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## CONDUCT STANDARD FOR SUPPLIERS.

### Introduction

Dear Supplier,


You are receiving the Conduct Standard for Suppliers - EBSE. By this document, you may get to know all the guidelines applies in the decision-making process of Empresa Brasileira de Solda Elétrica, either concerning the treatment of customers, suppliers, government or even in the internal relations between sectors. Our company maintains a compliance policy concerning the laws, regulations, national and foreign standards, in addition to practicing the highest business and professional ethics standards.

This Conduct Standard must be observed by our suppliers, which must follow and comply with it in all agreements, contracts and business relationships with EBSE, being aware that their non-observance it may result the enforcement of disciplinary measures.

The Complaint Channel is available to receive any reports referring to the failure to perform this Code by anonymously completing the form provided at the website:

<http://ebse.com.br/a-empresa/compliance/> to fill online or <http://ebse.com.br/a-empresa/compliance/downloads-compliance/> for download, or through the other means of communication mentioned in this Code.

Thank you for your collaboration!

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## Scope

This Conduct Standard must be fully performed by suppliers, service providers, consultants and all the other professionals or companies acting on behalf of or at service for EBSE, as well as its controlled and affiliated companies.

## Code of Conduct and Business Ethics

Empresa Brasileira de Solda Elétrica S.A. (EBSE), in its constant search for excellence and customer satisfaction, requires its employees and suppliers to have high ethical and professional standards, providing the certainty that all businesses it carries on fully meet the legal quality and integrity requirements.

The Code of Conduct and Business Ethics - EBSE aims at the strengthening of the company's values by presenting to the new employees and business partners our principles and guidelines while carrying on EBSE's businesses.

Thus, all the provisions in this Code must be necessarily performed at the company and its subsidiaries and/or associations at which it holds any ownership interest, as well as the other partners (customers, suppliers and third parties).

## Anti-Corruption


EBSE hereby states the adhesion to the best ethics and corporate morality principles and values, in compliance with all applicable standards, include those concerning the practice of harmful acts against the national or foreign governments, as introduced in Brazilian Law by the Federal Law No. 12.846/2013 (also known as "Anti-Corruption Act"). We do not allow or tolerate that our employees and suppliers engage in any unethical practice or any form of bribery or corruption, either at public or private sector.

The Anti-Corruption Policy prohibits that any charitable or political contribution or donation is made in exchange of any favor, undue advantage or in order to influence any decision that may be favorable to the company.

The contracts executed by EBSE with its suppliers have clauses that, in an express and clear manner, prohibit acts of corruption and incorporate the rules contained in this Conduct Standard. By these clauses, the supplier undertakes to fully comply with the Anti-Corruption Acts, under penalty of termination of contract with cause. During the Due Diligence procedure, the supplier is required to provide accurate, complete and true information to EBSE, under penalty of termination of its contract with the company.

## Relationship with the Government

Any employee and/or third party, either an individual or legal entity, acting on behalf of EBSE, are prohibited to offer, promise, do, authorize or provide any undue advantage

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to any Public Official (including family members of first degree of the said official), with or without any purpose of influencing or rewarding any official action or decision of such person in benefit of the company, and no employee or supplier will be punished due to the delay or loss of business, sale or revenue that may result from the refusal thereof to offer any undue advantage to public official or other counterparty.

### **Conflict of Interests**

Personal interests must not conflict with EBSE's interests. The potential conflicts of interests may be managed without prejudice to the involved parties, provided that duly informed in advance. Therefore, the suppliers are required to inform, in event of straight or collateral kinship, private relations with public officials or professionals of EBSE, its affiliated, controlled or controlling companies, avoiding any situations that may be characterized as conflicts of interest or compromise and damage the business impartiality.

### **Gifts, Presents and Hospitality**

The creation and distribution of gifts by the company, notably, when any portion of generalized distribution on account of courtesy, advertisement, usual disclosure or at the time of special events or commemorative dates, are part of the routine business relationships at the market, and such practices are absolutely allowed at the laws in force.

