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| REVISION N°   | DATE      | REASON             |
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| PREPARATION   | REVISIONS | TECHNICAL APPROVAL |
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| This document was approved on _____ the day _____ and is effective on the date of _____. The document will be available at _____. |           |                    |

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## **POLICY OF SPONSORSHIPS AND DONATIONS**

### **I – PURPOSE**

This Policy of Sponsorships and Donations (“Policy”) has the purpose to guide and help the conduct of the Collaborators of the companies of **GROUP USIMINAS** as to Sponsorships and Donations to be granted in its commercial and institutional relationships, having in view the need to avoid situations that may characterize any form of Corruption, as well as to reinforce the ethical and integrity standards present in the Code of Ethics and Conduct of **GROUP USIMINAS**.

Thus, this Policy aims at ensuring the companies of **GROUP USIMINAS** an integrated and transparent structure and procedures, that allows an open and participative dialogue for the development of projects, whose results bring benefits for the communities in which they are inserted, among other public and segments of social and commercial interest.


### **II – APPLICATION AND COVERAGE**

The procedures established in the present Policy apply to all the Collaborators of the companies that compose **GROUP USIMINAS**.

Its application covers all the activities developed in Brazil and abroad. Whenever possible, this Policy shall also be applied in the companies invested by **USIMINAS** that are not its subsidiaries.

### **III – DEFINITIONS AND ABBREVIATIONS**

For better understanding of this Policy, it is necessary to know the following concepts and abbreviations:

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**GROUP USIMINAS:** It includes Usinas Siderúrgicas de Minas Gerais S.A. – **USIMINAS** and all of its controlled companies.

**1. Public Agent<sup>1</sup>:** any individual, servant or not, of any level or hierarchy, exercising, even if transitorily or without compensation, by election, appointment, designation, hiring or any other form of investiture or bond, mandate, position, job or function in or for Governmental Authority; any individual who works for company provider of service contracted or convened for the execution of typical activity of the Public Administration, as well as any leader of political party, its employees or other people who act for or on behalf of a political party or candidate to a public office. It shall be considered a Public Agent the person who fits this definition, whether national, foreign or who holds position, job or function in international public organizations.

**2. Governmental Authority<sup>2</sup>:** any body, department or entity of the direct or indirect administration of any of the Powers of the Union, of the States, of the Federal District, of the Municipalities, of the Territory, legal entity incorporated to the public property or entity for whose creation or costing to the treasury has concurred or concurs with more than fifty percent of the equity or of the annual revenue, or on which the State or Government may, directly or indirectly, perform a dominant influence (by holding the majority of the subscribed capital, controlling the majority of the votes or by having the right to appoint the majority of the management members, management body or fiscal council); as well as bodies, state entities or diplomatic representations of foreign country, as well as bodies, entities and people controlled, directly or indirectly, by the Public Authority of a foreign country or international

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<sup>1</sup> Examples: Workers of Ministries, Municipal and State Secretaries, workers of city halls and city council, workers of public companies, governmental departments, employees of BNDES, Caixa Econômica Federal, Bank of Brazil and Petrobras, workers of Regulatory Agencies, politicians in general (deputies, councilors, mayors, governors, etc.), judges, prosecutors, tax authorities, doctors of the public system (SUS), teachers of universities, members of the Audit Courts, UN workers, IMF, Banco Mundial, among others.

<sup>2</sup> Example: Ministries, Secretary, Regulating Agencies, companies as SABESP, CEDAE, SANASA, Bank of Brazil, BNDES, international organizations, as Banco Mundial, IMF, United Nations Organization, among others.

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public organizations, including sovereign funds or an entity held by a sovereign fund. Are considered as Governmental Authorities for the purposes of this Policy both national and foreign, as well as international public organizations by similarity.

**3. CEIS:** National Register of Inapt and Suspended Companies (Cadastro Nacional de Empresas Inidôneas e Suspensas).

**4. CEPIM:** National Register of Non-profit Entities.

**5. CNEP:** National Register of Punished Companies (Cadastro Nacional de Empresas Punidas).


**6. Collaborator:** all the employees, managers, members of the committees and fiscal council, officers, supervisors, apprentices and interns of the companies of GROUP USIMINAS, regardless of position or duty.

