships exceeding this amount shall be approved by GranEnergia Board of Directors.

10. Political Contributions

GranEnergia does not get involved in political party activities and forbids its Constituents to make, on behalf of GranEnergia, monetary or other type of contributions to political parties, anywhere in the world.

If the Constituent wishes to get involved into any kind of political activity, it must make it independently, without asking for help, support, participation, financing or any kind of involvement of GranEnergia and the remaining Constituents.

Every political activity must be performed out of the work environment and the working hours, with no resources from GranEnergia, being forbidden any form of transmission of political advertisement on the premises or property of GranEnergia.

11. Mergers, Acquisitions and Investments

In Merger and Acquisition processes, the GranEnergia group companies, under the Brazilian Anti-Corruption Law (12.846/2013), start to respond for eventual illegal acts exercised by the acquired companies, as well as for paying for inherent fines, if anti-corruption practices against the national or international Public Administration are proven. In addition to it, these acts may cause significant damage to the reputation of GranEnergia, business suspension, as well as civil and criminal penalties on the part of GranEnergia.

Therefore, aiming at mitigating risks inherent to mergers and acquisitions proceedings, GranEnergia requires carrying out the *Compliance Due Diligence* prior to the execution of the operation with the goal of identifying historical involvement in corruption or other illegal or unethical behavior involving the company being acquired.

The *Due Diligence* result shall be brought to the acknowledgement of the Ethic and Behavior Committee, responsible for determining to proceed or not with the operation and the risk management strategy to be adopted.

12. Anti-corruption guidelines

The agreements entered into by GranEnergia must contain the standards prohibiting fraud and corruption practices, as well as the respective penalties to be applied in case of breach.

GranEnergia can end a business relationship whenever the contracted company disrespect the established anti-corruption provisions, when there is impairment of its interests or lack of consideration of legal, ethical, tax, environment and health and safety at work matters.

In case of doubts or information on the anti-corruption guidelines, the Constituent must refer to the legal or compliance departments of GranEnergia.

13. Accounting Records

GranEnergia must have and keep books, records and accountancy accounts, reflecting all its financial operations in a detailed, accurate and correct way.

Therefore, it is forbidden to use fake documents and invoices, as well as making improper or fraudulent accounting entries, and any other procedure, accounting technique or artifice that can hide or otherwise cover up illegal payments.

Periodically, analysis of the expenses and revenues that may have evidence of fraud and practices contrary to this Policy's guidelines shall be carried out. The identified irregularities shall be taken for analysis and judgement of the Ethic and Behavior Committee.

14. Violations

Any Constituent or Third Party that breaches the provisions of this Policy will be subject to the applicable disciplinary sanctions, which may include: dismissal for cause or contract terminations, provided that any and all acts of corruption and fraud practiced against the general government will also be submitted to the competent authorities.

It is Worth mentioning that breaching the anti-corruption law can result in criminal proceedings of the involved ones, such as the individual's prison, the civil and administrative liability of GranEnergia, through a fine varying from 01% to 20% of the year gross billing, prohibition of receiving incentives, grants or loans from public agencies in the period from 1 to 5 years, partial suspension or banning of activities, irreparable damage to its reputation, among others.

In case of doubts on the contents of this Policy or situations not provided in this document, contact the legal or compliance departments, or use the available communication channels.

15. Complaints Channels

Any evidence of the occurrence of infringement of the events mentioned in this Policy shall be communicated to the direct leadership, to the legal and compliance departments, or to the ethics line of GranEnergia, available through the following channels: e-mail: granenergia@linhaetica.com.br; reporting communication form available at the GranEnergia website at: www.granenergia.com.br/ethics-channel/; the P.O. box 79518 or toll-free available for 24 hours through the 0800.770.3047, with the possibility of preserving anonymity.

No retaliation will be permitted or tolerated against a Constituent who, in good faith, reports an illegal behavior or contrary to the guidelines of this Anti-Corruption Policy.

All complaints related to the breach of any item of this Policy shall be duly investigated by GranEnergia and reported to the Ethics and Behavior Committee, which has autonomy and independence to analyze the cases and decide on the appropriate disciplinary sanctions.

Questions or requests for clarification of doubts concerning the application of this Policy can also be submitted through the communication channels available by GranEnergia.

16. Responsibilities

All GranEnergia Constituents are responsible for fully complying with the provisions of this Anti-Corruption Policy, as well as encouraging Third Parties that have commercial relationships with GranEnergia to acknowledge its contents and to comply with its guidelines.

It is up to GranEnergia leaders, at all levels, to ensure that their lead employees know and apply the precepts of this Policy and that, in case of doubt, do not hesitate in looking for the channels available for the due clarification.

17. Related Documents

Code of Ethics and Conduct
<http://granenergia.com.br/ethics-channel/>

Law 12.846/2013
http://www.planalto.gov.br/ccivil_03/_Ato20112014/2013/Lei/L12846.htm

Glossary

Foreign public agent: anyone who, although temporarily or without pay, performs position, employment or Civil Service in agencies, state entities or diplomatic representations of foreign countries, as well as in legal entities controlled directly or indirectly by the government of a foreign country or international public organizations.

National public agent: anyone who Works in government entity or on its behalf, as well as any candidate to a public position, officer or employee of a political party, or political party, for example: mayors, city hall or IRS inspectors, customs officials, candidates for councilor, deputies, secretaries of political parties, judges, prosecutors, amongst others.

Compliance department: internal department intended to prevent and detect the lack of compliance with laws, regulations, policies and internal proceedings, in the proceedings or business of the company, which may be made by constituentss or third parties.

Corruption: Abuse of power or authority by a person to whom such power has been delegated to obtain advantages for itself. Corruption can be active: offering, promising or giving any undue advantage, or passive: requesting, receiving or accepting the promise of undue advantage.

Due Diligence: in Portuguese "*diligência prévia*", it is a process of investigation or audit in the company's information, which must be carried out before a commercial or business operation, essential to confirm the data available to the possible purchasers, contractors or investors.

Entertainment: invitations for events such as: plays, concerts, sporting events, sightseeing, nightclubs, etc.

Fraud: any intentional action or omission in order to impair or deceive another person, capable of resulting in loss to the victim or undue advantage, property or not, to the author or third parties.

Hospitalities: meals, transfers (air, sea or ground), accommodations, transportation, drivers, among others.

Kickback: payment, gift, an offered or given favor aiming at perverting the judgment or influencing the behavior of a person who is in a certain position of trust.

Anything of value: including, among others, gifts, gift vouchers, stocks, meals, tickets, accommodations, entertainment as tickets, invitations to events, use of vehicles, political contributions, donations and sponsorships.

Bribery: the most common corruption form, also known as kickback payment. It comprises the act of giving or receiving money, gift or any other advantage as a way to induce to the practice of any dishonest, illegal or of trust breach act when conducting business.