



# **NORBERTO ODEBRECHT FOUNDATION**

# **CORPORATE GOVERNANCE POLICY**

# **Norberto Odebrecht Foundation Corporate Governance Policy**

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The **FNO** is a civil society organization of public interest.

**TEO:**

Odebrecht Entrepreneurial Technology is the instrument of conceptions and other concepts that the Sponsor makes available to its members, the Businesses and the FNO.

## **1. DEFINITION**

Governance at the Norberto Odebrecht Foundation (FNO) involves the management system, including communication and processes, through which the FNO is directed and monitored. It involves the relationship between the Board of Trustees, the Superintendent, and the supervisory and control bodies. It also involves the interaction system between the FNO and its beneficiaries.

## **2. OBJECTIVE**

The Norberto Odebrecht Foundation (FNO) Governance Policy has the objective of establishing its governance guidance and practices. This Governance Policy aims to support the survival and growth of the FNO, and thereby contribute towards its perpetuity, always in alignment with the conceptions and other concepts of Odebrecht Entrepreneurial Technology (TEO).

### 3. BASIC CONCEPTIONS

The FNO is a non-profit organization governed by private law, and of public interest, characterized as a civil society organization. It is regulated by the Civil Code and its bylaws, with its accounts and actions supervised by the State Public Prosecution Service, under the terms of Brazilian legislation.

In alignment with its Sponsor, Novonor S.A., new denomination of Odebrecht S.A., the practice of TEO must be exercised and practiced by all FNO`s members.

The FNO`s mission is to educate for life, through work, for values and to exceed limits.

The unique feature of FNO`s image is the spirit of service, which pulses at the heart of all its actions.

All the FNO members must focus on:

- the commitment to high compliance standards, with ethical and transparent activity, with integrity;
- the commitment to sustainable development;
- the continuous process of succession and renewal, and following-up the leaders` development programs;
- improving their performance, based on the **Action Program (PA) Cycle**;

#### Plan of Action Cycle:

- Planning and agreement
- Follow-up
- Evaluation
- Judgment

Based on mutual trust, the team member negotiates the delegated responsibilities with his/her leader in order to turn what was negotiated into reality, and achieve tangible and intangible results, translating its commitment and aims into a PA pact.

**Stakeholders:**

Formed of advisors, members, suppliers, partners, social investors, service providers, surrounding communities, authorities, the media, opinion makers, community and entrepreneurial leaders, trade associations, civil society organizations, governments, regulatory agents, and the State of Bahia Public Prosecution Service, which may affect or be affected by the Norberto Odebrecht Foundation`s activities, objectives or policies.

- the relationship with civil society, formed by **Stakeholders**, reflected in its reputation, image, and brand, based on the quality of its governance, and accomplishing the items listed above;
- accountability of social actions to the advisors, social investors and third sector control and supervisory bodies.

## **4. SPHERES OF GOVERNANCE AT THE NORBERTO ODEBRECHT FOUNDATION**

### **4.1 Sponsor -Novonor S.A..**

Novonor S.A. is the Sponsor of the FNO. The Novonor S.A. Board is responsible for electing the members of the FNO Board of Trustees (BT-FNO), and its chair (CBT-FNO).

### **4.2 Board of Trustees**

The Board of Trustees is a collegiate, decision-making, but not an executive body, responsible for setting the FNO's strategic direction, discussing the issues in which they are competent, following-up the institution's performance, and exercising specific control duties.

It is the main management body of the governance system, and its role is being the link between the sponsor, Novonor S.A., and the FNO Superintendent. The BT-FNO, continually guides and supervises the administration's relationship with other Stakeholders, while always seeking a balance in the FNO's interests.

It should ensure that the FNO adopts high governance standards, with ethics, integrity and transparency, and that meet the evolutions of third sector practices, as well as the items listed in item 3.

The BT-FNO's specific responsibilities and competencies are set out in the FNO's bylaws, in this Governance Policy, and applicable legislation.

The BT-FNO's focus of activity is:

This Governance Policy and the other FNO policies complement the conceptions and other concepts of TEO.

**On issues of the BT-FNO's responsibility,** each advisor's contribution should be supplementary and affirmative; in other words, the advisor should make the best decision possible, showing their opinion, acting in an inquiring manner when the decision does not seem appropriate to them, and contributing, in order to avoid decisions that lay the FNO open to unacceptable risks.