**7. Corruption:** to offer, promise, give or receive, direct or indirectly, Something of Value to a Public Agent or a third party related to her/him with the purpose of influencing or compensating any action, omission or decision of a Public Agent or a Governmental Authority in the interest or benefit of **GROUP USIMINAS**, exclusive or not.

**8. Donation:** act in which the recipient, by liberality, transfers money it owns or estimable in cash (goods, services, technical assistance, training, financial assistance, etc.) to another individual or legal entity, that accepts it. The donations may occur with or without current or future conditions.

**9. Political Donation:** every Donation made to political campaign, political party and/or candidate to public office, whether in electoral period or not, in cash or estimable in cash.

**10. Tax Incentive:** incentive established by law that allows the Governmental Authority to reduce the value of taxes due by individuals and legal entities.

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**11. Close Relatives:** in relation to a person, his or her spouse or domestic partner, consanguineous or related, in a straight line (ascending or descending) or collateral, up to the second degree of kinship.

**12. Sponsorship:** any contribution financial or not granted to actions and initiatives of third parties that are related to the culture, sports, development, integration and regional sustainability, or whose themes are converging with the institutional mission and the interests of **GROUP USIMINAS**, in exchange of some kind of consideration. The consideration may be the disclosure of the name, the action of **GROUP USIMINAS**, the strengthening of a concept, the aggregation of a value to the brand, the generation of acknowledgment or extension of the relationship of the sponsor with its public of interest. For purposes of clarification, the concept of Sponsorship of this Policy does not include sponsorship, by **GROUP USIMINAS**, of pension plans of social security nature.

**13. Business Plan:** document necessary to the formalization of the Sponsorship agreement or the Donation, that contains basic information on the beneficiary of the Sponsorship or of the Donation, as well as on the project to be implemented, in the terms of the present Policy.


**14. Policy:** this Policy of Sponsorships and Donations prepared in the context of the Program of Integrity of **GROUP USIMINAS**.

**15. Software:** system contained in the electronic website of Instituto Cultural Usiminas destined to the management of the answering to the requests of Sponsorships and Donations.

#### **IV – COMPETENCES**

**(I) INSTITUTO CULTURAL USIMINAS:**

Instituto Cultural Usiminas has the duty to:

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- Monitor the registration of the requests of Sponsorship and Donations, with or without the use of Tax Incentive, presented by the proponents in the website of the Instituto Cultural Usiminas, through the Software;
- Preselect the projects of the companies of **GROUP USIMINAS** by unit of action (by the Software), within the criteria of this Policy;
- Analyze, previously, the use of the available funds for investments with the Management of Fiscal and Tax Planning;
- Schedule and monitor the Institutional Corporate Committee of Sponsorships for the approval of the preselected projects;
- Monitor the use of the Tax Incentive with the Management of Fiscal and Tax Planning and the planning of the annual budget of own funds viewing to not exceed the legal limits;
- Negotiate with the proponents of the approved Sponsorship projects the return of the cultural, sport and/or social marketing of the projects sponsored and formalize the Sponsorship or Donation agreements with the General Legal Management;
- Inspect the correct use of the brands and names of **GROUP USIMINAS**;
- Create actions and partnerships (reciprocity) with the proponents viewing the endomarketing;
- Control the use of considerations by means of services and own funds offered by **GROUP USIMINAS**;
- Monitor the development of the projects and the performance of events, enforcing the Sponsorship agreement and optimizing the investments of the companies of **GROUP USIMINAS**, from the approval until the Final Report on the Accounts;
- Assess quantitative and qualitatively the internal Report on the Accounts attached to the track-record of the project; and
- File the documents.

**(II) INSTITUTIONAL CORPORATE COMMITTEE OF SPONSORSHIPS**

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The Institutional Corporate Committee of Sponsorships has the duty to:

- Approve the strategic matters, such as the effecting of partnerships and points of action;
- Analyze and approve the requests of Sponsorship and Donations forwarded to Instituto Cultural Usiminas; and
- Monitor the application of the fund destined to the Sponsorships and Donations and to the execution of the Business Plan by part of the beneficiary.

The Institutional Corporate Committee of Sponsorships shall be composed in the following manner: (i) President, (ii) Vice Presidents, (iii) General Manager of Communication, (iv) Officer of Human Resources, (v) a representative of the Fiscal and Tax Management, and (vi) Officer of the Instituto Cultural Usiminas/Coordinator of Social Development.

