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3.3. Know Your Supplier Policy (KYS)	July/22	V3.0	1 / 6

The Know Your Supplier (KYS) Policy is a fundamental part of the AML-CTF program of Marsam and its purpose is to inhibit the beginning or maintenance of business relationships with suppliers whose activities are linked to the crime of money laundering and/or terrorism financing, or any other unlawful, illegal, or unethical activity.

The maintenance of business relationships with suppliers should always be based on transparency and ethics within the 'Know Your Supplier' concept, and not only on the commercial interest resulting from the prices of cheaper products or services that suppliers can provide to Marsam.

The 'Know Your Supplier' concept is based on the perfect identification of the supplier in accordance with the procedures described in chapter 2 of this manual, especially in item 2.2.8 – 'Legal Entity - Suppliers'.

Identification is the act of confirming who a supplier claims to be by providing its registration information, which should be verified through an examination of the documents provided, that is, the documentary evidence should be satisfactory and reliable for the perfect identification and registration of the supplier.

In the case of legal entity suppliers, it will also be essential to know who the final ultimate beneficiaries' owners of the company are until reaching individuals whose direct or indirect equity interest is greater than 5 % of the total capital.

In addition to the information and registration documents provided by the suppliers, several verifications will be carried out against restrictive lists and public and private databases prior to the beginning of the business relationship and upon their registration renewal, such as:

- Federal Revenue Service (SRF) to validate the tax domicile and registration status of the Individual Taxpayer Identification Number (CPF) and/or Corporate Taxpayer Identification Number (CNPJ) of the supplier.

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- Office of Foreign Assets Control (OFAC): restrictive list of names linked to international terrorist activity and terrorism financing activities.
- Ministry of the Environment: List of Environmental Embargoes and Notices of Violation.
- Ministry of Labor: List of Companies related to slave labor.
- Federal Court System: Court Procedures Electronic Certificate (TRF).
- Financial Intelligence Unit (COAF): List of Politically Exposed People (PEP-SISCOAF) for verification of final beneficiaries, management and/or attorneys.
- Office of the Federal Controller General: National Registry of Disreputable and Suspended Companies (CEIS).
- Credit Reporting Agency (SERASA): List of financial notes and pending items.
- Google: Adverse Media research to identify news of convictions for various crimes.

If it is found that the supplier, its final beneficiaries, management and/or attorneys appear on a restrictive list, or adverse news has been identified in the media, mainly related to convictions for financial, tax, environmental, and human rights crimes or crimes related to slave or child labor, the CIC must be notified immediately.

The Supplier on boarding documentation required by Marsam may be stored electronically or physically, including evidence of restrictive lists checks and any other verifications and research carried out during the on boarding process.

It must be evaluated whether the type of services provided or whether the goods commercialized by the suppliers are compatible with the known commercial activities developed and whether they are in accordance with the economic activities authorized for them (CNAEs) by the Federal Tax Bureau (Receita Federal do Brasil), in addition to the adequacy of their economic and financial capacity with the transactional volumes of goods or services provided to Marsam.

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For fulfillment of this policy, Marsam could determines the requirement of supplier onsite visit before or after the start of the commercial relationship, when required any presential validation of supplier´s documents and/or information, or the analysis in loco of effective performance of business activities declared by suppliers, or to audit the existence and adherence of supplier´s internal AML, CFT, anti-bribery, and supply chain policies and process.

For the purposes of this Policy, Politically Exposed People (‘PEP’) will be considered as public agents who perform or have performed, in the last five years, in Brazil or in foreign countries, territories and dependencies, relevant positions, jobs or public functions, as well as their representatives, family members and others in their close relationship.

In the case of Brazilian citizens, the following should be covered: elected representatives of the Executive and Legislative Powers of the Union; holders of positions in the Executive Power of the Union; Minister of State or equivalent; of a special nature or equivalent; President, Vice-President, and Director, or equivalent, of Indirect Public Administration Entities; and Senior Management and Advisory (DAS) group, level 6, or equivalent.

Members of the National Council of Justice, Federal Supreme Court, Superior Courts, Regional Federal Courts, Regional Labor Courts, Regional Electoral Courts, Superior Council of Labor Justice and Federal Court System Council.

Members of the National Council of the Prosecution Office, the Federal Attorney General, the Federal Vice-Attorney General, the Labor Prosecutor, the Military Prosecutor, the Deputy Attorneys General and the Attorneys General of the States and Federal District, members of the Federal Accounting Court, Prosecution Office Attorney General and Sub-Attorneys General at the Federal Accounting Court.

Presidents and National Treasurers or equivalent of political parties, Governors and Secretaries of States and Federal District, State and District Deputies, Presidents or equivalent of State and District

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Indirect Public Administration Entities and Presidents of Courts of Appeals, Military Courts, Accounting Courts or equivalent of States and Federal District.

Mayors, City Councilors, Local Secretaries, Presidents or equivalent of Local Indirect Public Administration Entities and Presidents of Accounting Courts or equivalent of municipalities.

People who abroad are Heads of State or Government are also considered to be PEP as well as: Senior Politicians; Senior Government Officials, General Officials and Members of Higher Levels of the Judiciary; Senior Executives of Public Companies, or Political Party Leaders.

Senior Managers of Public or Private International Law Entities will also be considered PEP.

In the case of citizens residing abroad, Marsam will adopt at least two of the following measures:

- Request an express statement regarding their PEP qualification.
- Use publicly available information, or
- Consult international databases, public or private, on Politically Exposed People.

The PEP condition should still be applied for five years following the date on which the person ceased to perform the duties or ended the relationship.

Relatives, in the straight line, up to the second degree, the spouse, partner, stepson and stepdaughter, and the close collaborator will also be considered family members.

For the purposes of this Policy, 'high-risk' suppliers will be those who:

- Are identified as PEP or have among their final beneficiaries, management and/or attorneys, individuals identified as PEP, relatives, or close collaborators of PEP.

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- Have controlled chemical products in their portfolio of products and goods.
- Have headquarters or facilities in border regions, or in conflict-affected or high-risk areas as defined by the OECD ('CAHRA's').
- Have monthly financial volumes of contracted services or goods/products purchased by Marsam greater than R\$50,000.00 (fifty thousand reais).

For the purposes of this Policy, 'medium-risk' suppliers will be those who:

- Have identified among their final beneficiaries, management and/or attorneys, foreign or non-resident individuals.
- Have headquarters or facilities abroad, especially in countries considered 'tax havens'.
- Have monthly financial volumes of contracted services or goods/products purchased by Marsam greater than R\$20,000.00 (twenty thousand reais).

The procedures for identifying and on-boarding suppliers provided for in this Policy should only be applied to suppliers classified as 'high-risk'.

For suppliers classified as 'medium-risk', only the identification and procedures for checking restrictive lists and public and private databases provided for in this Policy should be carried out.

The contracting of services or the purchase of goods and products should be attached to the respective supporting documentation (contracts, invoices etc.) and payment should only be made via bank wire transfer to an account held by the supplier, or through the payment of a bank issued invoice owned by the supplier as the assignor.

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This Policy should be reviewed at least every 3 (three) years from the date of its last review, or at any time, in the event of a relevant fact or changes in applicable legislation.

This Policy should be disclosed to all employees, clients and suppliers and be made available and updated on the website of Marsam.