



**MRV'S GROUP
SUPPLIER, THIRD-PARTY PROVIDER AND PARTNER
RELATIONS POLICY**

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1. OBJECTIVE

To establish the directives in the existing relationships between the MRV Group Procurement Department and company suppliers, third-party service providers and partners, as well as to present the overall criteria regarding measures of sustainability and integrity to be employed throughout the entire procurement process for materials, services and equipment.

2. SCOPE

The current policy applies to all companies within the MRV Group, all of its staff members at any level, in addition to suppliers, third-party service providers and partners that carry out business in the name of the MRV Group.

3. DEFINITIONS

Some of the terms of this policy have been listed below and shall be defined as:

- **Public Official:** any individual permanently or temporarily carrying out public service with or without remuneration by election, appointment, designation, contract or any other investment or connection, title, position, employment or public office. This also applies to public officials who carry out third-party services within any Public Administration departments.
- **Gifts:** any item that (i) does not have any commercial value and is distributed as a courtesy, advertising or regular marketing tool; (ii) bears the company logo of the issuing party; (iii) is of a general nature, therefore, does not exclusively target any individual or organization.
- **Due Diligence:** methodical analysis of information and documents seeking to better understand an organization with which the company intends to establish a partnership and/or carry out business dealings.
- **Hospitality:** encompasses travel costs (air, ground or maritime travel costs), hospitality fees, food services and costs, whether classified as corporate entertainment, or otherwise.
- **ISO:** International Organization for Standardization.
- **Bribery:** any act of giving or receiving any amount aimed at influencing or inappropriately guaranteeing an advantage as regards any business dealing, contract, decision or result.

- **Present:** any item bearing commercial value that does not fit into the category of Gift.
- **Publicly Exposed Person (PEP):** any public official that is currently carrying out, or has carried out, relevant public tasks or employment, as well as the individuals' representatives, family members and direct affiliates.
- **OHSAS:** Occupational Health and Safety Assessment Standards

4. ABOUT MRV

MRV Engenharia e Participações S.A. (henceforth referred to as MRV or the Company) is the largest incorporated construction company and home builder within the Real Estate sector in the country. Founded in 1979, the company has maintained long-standing, extensive business dealings in the area of residential real estate construction, has proven to be effective in predicting market trends and offers the best cost-benefit relation on the market.

The company is publicly traded on the B3 stock market (*Bolsa Balcão Brasil*), under the *Novo Mercado* classification, under the trade code MRVE3.

MRV maintains among its pillar values: Ethics and Transparency, Think like a Client, Shareholder Valuation, Commitment to Time, Sharing Success and Sustainability.

More information about MRV can be found at the following website:

- Institutional: <http://www.mrv.com.br/institucional/>
 - Investors: <http://ri.mrv.com.br/>
 - Sustainability: <http://www.mrv.com.br/sustentabilidade/>
 - Integrity: <http://www.mrv.com.br/integridade/>
 - Certification and
- Acknowledgement: <http://www.mrv.com.br/institucional/certificacao>
- MRV Institute: <http://www.institutomrv.com.br/>
 - Suppliers: <http://www.mrv.com.br/institucional/pt/relacionamentos/fornecedores>

Suppliers, third-party service providers and associates that wish to partner with the company are required to share their financial information and comply with ethical business practices to combat corruption and maintain sustainable business practices, in accordance with human rights directives and existing labor legislation.

5. SUPPLIER, THIRD-PARTY PROVIDERS AND ASSOCIATES RELATIONS

The MRV Group aims to establish transparent, long-lasting partnerships with suppliers, third-party providers and partners, and therefore builds relationships based on equality and professional ethics.

The company has therefore sought out the finest suppliers and third-party partners that are more than just suppliers of materials, services and equipment; they are partners in sustainable develop and also seek to build a strong sense of integrity in their corporate culture.

As such, our supplier list is based on technical, commercial and strategic criteria, in addition to HSE (Health, Safety and Environment), sustainability and integrity, while maintaining focus on the MRV Groups' needs and interests.

Those that are currently on our supplier list, or wish to join our list of esteemed partners, must fully understand the criteria that must be followed, in addition to being fully aware that periodic evaluations and audits may be requested, including on-site visits throughout the manufacturing process and requests for proper documentation.

5.1. Due Diligence

According to Anti-Corruption Laws (Law no. 12.813/2013) and other applicable legislation, the MRV Group may be held accountable for unlawful activities carried out by its suppliers, third-party service providers and partners when carrying out services in the name of the MRV Group, both in the public and private sector.