## **V – SPONSORSHIPS WITH OR WITHOUT THE USE OF TAX INCENTIVE**

### **(I) OBJECTS OF SPONSORSHIP**

Are not subject to Sponsorship:

- Any kind of exchange, that is, exchange of materials, products or services for the disclosure of concept and/or exposure of the brand;
- Compensatory actions, that is, actions whose execution is compulsory and provided by law or in terms of behavior adjustment;
- Lease of space and/or assembly of stands in events with no consideration of communication;
- Activities that are not aligned with the Code of Ethics and Conduct of **GROUP USIMINAS**;
- Activities that cause or may cause negative social-environmental impact or that incentive any kind of violence, child work or animal abuse;

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- Activities that have political, electoral or partisan nature;
- Activities that promote gambling or that have speculative purposes;
- Activities that stimulate the use of alcohol, cigarettes or other drugs;
- Activities that use names, symbols or images that characterize personal promotion of Governmental Authority, Public Agents or Collaborators of **GROUP USIMINAS**;
- Activities that bring risks to physical integrity or to the health of the participants, of the public and/or of the Collaborators or of the facilities belonging to any of the companies of **GROUP USIMINAS**;
- Projects organized by legal entities in which the Collaborators of **GROUP USIMINAS**, or their Close Relatives are owners, partners or that hold managerial function;
- Projects organized by entities considered in default and/or inapt or with registration restriction before the **GROUP USIMINAS** or before any Governmental Authority; and
- Projects organized by entities that have not presented the Report on Accountability of financial resources previously transferred and/or whose accounts have been rejected by the competent Governmental Authority.

## (II) ENTITIES TO BE SPONSORED

Sponsorships of the companies of **GROUP USIMINAS** shall only be received from the proponents who meet all the following pre-requisites:

- Be a non-profit legal entity, in the case of private social investments;
- Provide, in its corporate purpose or area of action, activity compatible with the development of its proposal of Sponsorship;
- Not fit into any situation prevented, as provided in this Policy;



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- Not be in default with the accountability related to the Sponsorship previously granted by **GROUP USIMINAS** or related to any partnership formalized with **GROUP USIMINAS**; and
- Have previous registration with **GROUP USIMINAS**.

Exceptionally and provided that the interest and gains for the institutional image are justified, upon grounded opinion of the Instituto Cultural Usiminas and the prior approval by the Department of Integrity, **GROUP USIMINAS** may sponsor actions proposed by individuals, without profit motivation.

## **VI – DONATIONS**

### **(i) Charitable Donations**

All Donations of charity nature shall follow the guidelines of this Policy and of the other applicable internal rules.

**GROUP USIMINAS** prohibits that any Donations is made in exchange of favor or undue advantage, or to influence the decision of a Public Agent or Governmental Authority, directly or indirectly, even that the favored entity is a charitable institution.

**GROUP USIMINAS** does not accept Donation or establishes any kind of institutional relationship, either through cooperation, partnership or support, with companies and other institutions that have proven involvement with the exploitation of child labor or analogous to slavery, prostitution, sexual exploitation of child or adolescent, Corruption, money laundering or financing of terrorism.

Donations to individuals are prohibited, except if and provided that there is justified interest, upon a reasoned opinion of the Instituto Cultural Usiminas and previous approval of the Department of Integrity.

### **(ii) Political Donations**

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The Donation to Public Agents, political parties, political campaigns and/or candidates to public offices, by the companies of **GROUP USIMINAS** or on its behalf is **absolutely forbidden**, according to the legislation in force.


This Policy does not have the purpose to prevent Collaborators, while individuals and with own funds, from participating in the political process or making personal Political Donations. However, if they wish to do so, the Collaborators: cannot link their own political contributions to the name or image of **GROUP USIMINAS** under any circumstance.

## **VII – PROCEDURE FOR THE DONATIONS AND SPONSORSHIPS, WITH OR WITHOUT TAX INCENTIVE**

### **a) Criteria of Approval**

The analysis of the proponent shall be effected according to the following criteria:

- Prioritization of proposals presented by non-profit private legal entities, in the case of private social investments;
- Capacity of the proponent of implementation and management of the project;
- Decentralization, with emphasis on the regions where the companies of **GROUP USIMINAS** operate;
- Institutional return, visibility of the brand of **GROUP USIMINAS** and active merchandising;
- Endomarketing;
- Multiplying and sustainable effect of the project;
- Scope and social transformation (inclusion, formation and human development);