- disseminating the conceptions and other concepts of TEO;
- the strategic direction and maintenance of the FNO's path towards survival, growth and perpetuity;
- planned delegation to the Superintendent, through approval of his/her PA, and follow-up, evaluation and judgment of the execution of their performance;
- deliberation on the policies that contain the conceptual orientation and parameters for the FNO's actions;
- the periodic evaluation of the BT-FNO's own activities, profile and competencies, considering the needs and challenges of the FNO's strategic direction;
- deliberation of the other issues under their responsibility, defined in Appendix 1; and
- following-up the issues defined in Appendix 2.

The wide range of profiles of the BT-FNO members provides a plurality of arguments, and quality, secure decision-making. Thus, the composition of the BT-FNO should strive for a diversity of knowledge, experiences, cultural aspects, nationalities, age range and gender.

Therefore, the qualifications to become a BT-FNO member include:

- alignment with the principles and practice of TEO;
- alignment and commitment to constant guidance on FNO policies;
- entrepreneurial experience, especially in the third sector;

- knowledge of the FNO, and one of the following areas as a minimum: the third sector, finances, accounts, compliance, legal, people, sustainability and education;
- having no conflict of interests; and
- having the appropriate time available to exercise their responsibilities.

The BT-FNO should be made up of a minimum of five, and maximum of ten members, elected and withdrawn by the Board of the Sponsor, Novonor S.A., while observing the criteria of the above-mentioned diversity aspect.

The term of office for the BT-FNO members is 02 (two) years, and they may be re-elected for up to 04 (four) consecutive terms.

The BT-FNO members are responsible for:

- recognizing and exercising their responsibility with all the Stakeholders;
- rejecting any pressure from the Stakeholders or other board members;
- intervening and questioning situations deemed inappropriate in a timely manner;
- seeking other sources of information available, to better evaluate the issues under discussion;
- acting in an ethical and transparent manner, with integrity, with all those involved, and in any situation;
- questioning and exploring different points of view, independent of the sensitivity of the topic;
- promoting a contributory environment, with a diversity of experiences and competencies;
- proposing topics to the CBT-FNO, to be evaluated for discussion, within the BT-FNO`s scope, and



- making decisions, while considering the information to hand, according to their convictions, and the FNO`s best interests.

A minimum of 20% of BT-FNO members, but no less than 2 (two), should be independent. The advisor is considered independent if:

- s/he has not been a member or administrator at Novonor S.A or by its affiliates, FNO, or any of the institutions supported by them, in the previous 03 (three) years;
- s/he is not a direct or indirect provider or purchaser of the Norberto Odebrecht Foundation`s products and/or services;
- s/he has not been an employee or Superintendent of a company, or organization, that is offering or requesting FNO services and/or products;
- s/he is not a partner or relative or second-degree relative of an FNO Superintendent;
- s/he does not occupy any positions in companies that are in competition with the Sponsor, Novonor S.A.; and
- s/he does not receive any gross or net remuneration, results, surplus, operational surplus, dividends, exemptions of any nature, shares or portion of their assets obtained through exercising FNO activities.

#### **4.2.1 Chair of the Board of Trustees**

The CBT-FNO acts in three spheres: (i) is responsible for interaction between the Board of Trustees and the Board of the FNO Sponsor, Novonor S.A.; (ii) coordinates BT-FNO interaction with the Executive Body (Superintendent and his/her team); and (iii) coordinates the BT-FNO.

The PCC-FNO is responsible for promoting (i) an evaluation of the BT-FNO's performance, and (ii) a permanent renewal of the BT-FNO's composition, as well as the advisory committees of Board of Trustees. Therefore, s/he should recommend any alterations that they deem necessary to the Sponsor's Board, in order to ensure the diversity and qualifications required to carry out the BT-FNO's responsibilities.

The CBT-FNO will be elected by the Sponsor, Novonor S.A's board.

Primarily, the CBT-FNO is responsible for ensuring the effectiveness and good operation of the BT-FNO.

Therefore, the CBT-FNO should:

- a) ensure that the other advisors receive full and timely information to exercise their term of office;
- b) ensure development of the recommendations that result from the BT-FNO and Superintendent's evaluation process;
- c) assign duties and special requirements to any of the board members;
- d) organize an integration program when a new BT member is elected, which will enable them to (i) be presented to the members directly linked to the Superintendent, (ii) have knowledge of TEO; (iii) know about the Governance Policy and other FNO Policies, and (iv) receive the information required to exercise their duties;
- e) promote the active participation of all advisors;
- f) interact with the other advisors and the Superintendent to define the BT-FNO meeting agendas;
- g) when necessary, invite external consultants and, in alignment with the Superintendent, members of Novonor S.A., and the other Businesses in the Group, to attend meetings;
- h) propose contracting external consultancy services to the BT-FNO, to contribute towards playing the BT-FNO's role in specific situations, and

- i) propose to the BT-FNO any updates to this Policy and to the Rules of Procedure of the BT-FNO.