Notwithstanding, only EBSE professionals and /or suppliers will be allowed to distribute gifts that notably contain identification and institutional purpose.


The prohibition in the anti-corruption acts lies on the offer of any valuable item, including presents and hospitality to third parties, in order to obtain improper advantages or influence in an unreasonable manner the action by business partners or public officials.

In case any doubt arises as for the applicability of this policy, questions for clarification purposes may be submitted through the EBSE's communication channels.

### **Labor Laws**

Workforce hiring practices:

The suppliers must fully perform all laws and regulations of the locations where they do business or perform their services. Repudiating and promoting the eradication of

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forced, child, degrading labor and keeping an environment free of harassment and abuse of power.

The company must not be involved in or support the use of forced, slave or slave-like labor. The workers may not have their documents withheld or be required to make deposits as a condition for their admission.

The company must restrain any discriminatory attitude due to race, social class, nationality, religion, deficiency, gender, sexual orientation, union or political association. The company must not allow any sexually coercive, threatening, abusive or exploratory behavior.

### **Confidentiality**

The supplier will not advertise any information referring to EBSE and its business, activities, planning, structures, economic, legal and financial status that has been provided, either orally, in writing, under physical or electronic medium, without the prior consent in writing by EBSE ("Confidential Information").

Transparency and truthfulness of information in business relationships are essential to any partner, therefore, EBSE's Suppliers undertake as for the truthfulness of any information provided.


### **Audit**

The supplier must provide, at any time, the information that may be requested, as provided and required in order to confirm the effective performance of the applicable laws and standards. Nonetheless, EBSE and the supplier may audit the other party, as judged as necessary, by means of inspection by duly identified employees, in order to assure the effective performance of this term.

### **Termination of Agreement**

EBSE may, in case it is observed that the information provided does not correspond to the actual situations of the supplier, request for the supplier to adhere to corrective measures in order to fully comply with this code, as well as the other policies adhered to by EBSE.

The failure to comply with the provisions set forth in this Conduct Standard by EBSE's Suppliers will imply the adherence to disciplinary measures, provided that the termination of effective contracts until the blockage and deregistration of the supplier for future commercial transactions.

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## Whistleblowing Channel


EBSE maintains an exclusive Whistleblowing Channel for the safe communication on violation of conducts and principles considered as unethical, which violate any of its Policies or the law in force.

Form available at the Website: <http://ebse.com.br/a-empresa/compliance/> to fill online or <http://ebse.com.br/a-empresa/compliance/downloads-compliance/> for download.  
Use of the e-mail [denuncia@ebse.com.br](mailto:denuncia@ebse.com.br).

The whistleblower may post the mail to the EBSE's address, putting "Corporate Governance" as the addressee thereof.

The whistleblower may make use of the suggestion boxes set inside the head office, at the following locations: reception, electronic time-card machine area and inside the factory (equipment sector, pipe sector, API line and blasting booth).

**Acknowledgment of Receipt and Agreement**  
**Conduct Standard for Suppliers**

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In the capacity of Supplier of Empresa Brasileira de Solda Elétrica S.A., I declare to have received a copy of the “Conduct Standard for Suppliers”, that I am aware of the principles mentioned therein and I undertake to comply therewith in all of its levels by learning the full contents therein and accepting the sanctions provided for in event of default thereto, without prejudice to the applicable penalties.

I further declare that:

- All the documents and information declared by me are true.
- I undertake to comply with the mandatory requirements pursuant to the legal rules and technical requirements required by EBSE.
- I will adjust the processes of my company, my representatives and contractors to the best practices recommended in this Conduct Standard.
- I am willing to receive EBSE’s representatives as required and provide the documents required in such monitoring and audit visits.

Contractor: \_\_\_\_\_

Name of the person in charge at contractor:

\_\_\_\_\_

Title: \_\_\_\_\_

Place: \_\_\_\_\_

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Signature: \_\_\_\_\_