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Engenharia e Software

Ethics Committee | 4th Edition

Composition

TThe Ethics Committee is composed of at least three members, consisting of the CEO, a company employee with expertise in compliance, human resources representative, an independent lawyer, who may be internal or external, and the Board of Director member is responsible decisions. The number of members, however, can be increased by decision of the Board of Directors.

The Committee should be able to communicate well/efficiently between all levels of the company. It aims to quickly identify risks, be reliable, and behave as a true guardian to compliance culture.

The Board makes the final decision on the committee. The members do not receive monetary bonus for their task. There is also an election to appoint alternates in order to ensure that the Committee is always functioning in case someone is unable to attend meetings or perform their task.

If the CEO is unable to perform tasks, the Board of Directors appoints a person responsible to carry out the tasks within the Ethics Committee.

If there is a complaint against the CEO or any member of the Senior Management, including the member of the Ethics Committee, the independent member shall escalate the complaint and their recommendations to the Board of Directors.

Operation

The Ethics Committee usually meets once a month, or whenever one of the members requests a meeting, or if an irregular complaint is made.

Responsibility

- Update and disseminate the Code of Ethics guidelines.

- Interpret the text, clarify any concerns and quickly respond to conduct that was unforseen in the Code.

- Analyze suspected ethical misconduct that were referred by other employees and determine the path to investigate.

- Resolve any violation, and submit the opinions and issues deemed relevant to the company's Board.

Immunity

The company guarantees to the members of the Committee that no punishment, directly or indirectly (for example, being transferred between departments or cities), will be applied as a form of punishment for carrying investigations and reports of illegal or unethical acts, even if approved by the officers, board members, or the CEO himself.

Members of the Committee and the Compliance Coordinator should have unlimited and unrestricted access to any department and/or company documents.

The Committee's choices must be followed by everyone at Radix, including the top management.

The failure to comply with the Committee procedures and guidelines is considered a serious misdemeanor, being punishable by dismissal.

Complaint flowchart (from investigation to communication with local authorities).

When a complaint is made, an investigation will take place in the following manner.

Complaint

Whistleblower
How noticed the fact?
What is the fact?
Where?
Who is involved?
Anyone else?
When?
Witnesses
Still occurs?
There are another companies involved?
Evidences

Report Imediately →

Compliance Coordinator

24 H →

Complaints Report

→

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48 H →

Inestigation Stage:
15 days, which may be extended by resolution of the Committee if there are justifications

48 H →

Board of Directors

48 H →
Archive:
Complaint Rejection

Report Imediately →

Archive:
End

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Urgent Action
Remove employee of position
Regularization of tort
Possibility of leniency
Communication to the authorities

Note: the urgent measures may be adopted and taken at any time

Measures:
Punishment
Procedure enhancements
Disclosure of the results of Investigation Stage

During the "Investigative Stage", the Committee evaluates the possibility to put together a specific team (including hiring specialized personnel, if necessary) in order to assist in the investigation.

The defendant should be given the opportunity to argue their case, by providing evidence they deem appropriate, for example presenting witnesses.

In order to collect data on the facts alleged, the Committee may conduct interviews. The Committee's own members or the staff appointed during the "Investigation Stage" can make the interviews.

The Ethics Committee should receive legal advice before carrying out an investigation and placing a punishment if there is a legal implication (for example, removal of a position, a leniency agreement, or reporting to the authorities).

Consequences

Actions will have consequences and may be punishable by the company based on laws and/or company's policies. The severity of the punishment depends on the action, defendant's intend, age, professional service time and how long they've been at Radix.

Some of the penalties are already set out in the Code of Ethics, for example: warning, suspension, and dismissal. In any case, the penalties should take the following into account:

SEVERITY	NONCOMFORMITY	DISCIPLINARY ACTION	TYPE
Mild	Small misconduct	Warning	Formal
Average	Misconduct	Suspension	Formal
Severe	Unaccaptable	Dismissal	At will or Just-Cause

Note: The employee accused may be temporarily removed from the position in order to avoid interference with investigation.

Communication with Authorities

If there is misconduct that may be characterized as criminal offense, the Committee, along with some legal advice, will communicate the facts to the authorities as soon as possible, following the model below:

MISCONDUCT RELATED TO:	AUTHORITIES
Bids & Procurement	Public Ministry
	Federal State
	Public Authority
	Court of Auditor of the respective federative entitiy
Other Crimes	Public Ministry
	Administrative Council for Economic Defense
Corrupção	Public Ministry
	General Controllership of the respective federative entitiy
	Public Authority
Transnacional Corruption	Public Ministry
	Foreign Authority
	Eventual national public authority involved
Other Crimes	Public Ministry

Quarterly Report

The reports will be categorized by the types of conduct (acts of corruption, illegal procedures, conflicting behavior with the code, among others).

The Committee should prepare a quarterly report containing the number of reports received, the types of conduct, the severity, the area, and the business unit where the misconduct possibly occurred, the information described in the complaint, and the way it was informed (through integrity channel, email etc.).

This report is published to Radix, through its internal network (inhouse media, emails, and messages on the board).

Radix will also integrate the new reports with the old ones where the investigations have already taken place, to disclose the number or percentage of cleared reports, and the number of reported cases.

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