

Compliance Manual

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COMPLIANCE MANUAL
TELAR ENGENHARIA E COMÉRCIO LTDA

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MESSAGE FROM BUSINESS ADMINISTRATION



Telar Engenharia e Comércio LTDA. has operated in the construction sector for over 50 years and is widely recognized for its strong performance in project execution, particularly in the fields of basic sanitation, drainage, road tunnels, metro-rail infrastructure, real estate development, as well as in concessions and Public-Private Partnerships (PPPs).

As a long-standing provider for public institutions, **Telar** is aware that its operations - renowned for technical excellence and strict adherence to ethical standards - offer reassurance and, above all, contribute to building a fairer and more principled society.

With the goal of keeping these foundational pillars strong, **Telar** has

developed this **Compliance Manual** in accordance with Federal Law No. 12.846, dated August 1, 2013. It is intended to guide employees, suppliers, and partners in respecting internal integrity mechanisms and applying the principles of ethics and good conduct in their daily routines.

Telar believes that adherence to this set of rules transforms isolated actions into an organizational culture - engaging the workforce, the production chain, and the company's entire network of relationships.

These values - grounded in full compliance with the strictest ethical and legal standards - form the basis of **Telar's** governance model and help reinforce the sustainable foundations of its business activities.

DEFINITIONS

GOOD CONDUCT: Actions carried out in accordance with **Telar's** ethical standards and values, in compliance with this manual and applicable national or foreign laws.

COMPLIANCE COMMITTEE: Department responsible for ensuring compliance with the guidelines and applicable laws, as well as receiving and investigating reports of misconduct.

COMPLIANCE: The state of being in accordance with the guidelines of this manual and with applicable national or foreign laws.

COMPETITORS: Any parties that, for any reason, compete with **Telar** in public or private procurement processes.

MISCONDUCT: A set of practices prohibited by the company's guidelines and by national or foreign legislation.

CONFLICT OF INTEREST: A clash between primary interests related to company goals and secondary interests of a subjective or personal nature.

CONSORTIUMS: An association of business entities, each maintaining its own legal personality, formed to achieve a common goal.

REPORT: A communication regarding an event that may constitute misconduct, as defined in this manual.

SUPPLIERS: Commercial partners with whom **Telar** maintains relationships for the purchase of materials and inputs necessary for its operations.

FEDERAL LAW Nº 12.529/2011: Known as the "Antitrust Law", it provides for the prevention and repression of violations against the economic order, based on constitutional principles such as free enterprise, fair competition, the social function of property, consumer protection, and the prohibition of economic abuse.

FEDERAL LAW Nº 12.846/2013: Known as the "Anti-Corruption Law", it establishes the administrative and civil liability of legal entities for acts committed against the national or foreign public administration.

HIRING POLICY: A set of practices that guide the hiring and contracting activities carried out by **Telar**.

INVESTIGATION PROCEDURES: Procedures initiated when the *Compliance Committee* receives a report of misconduct.

SPE – SPECIAL PURPOSE ENTITY: A business entity formed by several companies, with its own legal personality, generally established for specific purposes in complex contracts.

COMMERCIAL TRANSACTIONS WITH RELATIVES: Hiring of companies to supply goods, materials, or labor where the owners, partners, or service providers are relatives of **Telar** employees or representatives.

PUBLIC AUTHORITIES: Governmental bodies, whether from direct or indirect administration, involved in procedures or contracts in which **Telar** is a party.

PURPOSE AND OBJECTIVES

In general terms, compliance refers to the observance of laws and regulations in force, whether issued by public authorities or private entities.

With the aim of reaffirming this principle - as well as **Telar's** corporate goals and ethical standards - this **Compliance Manual** serves to establish general rules for the conduct of its recipients, promoting assertive, ethical, and efficient behavior in business activities, and ensuring **Telar's** adherence to applicable laws and regulations, particularly Federal Law No. 12,846.

This manual also functions as a reference framework for any activities carried out by the company, providing guidance on the correct paths to follow and indicating the consequences of non-compliance. It therefore becomes a mandatory standard in the handling of matters relevant to **Telar**. The **Compliance Manual** applies to all Telar professionals, including employees, representatives, and management. Additionally, the **Compliance Manual** must be observed by all suppliers, service providers, contractors in general, partners, and consortium members, who must also ensure that their respective employees and contractors comply with the provisions of this manual when interacting with **Telar**.