The CBT-FNO is also responsible for evaluating the suitability and opportunity of taking topics proposed by the other advisors and the Superintendent to the BT-FNO.

The CBT-FNO uses the meeting agenda as a communication tool, which will contain all the subjects for discussion, follow-up and awareness.

The CBT-FNO does not perform executive duties at the FNO. The subjects that require discussion by the CBT-FNO are set out in Appendix 1 of this Policy.

#### **4.2.2 Vice-chair of the Board of Trustees**

The Norberto Odebrecht Foundation Board of Trustees` Vice-chair is appointed by the CBT-FNO.

The BT-FNO Vice-chair is responsible for carrying out the CBT-FNO's responsibilities, in the case of the CBT-FNO's temporary absence.

#### **4.2.3 Advisory Committee of the Board of Trustees**

The Board of Trustees is supported by advisory committees, whose make-up, members, and respective coordinators will be decided by the board. Only BT-FNO members can be part of the advisory committees, which should be represented by a minimum of 03 advisors and at least one of them must be independent.

The committees may be permanent or "ad hoc", must have their attributions described at the Rules of Procedure of the BT-FNO and are formed to analyze matters, non-deliberatively, to support the BT-FNO's decisions.

The  
Superintendent is a  
leader of leaders.

The members of each advisory committee must have the qualifications required to analyze the matters relevant to the committee.

### **4.3 Fiscal Council**

The Fiscal Council is a control body of the institution's administration, with the aim of protecting the interests of the Sponsor, the company, and the control and supervisory bodies.

The Fiscal Council is made up of 03 (three) full members and 03 (three) three substitutes, nominated by the Board of Trustees, with a two-year term of office, with re-election permitted, and whose responsibilities are set out in the FNO bylaws.

### **4.4 Superintendent**

The **Superintendent** is responsible for full entrepreneurship and the external representation of the FNO. S/he leads an executive team, in alignment with the BT-FNO, through conceptual and educational activity, and based on the conceptions and other concepts of TEO.

The role of Superintendent will be exercised by a professional selected by the CBT-FNO.

The Superintendent's actions and, consequently, the preparation of their PA and respective Follow-up Reports, are based on:

## PDCIS

As a strategy, the Norberto Odebrecht Foundation applies its social technology to promote sustainable territorial development, through Development and Integrated Growth Program with Sustainability (PDCIS), with young people playing a leading role. It connects to the Sustainable Development Goals (SDG), with a view to overcoming global challenges, such as ending poverty in all its forms and dimensions, educating people for rural production, the rational use and protection of natural resources, and strengthening citizenship.

**The macrostructure** reflects the way the FNO is organized, aiming to comply with the strategy of continued organic growth.

- a) the use and dissemination of the foundations of the Sponsor`s culture, expressed in TEO, and the permanent update of FNO policies;
- b) the definition of the FNO`s purpose, and formulation of its vision and strategic direction;
- c) planning and execution of the strategy of investing the donations received by the FNO in social projects with activities that are convergent with those of the FNO;
- d) identification, analysis and mitigation of risks, within the FNO`s scope;
- e) discipline of the FNO PA Cycle;
- f) preservation and valuing the FNO`s reputation and image, and the definition and follow-up of the brand`s architecture, adhering to the FNO`s strategic direction;
- g) design and introduction of the FNO`s **macrostructure**;
- h) practice and constant evolution of the FNO compliance system, and the other provisions in the Compliance Policy, guaranteeing a public commitment to ethical and transparent activity with integrity;
- i) evolution of the practices and results of its sustainability performance;
- j) value of tangible and intangible assets (culture and image); and
- k) guarantee of entrepreneurial security, particularly in the FNO`s legal and statutory issues.

In the management area, the Superintendent will have a person **Responsible for Sustainable Development**, who takes care of the communication and strategic alignment with the institutions that the FNO supports within **PDCIS**, in alignment with the FNO Sustainability Policy.

With the aim of qualifying their entrepreneurial action, the Superintendent should receive support from the people responsible for functional support in the following areas of activity, who may be responsible for more than one topic:

- Communication;
- Finance;
- Compliance;
- Legal;
- Governance;
- People.