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- Social repercussion of the projects (whether of culture, sports and others);
- Generation of jobs and, consequently, to move the economy in the areas involved;
- Development of the production chain of the culture and of the sports (production and formation);
- Projects that emphasize educational actions; and
- Program for the proper spaces of the companies of **GROUP USIMINAS**;

For the requests to be analyzed by Instituto Cultural Usiminas and by the Institutional Corporate Committee of Sponsorships, it shall be mandatory, besides the existence of the previous registration in the website of Instituto Cultural Usiminas by means of the Software, that all clearance certificates and documents are within the term of validity, not being possible the approval of the Sponsorship or Donation if there are certificates or documents whose validity is expired.

If the proponent does not have previous registration approved before the beginning of the action to be sponsored, it shall not be subject to analysis and recommendation by the Instituto Cultural Usiminas

#### **b) Value of the Sponsorship or Donation**

The value of the Sponsorship or Donation shall be defined by the Institutional Corporate Committee of Sponsorships, taking into account the actions to be supported by **GROUP USIMINAS**, according to the interest of **GROUP USIMINAS**, and in compliance with the budget availability for the current fiscal year.

The amount of actions to be sponsored within the fiscal year shall be defined observing the following internal criteria:

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- Budget funds available for application as Sponsorship or Donation, when in the case of own disbursement;
- Period of performance, viewing to promote the distribution of the actions throughout the year; and
- Place of performance, as to privilege the actions located in its area of influence.

The selection of the action does not mean the approval of the requested value. **GROUP USIMINAS** reserves the right to decide the value of the contribution destined to each action, according to the returns offered and to the negotiation reached between or among the parties.

### **c) Skill, Legal Qualification and Tax Good Standing**

The analysis of the merit of the action for which the Sponsorship or the Donation is being pleaded shall be carried out previously by the Instituto Cultural Usiminas, that shall prepare the synthesis and analysis of the projects and forward them to the Institutional Corporate Committee of Sponsorships.

The Corporate Sponsorship Institutional Committee shall analyze in detail the information provided by the proposer and conduct research on the reputation of the proposer and its officers, executives and contact persons or who will interact with **GROUP USIMINAS**, through Internet researches, sources of sorting, questioning to the contacts provided and verification of possible entry in registers and public lists of restriction.

The Corporate Sponsorship Institutional Committee shall inform and request the opinion of the Department of Integrity of **GROUP USIMINAS** in special cases in which the risks have been identified in the preliminary review of the background, or in cases where the bidder declares, or the Committee has knowledge by any other means, that:

- a Public Agent is the officer, manager, employee or contact person of the proponent;

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- a Public Agent is associated with the proponent (for example when an employee of the proponent that acts on his behalf is a Public Agent
- the Donation or Sponsorship has other purposes than education, health, community, science, environment, safety, arts, culture, music or sports;
- the proponent is a Governmental Authority;
- a Governmental Authority requests to receive the Donation or Sponsorship through a third party that is not a Governmental Authority;
- background research and review shows some “Warning Signs” (as defined in the Intermediary Third Party Relationship Policy); or
- the requested documentation is incomplete or inconsistent.

In these cases, considered Warning Signs, the Corporate Sponsorship Institutional Committee should not proceed without the prior affirmative response of the Department of Integrity.

If the Corporate Sponsorship Institutional Committee identifies any circumstance that raises doubts about the consistency of the activities, history, documentation or credentials of the proponent, it may terminate the process and respond to the proponent by rejecting the request, without the Department of Integrity giving its opinion.

The Department of Integrity may require additional investigation and expert opinion prior to the approval of the Donation or Sponsorship.

Those responsible should be aware to the Warning Signs and seek the help of the Department of Integrity and the Legal Department to resolve any doubts before initiating or continuing the Donations or Sponsorships, and should document the investigation or action taken, and the resolution of these concerns.

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The proponent shall make registration or its renewal with the website of the Instituto Usiminas Cultural, by means of the Software, where it will be evidenced its legal qualification and tax good standing, upon presentation of the documents listed below, observing the other applicable policies and internal rules:

(1) Legal Qualification of the Proponent with the Instituto Usiminas Cultural (Previous Registration):

- Copy of the updated articles of association of the entity;
- Proof of the enrollment with the National Register of Legal Entity (Cadastro Nacional da Pessoa Jurídica - CNPJ);
- Proof of the term of office of the board of officers in exercise;
- Copy of the identity card of the legal representatives;
- Proof of the cadastral situation of the CPF of the legal representatives issued by the Brazilian's Federal Revenue Office;
- Proof of its regularity before the CEIS, CEPIM and CNEP; and
- Evaluate and request statements from the third parties in relation to relationships with Public Agents and judicial investigations.