The main purposes of this **Compliance Manual** are to:

- ☐ Reaffirm **Telar's** corporate values so that all recipients of this Manual may apply them in their daily routines;

- ☐ Serve as a tool to raise awareness about **Telar's** corporate values;
- ☐ Act as a reference in case of doubts regarding practical situations; and
- ☐ Ensure compliance with current laws and regulations in Brazil and other countries.

TELAR ENGENHARIA'S VALUES AND COMMITMENTS

Always guided by corporate ethics, **Telar** upholds the following values and commitments:

- ☐ **SAFETY, HEALTH AND WELL-BEING:** Commitment to the health, safety, and well-being of all employees. All activities are carried out to ensure a safe and healthy work environment, complying with the regulatory standards of the Ministry of Labor and Employment, as established in the company's integrated quality management policy.
- ☐ **ETHICS AND GOVERNANCE:** Public conduct guided by principles of responsibility and commitment, which form the foundation of **Telar's** corporate ethics, engage its employees, and reflect the company's organizational culture.
- ☐ **RESPECT FOR THE ENVIRONMENT:** a commitment to environmental protection, particularly through programs subscribed to by the company.
- ☐ **TECHNOLOGY AND QUALITY:** maintaining and improving the quality of the company's services and products is one of our top priorities. Based on this commitment, we continuously strive for improvement, dedicate ourselves to delivering projects with excellence, develop technical capacity

to present solutions and achieve better results, remain open to innovation, apply advanced technologies in construction, and invest in employee training and development. Technology and quality are aligned with our commitment and with customer satisfaction.

CONFLICTS OF INTEREST

Conflicts of interest arise in situations where an individual is expected to make an impartial judgment on a matter, but their evaluation may be influenced by personal interests or those of third parties.

Therefore, the existence of a conflict of interest does not require the occurrence of actual damage - the mere possibility of it is sufficient.

A conflict of interest may exist when, in each situation, an individual:

- ☐ Makes decisions or assesses business deals or hiring processes based on personal interests to the detriment of **Telar's** business interests;
- ☐ Uses information obtained during professional activities to gain personal advantage, whether financial or otherwise;
- ☐ Engages in activities, professional or not, that may impair performance in their duties at **Telar**;
- ☐ Accepts gifts, trips, or any direct benefit offered as a means of obtaining or granting advantage in relation to **Telar's** business; and
- ☐ Uses **Telar's** resources to obtain personal benefits.

Engaging in actions involving conflicts of interest is prohibited unless expressly approved by a superior. Any breaches must be reported to the *Compliance Committee*.

Reports may be submitted in person to the *Committee* - in which case a statement will be recorded — or by email at **compliance@telar.com.br**. In both cases, the whistleblower's anonymity will be guaranteed, along with other protections outlined in Chapter 13 of this Manual.

If there are doubts regarding whether a true conflict of interest exists, the individual involved must consult their immediate superior to address the situation.

RELATIONSHIP WITH PRODUCT AND SERVICE SUPPLIERS

The selection of **Telar's** suppliers of products and services must be based on the following criteria:

- ☐ Aimed exclusively at meeting **Telar's** needs;
- ☐ Based solely on technical criteria;
- ☐ Free from any personal interests;
- ☐ Presenting conditions equal to or more advantageous than those offered in the general market, taking into account the specificities of the contract (such as minimum volumes, technical excellence, scope, or other proven factors that may affect such conditions);
- ☐ In alignment with **Telar's** procurement policy.

Hiring suppliers with questionable reputations or whose practices are not in accordance with this **Compliance Manual** is strictly prohibited

Telar's suppliers must be aware of the content of this **Compliance Manual** and act in accordance with the principles and rules established herein. They must also ensure that any subcontractors are informed of and comply with the principles and rules of this Manual.

RELATIONSHIP WITH COMPETITORS

Competition based on the principles of fairness and professional ethics is essential for the development of **Telar's** activities, while any form of unfair competition is firmly rejected by the company.

Accordingly, **Telar** strictly prohibits and repudiates any anti-competitive behavior, especially those defined under Federal Law No. 12,529/2011. Examples include, but are not limited to:

- i. Market division, joint price setting, or agreement on operating conditions (cartel formation);
- ii. Unjustified refusal to supply products or services;
- iii. Imposing conditions for supply or acquisition without just cause;
- iv. Use of predatory pricing practices; and
- v. Acts intended to monopolize markets.