The FNO Responsible for Governance is responsible for supporting the Superintendent in the best practice of this Policy, and the governance system.

The FNO Superintendent may also receive support from advisors, who will have specific responsibilities, defined by the Superintendent. Those responsible for functional support and the advisors, form the Superintendent`s direct team. The responsibilities of the Responsible for Sustainable Development, those responsible for functional support and the advisors must be included in the Superintendent`s Resolution which defines the FNO Macrostructure.

The Superintendent is responsible for discussing the subjects defined in Appendix 1 of this Policy.

## **5. COMMUNICATION SYSTEM**

The FNO communication system is based on the conceptions and other concepts of TEO, and its ramifications in policies and other orientation should be practiced by all its members.

Essentially, communication takes place through dialogue, negotiation and agreement in the PA cycle, through which confidence is

consolidated and the pact is established that leads to planned delegation, follow-up, evaluation and judgement of PA execution.

## **5.1 Communication instruments**

### **5.1.1 Within the Sponsor`s scope**

- **Minutes of the Novonor S.A. board:** the minutes of the Novonor S.A. Board meetings, which list the election of members of the FNO Board of Trustees and its chair and the approval of donations for the FNO should be forwarded to the FNO Board of Trustees, through the CBT-FNO.

### **5.1.2 Within the Board of Trustees` scope**

- **Notice of BT-FNO meetings:** document through which the CBT-FNO, in the name of the board, convenes ordinary and extraordinary meetings.
- **Policies:** documents that, with the development of the principles and other TEO concepts, establish guidance with regards to a specific issue, which should be observed and followed by all FNO members.
- **Agendas:** documents through which the CBT-FNO explains the issues that will be subject of discussion, follow-up, or awareness of the BT-FNO advisors.
- **Minutes:** documents in which the issues discussed and the other topics that are dealt with in the BT-FNO meetings are recorded. These minutes should be entered into the appropriate book and signed by the board members and advisors present and then presented for the state Public

Prosecution Service`s approval and registered at the relevant Registry Office.

- **Summaries:** documents prepared by the BT-FNO Executive Secretary, in which the subjects covered at the meetings are recorded, for awareness and follow-up by the advisors.

### **5.1.3 Between the Board of Trustees and the advisory committees**

- **Agenda:** documents through which the coordinator sets forth the matters that will be discussed at the advisory committees' meetings.
- **Summary:** documents in which the matters discussed at the meetings are recorded for the information and follow-up of all members of the BT-FNO. Recommendations on matters to be decided upon by the BT-FNO are also recorded. The Summaries are prepared by the BT-FNO Executive Secretary, one of whose duties is to serve as secretary of the committees as well.

### **5.1.4 Between the Board of Trustees and the Superintendent**

- **Superintendent`s Deliberation Proposal (DP):** deliberation proposals formulated by the Superintendent to be discussed by the BT-FNO.
- **Superintendent`s PA.**
- **Superintendent`s PA follow-up reports.**
- **Documents,** based on December 31, on the:



- Financial Statements;
- Independent audit report; and
- Fiscal Council report.

#### **5.1.5 Within the Superintendent`s scope**

- **annual Action Program of the Responsible for Sustainable Development and those responsible for functional support:** includes the priorities, macrostructure, expected results and budget.
- **Superintendent`s Resolution:** is the document that (i) provides information on the Policies and other BT-FNO discussions at the FNO, and (ii) communicates the Superintendent`s decisions to FNO members.

#### **5.1.6 Within the scope of the Person Responsible for Sustainable Development and those Responsible for Functional Support**

- **Participation in PDCIS Agreement and appendices:** include the obligations and commitments taken on by the institutions that take part in PDCIS and are supported by the FNO.
- **PA and Follow-up Report.**
- **Guidelines:** is the document that communicates decisions and establishes orientation on issues of their competencies within the FNO`s scope, and that are set out in their respective action programs, agreed with the Superintendent.

## **6 COVERAGE**

This Norberto Odebrecht Foundation Governance Policy applies to all members of the Norberto Odebrecht Foundation, the Board of Trustees and the Fiscal Council.

## **7 SCIENCE AND CERTIFICATION**

All Norberto Odebrecht Foundation members must be aware of the contents of the Governance Policy within a maximum of 30 (thirty) days following its date of approval.