(2) Tax Good Standing of the Proponent with the Instituto Cultural Usiminas (Previous Registration):

- Proof of tax good standing before the National Treasury;
- Proof of good standing before the State and Municipal Treasury of the domicile or head office of the beneficiary;
- Proof of good standing before the Guarantee Fund for Length of Service (Fundo de Garantia por Tempo de Serviço); and
- Proof of good standing before the Labor Justice.

The documents referred in item (2) above, issued without date of validity by the competent body, shall only be considered valid, if issued in less than sixty (60) days prior to the date of delivery of the documentation for the qualification.

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#### **d) Formalization of the Sponsorship or Donation agreement**

The pre-selected actions, qualified and recommended by the Institutional Corporate Committee of Sponsorships are returned to the Instituto Cultural Usiminas, that receives the projects and communicates to the proponents the ones that were not selected. Subsequently, a general list of the projects approved is prepared, containing the general conditions of execution, that will be recorded in minutes and signed by the Committee.

The projects approved shall then be entitled to receive the funds from **GROUP USIMINAS** in the form of Sponsorship or Donation, upon preparation of a Work Plan, registration or regularization of the registration by means of the Software and the execution of the Sponsorship or Donation agreement to be executed between the Instituto Usiminas Cultural and the beneficiary.

(1) The Work Plan shall contain:

- Purpose and detailed description of the action;
- Justification for the its performance;
- Target audience and of the number of people who shall participate in the action;
- Period and place of performance;
- Budget of the global cost of the project to be sponsored and the list of expenditures (initials) to be covered with funds from the companies of **GROUP USIMINAS**;
- In case of Sponsorship, proposals of considerations for **GROUP USIMINAS**;
- Indication of the bank account of the beneficiary, bank and branch for deposit of the funds and copy of bank statement to confirm account ownership; and
- Name of the entity, CNPJ, telephone, e-mail, tax domicile, address for mail, name of the legal representative of the proponent, position, nationality, marital status, profession, CPF, number of the identity card, issuing body, state, ZIP Code, street, number, complement, borough, country, city and state.


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(2) The Sponsorship or Donation agreement shall necessarily contain:

- The purpose and its characteristic elements with detailed, objective, clear and precise description of what is intended to be performed or obtained, in compliance with the Work Plan, that shall be part to the agreement, regardless of the transcription;
- The obligation of each one of the participants, including the consideration in case of Sponsorship;
- The obligation to account to **GROUP USIMINAS** and to the competent Governmental Authority, if there is use of Tax Incentive;
- The commitment to reimburse the amount transferred, monetarily adjusted, from the date of receipt, plus the legal interest, in the cases provided in this Policy;
- The initial term of the effectiveness of the Sponsorship or Donation agreement, which shall be the date of its execution;
- The final term of the effectiveness of the Sponsorship or Donation agreement, which shall be the date of the approval of the accounts by the Instituto Cultural Usiminas or by the competent Governmental Authority, as the case may be;
- Clause of joint liability of the lead manager (legal representative) signatory to the agreement, for eventual default in accountability, especially by the return of the amounts and for collateral damages caused to **GROUP USIMINAS** or to third-parties in the execution of the purpose of the sponsorship;
- Liability clause the entity for the collection of the eventual amounts and rates reflated to copyright, and to those connected thereto, related to the public execution of musical, literomusicals and phonographic works, in the terms of the applicable law; and
- Commitment term of exclusive liability for any damages caused to third parties in relation to the execution of the activity object of the Sponsorship or Donation.



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- All Sponsorship or Donation agreements shall contain an anticorruption section, as provided for in the general conditions of the agreements of **GROUP USIMINAS** and must include, at least, the provisions set forth in the Attachment A of this Policy.


The beneficiary shall only use the updated logo of **GROUP USIMINAS** in the materials of disclosure of the sponsored event, according to the files provided by **GROUP USIMINAS** and previous approval of the materials by **GROUP USIMINAS**. In addition, the sponsored beneficiary shall assume the responsibility to take care of the image of **GROUP USIMINAS** and behave themselves in a way to preserve the image of **GROUP USIMINAS**.