Additionally, recipients of this **Compliance Manual** are strictly prohibited from disclosing any information related to Telar to competitors and/or third parties.

RELATIONSHIP WITH CONSORTIUM COMPANIES AND SPES

Telar's participation in Consortia and Special Purpose Entities (SPes) shall be governed by adherence to the principles outlined in this **Compliance Manual**. **Telar** will only participate in SPes or join consortia whose partners or associated companies are aware of the provisions of this **Compliance Manual** and the company's procurement policy, or that maintain comparable governance standards.

Participation in SPEs or consortia is strictly prohibited whenever there is a significant risk that any partner or consortium member has violated or may violate the Anti-Corruption Law (Federal Law No. 12,846/2013 and related regulations) or this **Compliance Manual**.

Telar will maintain prudent oversight in the SPEs and Consortia in which it participates, through:

- ☐ Monitoring the implementation of the SPE's or Consortium's Operational Standards and Procedures;
- ☐ Strict control over the accounting of the activities carried out by the SPE or Consortium;
- ☐ Proper documentation of interactions with other partners in the SPE or Consortium.

RELATIONSHIP WITH PUBLIC AUTHORITIES

Given that **Telar** maintains regular interactions with public entities, it is important to emphasize that the company repudiates all forms of unlawful conduct, including - but not limited to - those defined by anti-corruption legislation (Federal Law No. 12,846/2013 and related regulations).

Therefore, **Telar** shall always operate in strict compliance with federal, state, and municipal legislation, ensuring that the highest standards of integrity are observed in all dealings with public authorities.

Accordingly, all **Telar** employees, their representatives, and other recipients of this **Compliance Manual** are strictly prohibited from engaging in any interaction with public officials that could be construed as a violation of the law.

Additionally, all interactions between **Telar** employees, their representatives, and public officials must be reported to their immediate supervisor.

When representing **Telar**, all employees and representatives must act in accordance with the principles established in this **Compliance Manual** and uphold the highest ethical standards, as well as respect for human rights, labor rights, and environmental preservation.

The appropriateness of a given conduct can be assessed by referring to the chapter titled "*Improper Conduct*" within this **Compliance Manual**. If uncertainty remains, contact your immediate supervisor.

RELATIONSHIP WITH THE PRESS

Telar supports the belief that a free, unbiased, impartial, and independent press provides a foundation for strengthening democracy and public institutions. Therefore, **Telar** firmly opposes the use of media as a vehicle for disseminating information that does not reflect the truth.

Given the sensitivity surrounding the dissemination of content and information to the press, communication with media outlets is primarily the responsibility of the Executive Board.

Thus, any contact with or statements to the press on behalf of **Telar** may only be made by employees, representatives, and other recipients of this **Compliance Manual** with the prior knowledge and authorization of the Executive Board or the *Compliance Committee*.

RELATIONSHIPS IN BUSINESS

TRANSACTIONS WITH RELATIVES

The hiring of relatives of **Telar's** employees or agents, either as individuals or through legal entities in which such relatives are partners, will only be permitted if conducted under market conditions and based on objective business criteria.

The *Compliance Committee* must always be informed of any contracts involving commercial transactions with relatives of **Telar's** employees or agents.

The provisions of this section shall only apply from the effective date of this **Compliance Manual** onward.

Whenever there is uncertainty about how to act in a practical situation, consult the **Compliance Manual**. If the doubt persists, contact your immediate supervisor.

HIRING POLICY

Without prejudice to further detail in a specific instrument, **Telar's** hiring policy must comply with the principles and other provisions of this **Compliance Manual**, as well as the following

- ☐ No business shall be carried out with companies or individuals who are not aligned with this **Compliance Manual**, nor when there is a significant risk that such companies or individuals may violate anti-corruption laws or this **Compliance Manual**;
- ☐ All **Telar** contracts must be formalized in written agreements;
- ☐ All agreements signed within SPEs or Consortia in which **Telar** participates must comply with the hiring policy;
- ☐ All contracts must include anti-corruption provisions, according to a standard to be established;
- ☐ Due diligence must be carried out prior to and during the execution of contracts to identify any non-compliance with this **Compliance Manual**.

THE ROLE OF LEADERS

TELAR, through this **Compliance Manual**, establishes the permanent support and commitment of its top management to a culture of ethics and integrity, including regarding hiring, by adopting criteria for the selection of senior executives that take into account their integrity.