## **8 GENERAL PROVISIONS**

If they have any doubts about the contents of the Norberto Odebrecht Foundation Governance Policy, a member may not dismiss this, and must seek clarification through their direct leader or, if required, with the Responsible for Governance.

**APPENDIX 1**

**ISSUES FOR DELIBERATION**

Item	Issues	Competency		
		BT-FNO	CBT-FNO	SUPERINTENDENT
<b>A</b>	<b>Culture and Policies</b>			
<b>A.1</b>	Definition and/or revision of the conceptions based on TEO	X		
<b>A.2</b>	Norberto Odebrecht Foundation Policies	X		

Item	Issues	Competency		
		BT-FNO	CBT-FNO	SUPERINTENDENT
<b>B</b>	<b>Strategy</b>			
<b>B.1</b>	Purpose, vision and strategic direction for the FNO`s annual planning	x		
<b>B.2</b>	Superintendent`s Action Program pact	x		

Item	Issues	Competency		
		BT-FNO	CBT-FNO	SUPERINTENDENT
<b>C</b>	<b>Governance</b>			
<b>C.1</b>	Altering the Bylaws	x		
<b>C.2</b>	BT-FNO's operational procedures	X		
<b>C.3</b>	Appointment of the BT-FNO vice-chair		X	
<b>C.4</b>	Appointment of the Superintendent		X	
<b>C.5</b>	Definition of the Superintendent's team			x
<b>C.6</b>	Proposal of the annual calendar, with the dates of BT-FNO meetings		X	
<b>C.7</b>	Approval of the annual calendar, with the dates of BT-FNO meetings	X		
<b>C.8</b>	Definition of the FNO's BT-FNO meeting agendas		X	
<b>C.9</b>	Approval for convening the BT-FNO meetings	X		
<b>C.10</b>	Convening the BT-FNO meetings		X	
<b>C.11</b>	Approval of FNO's participation in terms of collaboration or promotion, cooperation agreements, and other adjustments, when they involve a relevant issue	X		
<b>C.12</b>	Approval of FNO's participation in other similar organizations	X		
<b>C.13</b>	Creation of committees (permanent or "ad hoc") of BT-FNO	X		
<b>C.14</b>	Appointment of the coordinator and other members of each BT-FNO advisory committee		X	

Item	Issues	Competency		
		BT-FNO	CBT-FNO	SUPERINTENDENT
<b>D</b>	<b>Compliance</b>			
<b>D.1.</b>	Definition of Compliance Policy	x		
<b>D.2</b>	Implementation of the FNO Compliance Policy			x
<b>D.3</b>	Approval of the direction and priorities for the Chief Compliance Officer`s Action Program			x
<b>D.4</b>	Investigations on an issue within their scope of activity			x

Item	Issues	Competency		
		BT-FNO	CBT-FNO	SUPERINTENDENT
<b>E</b>	<b>People and Remuneration</b>			
<b>E.1</b>	Proposal of renewing the board to achieve the objectives of diversity set out in this Policy		x	
<b>E.2</b>	Evaluation and judgment of the Superintendent`s PA		x	
<b>E.3</b>	Superintendent`s succession planning		x	
<b>E.4</b>	Superintendent`s approval of total remuneration		x	
<b>E.5</b>	Superintendent`s individualization of the team`s remuneration			x
<b>E.6</b>	Approval of the total figure for the FNO members` award	x		

Item	Issues	Competency		
		BT-FNO	CBT-FNO	SUPERINTENDENT
<b>F</b>	<b>Finance</b>			
<b>F.1</b>	Approval of the FNO budget	x		
<b>F.2</b>	Approval of the FNO's financial statements with the Fiscal Council`s recommendation and that of an independent auditor	x		
<b>F.3</b>	Appointment of independent auditors for the FNO	x		
<b>F.4</b>	Approval of financial operations for values above BRL 300,000.00 (three hundred thousand reais).	x		

Item	Issues	Competency		
		BT-FNO	CBT-FNO	SUPERINTENDENT
<b>G</b>	<b>External relations</b>			
<b>G.1</b>	Definition of the strategy and architecture for the FNO brand	x		

**ISSUES FOR FOLLOW-UP**

<b>ISSUE</b>
Cultural dissemination programs
Superintendent`s PA follow-up reports
FNO Strategic Litigation Report
FNO budget
FNO macrostructure, whenever there is an alteration
Following-up implementation of the compliance system
Following-up the cases investigated within the FNO`s scope, through the ethics committee
Following-up the PDCIS indicators, via the Superintendent`s PA
Operational performance targets, via the Superintendent`s PA