#### **e) Financial Funding**

The funding of the financial resources to the beneficiary shall be effected after the execution of the Sponsorship or Donation agreement by both parties, the number of installments that is adequate to the intended action and to the budget availability, in the bank account of the beneficiary, in up to twenty (20) calendar days counted from the date of the filing with the Instituto Cultural Usiminas of:

- Request of financial funding;
- Two counterparts of the Sponsorship or Donation agreement signed by the beneficiary, one of them being notarized;
- Work Plan signed by the legal representative of the proponent; and
- Updated certificates that attest the tax good standing of the beneficiary.

If there is non-compliance with any of the documents referred above, the payment shall be scheduled in up to twenty (20) days after the delivery of the regularized document.

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Once evidenced the occurrence of act of God and unpredictable fact, it may be altered, upon amendment, the period of execution, the term of effectiveness and the plan of application of the funds. The request of amendment shall be formally filed by the beneficiary with the Instituto Cultural Usiminas before the termination of the term of effectiveness of the Sponsorship or Donation agreement.

Instituto Cultural Usiminas shall analyze and approve the request of amendment, being entitled to request opinions of the Management of Financial Processing, of the Management of Fiscal and Tax Planning, with grounded justification by the Institutional Corporate Committee of Sponsorships.

It is forbidden the use of funds of the Sponsorship or Donation for a purpose other than the one established in the respective agreement, including to:

- Cover disbursements of current expenses and costs of the beneficiary, as well as administration, management or similar fee;
- Use funds with another purpose than the one established in the agreement;
- Make expenses with bank rates, fines, interest or monetary adjustments, including related to payments or tax collections overdue;
- Make expenses in a date prior or after the term of effectiveness of the Sponsorship or Donation agreement;
- Make payments to officers, presidents, leaders, directors or legal representatives of the beneficiary, or to the respective Close Relatives or, moreover, to legal entities of which these people are owners, partners or that exercise managerial function;
- Make payments for services rendered or goods provided by the beneficiary itself;
- Make payments related to the advisory or consulting services; and

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- Make payments to obtain an Undue Advantage.

#### **f) Presentation of the accounts**

The presentation of the accounts is the proof that the funds provided in the Sponsorship or Donation agreement had good and regular application. Therefore, it shall be evidenced that the funds were used according to the activities provided in the formalized sponsorship or donation agreement, in compliance with what was planned and approved between the parties by means of the Work Plan.

The provision of the accounts shall take place quarterly after the beginning of the execution of the project object of the Donation or Sponsorship.

##### **f.1) Specific rules for Sponsorships with use of Tax Incentive**

In case of Sponsorships with the use of Tax Incentive, the presentation of the accounts shall be made by the proponent to the body of the competent Governmental Administration. The beneficiary shall be subject to the control by the relevant external bodies of control, especially Public Finance Courts.

The beneficiary shall forward to Instituto Cultural Usiminas a Report on the Accounts, giving detail as how the application of the funds received from **GROUP USIMINAS** occurred. The Report on the Accounts shall contain the documental proof that the beneficiary submitted to the assessment of the competent Governmental Authority and that the respective accounts were approved, that is, **judged regular**.

It is incumbent on the Instituto Cultural Usiminas:

- Assess and disclose to the Institutional Corporate Committee of Sponsorships the results achieved; and
- Maintain the file of the documents for the period determined in the law, as to meet future audits or proofs required by external entities or governmental bodies.

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*(Free Translation: For reference only – Original in Portuguese)*

The rejection of the accounts shall lead to the application of the registration penalties provided in the internal rules of **GROUP USIMINAS** and in the impossibility to receive financial funds at any title.

**GROUP USIMINAS** shall not effect a new transfer of funds while the beneficiary is in default in the presentation of the Report on the Accounts related to any instruments executed with **GROUP USIMINAS**, as well as shall not execute new legal instruments of financial funding with the beneficiary while its provision of the accounts is pending of approval.

## **f.2) Specific rules for Sponsorships without use of Tax Incentive or Donations**

In case of Sponsorships without the use of Tax Incentive or Donations, the beneficiary shall forward to the Instituto Cultural Usiminas, in the terms established in the Sponsorship or Donation agreement, the Report on the Accounts of the consideration and of the application/execution of the funds received from **GROUP USIMINAS**, together with the complete documentation required, observing the other internal rules of **GROUP USIMINAS** on the matter.

