

ANTI-FRAUD POLICY



PD-AU004

Rev.01

Validity as from: 25/07/2020

1. INTRODUCTION

The Company generates and commercializes energy within a framework of honest associations of employees, clients, shareholders, suppliers, the local and international community, and other stakeholders, based on integrity, cooperation, transparency and mutual value contribution in strict compliance with the national and international regulations in force.

2. PURPOSE

This Policy for the Prevention of Corrupt, Fraudulent, Collusion, Coercive or Obstruction Practices follows the Company's policy that requires all persons hired or remunerated to represent or act for or on behalf of the Company, employees, clients, contractors and agents, subcontractors, subconsultants, service or input suppliers, and any other related personnel or organization to comply with the highest ethical standards during the Hiring/Sale process and the execution of the agreements to which they are parties together with the Company.

This Policy aims at confirming and giving special relevance to the Company's Code of Business Conduct, which was defined by taking into account strict standards of ethical behavior, both at personal and professional level.

The particular objectives are to:

- Contribute to the prevention of bribery and fraud;
- Ensure the Company takes the measures needed to prevent bribery and fraud;
- Explain the procedures the Company's Board and personnel shall follow when there is evidence or suspicion of bribery or fraud being committed;
- Describe the actions that must be followed to inform and investigate in case of a situation of this kind; and
- Comply with the Foreign Corrupt Practices Act (FCPA) of the United States of America and other related national or international regulations to the extent attributable to the Company as a consequence of the legal frame covering its owners.

3. SCOPE

This Policy shall be considered together with any Procedure whereby the necessary responsibilities, behaviors, activities and controls are established for the prevention, detection and response to incidents that imply bribery and/or fraud attitudes in the execution of the business activities of the Company, so as to ensure a reference framework to avoid unwanted attitudes or behaviors.

The Company shall not tolerate bribery or fraud acts by its employees or other associates, and serious measures shall be immediately taken (which include, among others, the termination of the employment or contractual relationship and legal actions, when appropriate) against the persons committing fraud or bribery.

This Policy shall also apply to joint ventures, trusts or any other kind of companies in which the Company participates

4. RESPONSIBILITIES

In general, the Board of Directors, the Supervisory Committee, the General Management (CEO) and other Managerial areas are responsible for applying or causing to apply the provisions of this Policy and its related Procedures.

5. DEFINITIONS/TERMINOLOGY

Reference framework:

The following are the main elements forming the reference framework for the prevention of corrupt, fraudulent, collusion, coercive or obstruction practices. Such framework shall allow for the application of the necessary Procedures for compliance with FCPA and other related local or international regulations.

- Board of Directors of the Company: This Policy may be validated by the Board of Directors, which board has delegated the follow-up of its compliance to the Supervisory Committee and the General Management through Internal Audit.
- -CEO of the Company: The Company’s CEO is responsible for leading, providing resources and actively supporting the implementation of this Policy.
- Control environment: The Internal Control Activities and the Internal Auditing Procedures are the means that guarantee efficiency in the implementation and follow-up of this Policy to Internal Audit.

Definitions

For the purposes of this Policy, the terms stated are defined as follows:

The Company shall not tolerate bribery or fraud acts by its employees or other associates, and serious measures shall be immediately taken (which include, among others, the termination of the employment or contractual relationship and legal actions, when appropriate) against the persons committing fraud or bribery.

This Policy shall also apply to joint ventures, trusts or any other kind of companies in which the Company participates

- Associated Persons: Associated Persons are all the employees of the Company hired under an employment contract who shall comply with the Company's Code of Business Conduct during the performance of their duties.
- Associates: All third parties (human or legal persons) hired or remunerated to represent or act for or on behalf of the Company, such as agents, consultants, contractors, advisors and clients, and whose capacity for such is stated or implicit in the terms of the agreement entered into.
- Corrupt practice: The act of giving, offering, receiving or requesting advantages, not necessarily of financial nature, that may take the form of payment, gift, loan, compensation or reward, so as to improperly influence the acts of another person in performance of their duties.
- Fraudulent practice: Corrupt, dishonest or false acts; lack or concealment of information; authority abuse related to the position, or any kind of deception committed, in all cases, with the intention of obtaining benefit (both personal and for the company), avoiding an obligation or causing a loss (or cause the risk of a loss) to a third party, including theft.
- Coercive practice: Undue influence or threat to damage, directly or indirectly, a person, their property, or to improperly influence their acts.
- Obstruction practice: The destruction, forgery, alteration or deliberate concealment of material evidence related to an investigation or perjury against investigators to materially avoid an investigation by the Company of corrupt, fraudulent, coercive or collusion practices and/or threat, harassment or intimidation of individuals to avoid them from revealing information on the relevant matters under investigation.