Senior management includes those who lead the company and are responsible for making decisions, ranging from strategic to operational. Examples include board members appointed under the Consortium Constitution Agreement and the company's Management. In corporations, this includes executive directors; in limited liability companies, it may include owners, partners, administrators, and managers.

TELAR believes that its leaders must be role models in both speech and conduct. They must be the first to comply with the Integrity Program's guidelines and ensure accountability for those who engage in improper conduct.

Therefore, senior management must be actively involved in the recruitment process for leadership roles: the candidate's behavior must be a determining factor in the selection process. Any history of involvement in corruption, fraud, harassment, human rights violations, or environmentally harmful practices must be considered when appointing a new leader—as well as any omission by leaders in addressing such misconduct.

TELAR values the training and development of professionals in top positions, who must have a solid understanding of business ethics. This is essential for supporting the implementation and monitoring of the company's integrity. As such, this premise is applied as a requirement during recruitment and sustained through ongoing training after hiring.

Therefore, **TELAR** includes, among its desired criteria for senior positions, knowledge of anti-corruption policies and corporate governance principles. Additionally, the company promotes internal training on these topics, with regular updates - especially for members of senior management who participate in committees responsible for implementing this ***Compliance Manual***.

IMPROPER CONDUCT

All recipients of this ***Compliance Manual*** must act in strict accordance with its provisions, always aiming to safeguard the interests of **Telar**. Accordingly, this chapter aims to illustrate certain examples of improper conduct.

However, it is important to emphasize that the behaviors and examples listed below are merely illustrative and do not constitute an exhaustive list of improper conduct for the recipients of this ***Compliance Manual***:

- ☐ Deliberately financing, funding, sponsoring, or otherwise subsidizing the commission of unlawful acts;

- ☐ Using intermediaries (individuals or legal entities) to conceal or disguise one's real interests or the identity of the beneficiaries of the acts performed;
- ☐ With regard to public procurement and contracts:
 - i. To frustrate or defraud, through collusion, agreement, or any other means, the competitive nature of a public procurement procedure;
 - ii. To obstruct, disrupt, or defraud any act within a public procurement procedure, whether national or international;
 - iii. To exclude or attempt to exclude a bidder through fraud or by offering any kind of advantage;
 - iv. To commit fraud in a public procurement procedure or in a resulting contract;
 - v. To obtain undue advantage or benefit, fraudulently, from amendments or extensions of contracts signed with public administration, without authorization in law, in the procurement notice, or in the corresponding contractual instruments;
 - vi. To tamper with or defraud the economic-financial balance of contracts entered into with public administration.
- ☐ To hinder investigations or oversight activities conducted by public bodies, entities, or officials, or to interfere in their performance, including within regulatory agencies and supervisory bodies of the national financial system;;
- ☐ To use any assets, equipment, technologies, trademarks, licenses, and/or information belonging to Telar or obtained through a relationship with the company for personal gain or for the benefit of third parties. Examples of such improper conduct include the following activities:

- i. Creating spreadsheets, drawings, sketches, plans, or similar outputs - either physically or digitally using computer programs - that are not intended for **Telar's** activities, using company equipment and licenses;
 - ii. Printing documents unrelated to **Telar's** activities, except for personal documents properly logged in the company's print control system;;
 - iii. Using vehicles provided by **Telar** for purposes not related to the company's business activities;
 - iv. Using **Telar's** name or trademarks to obtain personal benefits.
- ☐ To engage in or allow acts aimed at obtaining or attempting to obtain undue benefits due to a relationship with **Telar**. Examples of such improper conduct include the following activities:
 - i. Hiring suppliers or third parties under conditions that deviate from market standards with the intent of receiving benefits (financial or otherwise);
 - ii. Using one's influence within **Telar** to attempt to secure personal contracts under terms more favorable than those available on the market.
- ☐ Offering or accepting any type of personal favors or gifts due to a relationship with **Telar**, or with the intention of influencing decisions, facilitating business, or benefiting third parties. Examples of such improper conduct include the following activities:
 - i. Accepting/offering leisure trips, entertainment, or expensive meals to/from third parties;
 - ii. Accepting/offering gifts from/to business partners and/or their family members;;