The expenses shall be proven upon presentation of a copy of the corresponding invoices or of the equivalent documents, according to the specific legislation, together with the respective valid proofs of discharge.

The invoices or the equivalent documents shall be mandatorily issued in name of the beneficiary, except in cases in which there is legal provision for them to be issued in the name of third parties. The tax documents shall contain: CNPJ, address, complete description of the services or products, unit value and total value.

The beneficiary shall present a Report on the Accounts that is sufficiently detailed and, when applicable, shall attach to the Report the photographic record, examples of the materials of disclosure, videos, CDs, DVDs and other materials produced, as well as copy of the materials that have been reported in the media, for proof of the execution of the consideration mentioned in the Sponsorship or Donation agreement.

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The Instituto Cultural Usiminas shall attest the compliance or non-compliance with the considerations proposed by the beneficiary on the physical execution of the sponsored action.

The Management of Financial Processing, in possession of the tax documentation inspected by the Instituto Cultural Usiminas, of the Report on the Accounts and of the Work Plan, shall exercise the control on the disbursement of funds in cash.

In the event the provision of the accounts is not approved, or if there are residual values to be reimbursed to **GROUP USIMINAS**, it shall be issued a notice of debit to the beneficiary.

Eventual remaining balance, including income from financial investments, shall be returned to **GROUP USIMINAS**, after analysis of the provision of the accounts by the Instituto Cultural Usiminas, in the terms of the Sponsorship or Donation agreement.

The beneficiary shall reimburse **GROUP USIMINAS** the funded amount, monetarily updated from the date of receipt, without prejudice to the application of the sanctions provided in the internal rules of **GROUP USIMINAS**, in the following events:

- Non-execution of the action object of the Sponsorship or Donation, for any reason;
- Cancellation of the action for any reason, even if by force majeure or act of God;
- Non-presentation of the Report on the Accounts;
- Non-approval of the accounts provided;
- Use of the funds with purpose other than the one established in the Sponsorship or Donation agreement; and

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- Default of any of the clauses or conditions of the Sponsorship or Donation agreement.

The rejection of the accounts shall lead to the application of the registration penalties provided in the internal rules of **GROUP USIMINAS** and in the impossibility to received financial resources at any title.

**GROUP USIMINAS** shall not effect a new transfer of funds while the beneficiary is in default with the provision of the accounts related to any instrument executed with **GROUP USIMINAS**, as well as it shall not execute new legal instruments of financial funding with the beneficiary while its presentation of the accounts is pending approval.

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### **Attachment A**

1. The Recipient shall comply with the principles and rules established in the Code of Ethics and Conduct and in the Anticorruption Policy of Usiminas (attached).
2. The Recipient acknowledges that Usiminas is subject to the requirements of several national laws prohibiting corruption and bribery and that the non-compliance of the Recipient and/or its personnel or representatives to comply with these laws and with the general rules and principles included in the Code Ethics and Conduct and/or in the Anticorruption Policy of Usiminas may result in substantial criminal and civil liability for Usiminas and/or its executive officers, employees or subsidiaries;
3. In the past, the Recipient did not provide any corrupt payment, gratuity, emolument, bribery, fee, kickback or other improper benefit to any person and has not engaged in any activity prohibited by applicable laws, rules or regulations;
4. The Recipient will not use the Donation for any purpose other than that described above and the Recipient undertakes to immediately notify Usiminas of any changes that may occur so that the Donation is used in a manner different from the one agreed with Usiminas;
5. The Recipient is the one who receives the Donation under the conditions previously established with Usiminas;
6. The Recipient expressly agrees to provide Usiminas at any time with all necessary information regarding the Donation as soon as it is applied or used as indicated in paragraph 4 of this document;
7. No Public Agent is receiving Donation;
8. The Recipient understands that any distortion made in this declaration will constitute reason for termination of any relationship in which the Recipient has entered with Usiminas in relation to the Donation.
9. The Recipient agrees and declares that the Donation made by Usiminas does not impose any future obligation on Usiminas in relation to additional donations and

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acknowledges that no other obligation or liability will arise for Usiminas related to this Donation;

10. The Recipient acknowledges and agrees that if any change in applicable law determines a change in the scope of the Donation made under this agreement, Usiminas shall not be held liable for any additional obligation or liability.