6. DEVELOPMENT (1/4)

1. Prevention activities

The Company's Code of Business Conduct and the Integrity Plan describe in detail the attitudes expected from the Associated Persons and Associates and explain the steps to be followed in case of undue behaviors.

2. Communication

The correct and duly internal communication seeks to ensure that the Board, Associated Persons and Associates have proper knowledge of the Code of Business Conduct and this Policy, given the importance of this topic as part of the training actions in this regard.

3. Bribery and fraud risk assessment

Within the framework of compliance with the Procedure, risks are assessed from a Business Process approach, which implies identifying and analyzing the Fraud and Corruption risks.

4. Internal Audit

Internal Audit is a key element within the resources of the Company's Board of Directors and General Management to ensure there is proper detection, assessment and management of the risks assumed in daily business.

5. Detection of attitudes that may imply corrupt, fraudulent, collusion, coercive or obstruction practices

If Audit determines that Associated Persons or Associates participated, directly or indirectly, in corrupt, fraudulent, collusion, coercive or obstruction practices, then such event will be informed to General Management which, depending on the severity of the event, shall decide on the procedure to follow and if a thorough investigation of the event is necessary.

6. DEVELOPMENT (2/4)

6. Information about the corrupt, fraudulent, collusion, coercive or obstruction practices

Associated Persons and Associates must inform as soon as possible about any concerns or noncompliance with this matter, acting according to the Code of Business Conduct.

If any Associated Person believes that, due to confidentiality reasons, he/she cannot inform any possible or confirmed event of any corrupt, fraudulent, collusion, coercive or obstruction practice to his/her superior, head or manager, he/she must channel such information through the Confidential Line.

7. Evidence protection

The individual or area responsible for the investigation shall guarantee the protection of evidence, physical assets and records that may be used in further investigations. The Company may resort to expert third parties to proceed pursuant to the best practice standards.

8. Compliance and responsibilities

The disciplinary measures that shall be taken before any bribery or fraud event duly investigated and documented in relation to Associated Persons shall be adopted by the Management of Human Resources, with the agreement and support by the General Management and any other Managerial area(s) involved in the event, with the assistance of the Legal Department.

9. Commitment of Associated Persons and Associates

As a requirement prior to the commencement of the development of their duties in the Company, the Associated Persons must sign the Code of Corporate Conduct in agreement thereof. As a requirement prior to the commencement of the contractual relationship with the Company as agents, consultants, contractors, advisors and clients, whose capacity for such is stated or implicit in the terms of the agreement entered into, Associates must sign the General Procurement and Contracting Conditions in agreement, as appropriate.

6. DEVELOPMENT (3/4)

10. Contracts with clients, bidders, suppliers and contractors

In those contracts the Company enters into, it shall be mandatory, as the case may be, for clients, contractors and their agents, subcontractors, subconsultants, service or input suppliers, and any other associated personnel, to adhere to conduct their business under ethical principles, in compliance with the local or international regulations which may apply.

11. Compliance and responsibilities

The disciplinary and corrective measures that shall be taken before any corrupt, fraudulent, collusion, coercive or obstruction practice duly investigated and documented, shall be determined by the Company's General Management and performed by such Management with powers specific to this matter, with the support of the Managerial areas involved in the event, with the assistance of the Legal Department.

12. Corrective measures

a. Results disclosure

For each investigation conducted, a report shall be prepared, which will contain the main causes for the event or breach (control deficiencies, non-authorized access to systems, noncompliance with the established procedures, sabotage, etc.).

The Internal Audit or the Supervisory Committee (as applicable in each analyzed case) shall communicate the results of all investigations conducted on the Company's General Management and Board of Directors.

b. Results communication

Whenever deemed necessary, employees may be informed of certain information related to the incidents of corrupt, fraudulent, collusion, coercion or obstruction practices, as well as the measures taken, in order to emphasize that the Company shall not tolerate business conducts contrary to ethics.

6. DEVELOPMENT (4/4)

c. Loss and damage recovery measures

Based on the results of the investigation conducted, all possible measures shall be taken, with external help if necessary, so as to recover the Company's embezzled funds or assets. In addition, depending on the results of the investigation, charges may be pressed against the perpetrators.

13) Reports issuance

The Supervisory Committee and/or the Board of Directors, regularly or annually, shall be informed about matters and indicators related to the subject.