- iii. Using one's relationship with **Telar** to attempt to secure the hiring of a relative or acquaintance by the company or third parties;
 - iv. Making contributions to political parties and/or election campaigns on behalf of Telar without the company's prior written approval.
- ☐ Engaging in discriminatory acts based on social class, gender, sexual orientation, race, religion, origin, age, or physical disability in any activity related to **Telar**. Examples of such improper conduct include the following:
- i. Hiring or failing to hire individuals based on their social class, gender, sexual orientation, race, religion, origin, age, or physical disability, instead of objective and technical criteria;
 - ii. Engaging in discriminatory behavior toward other Telar employees or society at large, even if there is no intent to discriminate.
- ☐ Disclosing information related to **Telar**, its business, and activities to any third parties, including but not limited to competitors and the press, without prior written authorization from **Telar's** Management. Examples of such improper conduct include:
- i. Giving interviews related to any professional activity, whether of the employee or of **Telar Engenharia**;
 - ii. Discussing matters related to work activities and business carried out or under development by **Telar** with third parties, including but not limited to friends and family;
 - iii. Discussing with a potential new employer the procedures and business developed and/or under development by **Telar**.

If in doubt about a particular conduct, asking the following questions may help determine the proper course of action:

- i. Is this conduct aligned with **Telar's** values and principles?
- ii. Does this conduct comply with the provisions of this Manual?
- iii. Is this conduct legal, i.e., does it comply with Brazilian legislation?

If the answer to all the above questions is “yes,” without any reservations, the conduct is considered proper. If there is still uncertainty about how to proceed in a practical situation, contact your immediate supervisor.

The following measures may be applied to recipients of this **Compliance Manual** who violate its provisions:

- i. Participation in training and refresher courses;
- ii. warning;
- iii. Suspension of the employment contract; and/or;
- iv. Dismissal.

The disciplinary measure applicable in each case will be defined based on the specific circumstances of the situation, subject to an investigation procedure. There is no obligation to apply one specific measure over another.

In addition to disciplinary measures within the company, the reported individual will also be subject to criminal penalties as provided by law, as well as any applicable administrative fines. Furthermore, if the company suffers any damage as a result of the individual's improper conduct, **Telar** reserves the right to take legal action to recover or mitigate such losses.

INVESTIGATION PROCEDURE

If the *Compliance Committee* receives a report of conduct considered improper under this Manual, a prompt, impartial, and appropriate investigation will be initiated, ensuring:

- ☐ Anonymity of the whistleblower, if requested;
- ☐ Impartiality and independence in the investigation process;
- ☐ Strict accuracy in handling the report, in accordance with the specifics of local law;
- ☐ Protection of the investigated individuals' personal information, restricted to the Compliance department;
- ☐ Establishment of an investigation plan based on the severity of the reported event.

The investigation will include the collection of information, analysis of documents and/or other relevant materials, as well as interviews with the accused and other employees, as necessary.

Once the investigation phase is concluded, the *Compliance Committee* will determine one of the following outcomes, followed by the respective actions:

- ☐ **No improper conduct:** the case will be closed and the findings will be communicated to the whistleblower;
- ☐ **Occurrence of improper conduct:** all involved parties will be notified and provided with a full copy of all documentation generated during the investigation. Upon completion of internal procedures, the Committee will apply appropriate sanctions, as applicable.

If the investigation concludes that improper conduct has occurred, the *Compliance Committee* will allow the Accused to present their defense arguments prior to applying the sanctions referred to in Chapter 12 of this Manual.

If the *Compliance Committee* concludes that no improper conduct took place, and in reviewing the case finds that the report was false or made in bad faith, it will convene with the Human Resources Department to decide whether any action should be taken against the whistleblower.

FINAL CONSIDERATIONS

This **Compliance Manual** was prepared with the purpose of presenting, in detail, the Compliance rules to all stakeholders, as well as clarifying internal policies and guidelines, reinforcing the importance of respect, adherence, and conformity.

Management expects sound judgment from all its Employees regarding the observance of all standards and the effectiveness in reporting any deviation from the established rules or misconduct they may engage in or become aware of.

This Manual is the property of **Telar Engenharia e Comércio S.A.** and must not be copied or shared with unauthorized individuals for any purpose.

All individuals, without exception, must confirm that they have read and fully understood the entire content of this document. Any questions or requests for clarification about this Manual must be directed exclusively to: **compliance@telar.com.br**.

SIGNATURE

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