Preventing and Combating Money Laundering, Terrorism Financing and Corruption

This policy establishes guidelines for the companies of Votorantim Financial Conglomerate related to the practices of preventing and combating money laundering, terrorist financing and corruption.

Guidelines

1. General

1.1. We repudiate acts of corruption, money laundering, terrorism financing or other illicit crimes.

1.2. We have adopted procedures for relationship with public entities to inhibit the practice of acts of corruption.

1.3. We prevent money laundering practice, terrorist financing and corruption in conducting business in the country and abroad, in line with national legislation and the current in each country where we operate.

1.4. We operate in accordance with the international commitments of the Federal Government with regard to the prevention and combating money laundering, terrorist financing and corruption, compliance with existing legislation in the country.

1.5. The Conglomerate adopts procedures, the development of products and services, to inhibit its use for illegal practices related to money laundering, terrorist financing and corruption.

1.6. We encourage and participate in joint actions under the National Financial System, to prevent and combat money laundering, terrorist financing and corruption.

1.7. We use parameters established by law for the registration of transactions and identification of those considered money laundering evidence or terrorist financing. Therefore, we invest in the development or acquisition of automated executed transactions monitoring systems.

1.8. We use specific parameters for monitoring financial transactions that may constitute signs of corruption.

1.9. We have adopted due diligence procedures to mitigate money laundering risks, terrorist financing and corruption, according to the activity, the jurisdiction and the agents involved.

1.10. We adopt restrictive measures for the conduct of business and the maintenance of business relationship with customers, suppliers and partners when circumstances reveal evidence of involvement in acts related to money laundering, terrorist financing or corruption, in compliance with current legislation.

1.11. We condition the relationship of correspondent banking and non-banking, to provide services to our customers and users, to the inexistence of administrative or judicial violations under the Law 12,846.
1.12. We condition the maintenance of correspondent relationship with other banks to the existence within those banks of programs for prevention of money laundering and the financing of terrorism.

1.13. We consider when maintaining business relationship with partners and suppliers, the existence within those third parties of mechanisms for preventing corruption.

1.14. The Conglomerate has a specific Commission to address and decide on matters concerning the prevention of money laundering and combating terrorism financing and corruption. This Committee reports to the Controls and Operational Risk Committee.

1.15. The Conglomerate maintains training programs and dissemination of the culture to prevent money laundering, to combat the financing of terrorism and corruption, in accordance with legal requirements and the best practices in the market.

1.16. The Conglomerate maintains an expert group responsible for monitoring of all customers transactions, focusing on prevention of money laundering, terrorist financing and corruption. In addition, the Conglomerate maintains a communication channel for receiving information or reports, including anonymously, from any employee or third parties regarding transactions or suspicious proposals identified in the conduct of business.

1.17. We investigate evidences and reporting of acts of corruption committed by direct agents or third parties for the benefit or interest of the Bank, against the public administration, in accordance with current legislation.

1.18. We investigate evidences and reporting of corruption acts by direct or third party agents, against the assets of the Bank, in accordance with current legislation.

1.19. We preserve the identity of the anonymous whistleblowers.

1.20. We repudiate any acts of reprisal or retaliation against whistleblowers brought in good faith, who choose to identify themselves.

1.21. We have adopted measures to protect whistleblowers employees in good faith, from relation arising from the reporting.

1.22. We evaluate, during the analysis of transactions, the instruments used, the execution process, the frequency, the parties and amounts involved, the financial capacity and the customer’s business profile and any indicative of abnormality or illegality involving the client or its operations, with a view to detect money laundering, terrorist financing or corruption.

1.23. The Conglomerate maintains the recordkeeping of customer documentation, as well as records of transactions and investigations performed for anti-money laundering, and terrorism financing and corruption prevention, maintained in accordance with the internal rules, laws and regulations of the countries where it operates.

1.24. The Conglomerate strictly follows the Financial Action Task Force (FATF) recommendations which specify the list of countries with insufficient controls to prevent money laundering and terrorist financing, and the sanction lists issued by other international organizations to prevent crimes such as OFAC list and the European Union list.

1.25. The Conglomerate does not accept in its business any financial transactions through anonymous accounts or linked to fictitious owners.
1.26. We collaborate with public authorities in investigations related to detrimental acts to the public administration, arising from our activities, in compliance with current legislation.

1.27. The Conglomerate adopts the best practices in combating corruption in the relationship with its partners, customers, suppliers, employees and government, and does not accept any activity taken by those against the public administration, local or international.

2. **Know Your Customer – KYC**
   2.1. The Conglomerate establishes mechanisms to identify and know its customers.
   2.2. The Conglomerate adopts restrictive measures for the conduct of business and the maintenance of the business relationship with the customer when circumstances indicate evidences of money laundering.
   2.3. The Conglomerate does not maintain relationship with financial institutions established in jurisdictions where they have no physical presence and which are not part of any financial group subject to local supervising authority.
   2.4. The Conglomerate maintains specific rules for approval and maintenance of business relationship with politically exposed persons, in accordance with legal requirements.

3. **Know Your Partner – KYP**
   3.1. The Conglomerate defines and maintains rules and mechanisms for proper identification and supporting knowledge of its partners and their activities, considering the existence of mechanisms for the prevention of money laundering, terrorist financing and corruption within the control environment of these partners, whenever applicable.

4. **Know Your Employee – KYE**
   4.1. The Conglomerate defines and maintains rules for the knowledge of its employees, focusing on prevention and combating money laundering, terrorist financing and corruption, including criteria for hiring and verifying the conduct of these employees.

5. **Know Your Supplier – KYS**
   5.1. The Conglomerate defines and maintains rules and mechanisms for proper identification and supporting knowledge of their suppliers and service providers in accordance with the purpose of the relationship.

6. **Know Your Correspondent**
   6.1. The Conglomerate sets and maintains rules and procedures for the identification and acceptance of correspondent banks, local and international, in order to prevent doing business with disreputable institutions or suspected of illegal activity.
7. **Notification to Competent Authorities**

7.1. The Conglomerate conducts, under confidentiality, including in relation to customers, the recording, analysis and reporting to the competent authorities of financial transactions with money laundering or terrorist financing evidences, as well as the processes related to the determination of suspicious acts of corruption.

7.2. We communicate to the competent authorities the transactions or prospect transactions that, under the current legislation, constitute suspicious of money laundering, terrorism financing and corruption.