Therefore, in order to certify best practices and minimize accountability for any unlawful acts by suppliers, third-party service providers and partners that may fail to uphold the Group's ethical practices, the MRV Group carries out due diligence screening and periodic compliance risk evaluation. Due diligence screening and periodic auditing of suppliers, third-party service providers and associates seeks to evaluate and classify high, medium and low-level risk by looking into, but not limited to, the following requirements:

- Previous involvement in corruption, unethical or unlawful practices.
- Individuals such as public officials or politically exposed people.
- Code of conduct, anti-corruption policies and confidential communication channels.

- Companies deemed suspended or offenders of FTC (Fair Trade Commission) policies
- Registered offenders within the FTC list of companies fined for poor business practices
- Non-profit organizations and NGOs sanctioned by the FTC

Any instances where compliance risks may be identified among current or potential suppliers, the Compliance Department shall be engaged to carry out a thorough due diligence investigation.

In the event the Compliance Department identifies a situation that requires closer attention, a request for Procedural Administrative Integrity may be filed thus requiring the supplier, third-party service provider or associate to answer and clarify any questionable issues.

Based on the findings of the analysis, the Compliance Department will issue an official report authorizing or declining the contract or renewal. In critical situations, the Compliance Department may send this official report to the Ethics Committee for further deliberation on approval or denial of issuing contracts and/or contract renewal.

6. GENERAL CRITERIA FOR SUPPLIERS

The MRV Group requires its suppliers, third-party service providers and partners go through a quotation process and be made aware of and to comply with the overall requirements for suppliers: (I) manufacturing of products and providing services in compliance with legislation¹, standards² and existing public department requirements³ guaranteeing compliance and quality assurance of materials, services and equipment; competitive pricing practices, (II) security, objectivity, transparency and punctuality of services, (III) Adequate safety and sanitary conditions within supplier installations, (IV) commitment to sustainability, (V) good ethical behavior and transparency in business before and after supplier contract cycle with the MRV Group.

Suppliers should disclose and provide any required documents to register and comply with general supplier criteria as described above upon request.

¹ Federal, State and Municipal departments, Regulatory Standards in the Ministry of Labor and Technical Standards

² ABNT Standards, sector standards and PSQs

³ demands issued by the City, federal, state and municipal environmental agencies

7. SUSTAINABILITY CRITERIA FOR SUPPLIERS

The MRV Group believes that suppliers can be more competitive and efficient when they are truly dedicated to sustainable practices in their production processes and business practices. In addition, the group seeks to promote better business practices by choosing to do business with those companies that have made the effort to ensure and adhere to international certificate standards and good management practices (ISO and OHSAS certification).

The installation and practice of sustainable business practices by suppliers may be decisive factor when considering supplier qualification and evaluation, ultimately influencing the approval and renewal of contracts.

Resting firmly on the pillars of sustainability, MRV requires its suppliers to adhere to rigorous criteria in the areas of economy, society and environmental policies.

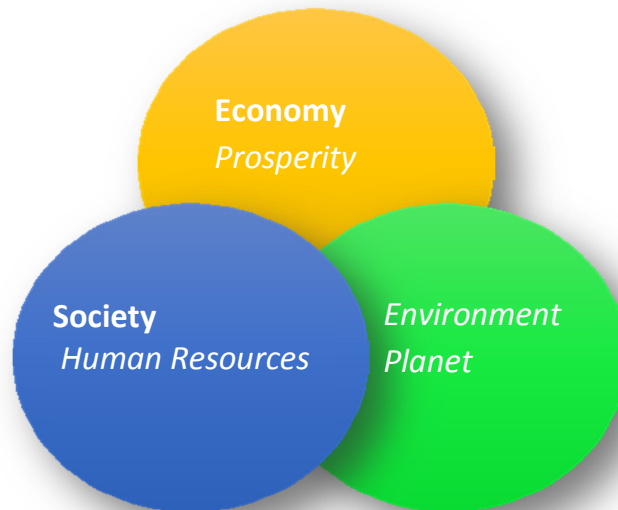


Figure 1 – Pillars of Sustainability

7.1. Economy (Prosperity)

7.1.1. Ethics and Ant-Corruption Practices

The MRV Group aims to guarantee that its engagement process is free of corruption, therefore the company maintains strict policies for all of its stakeholders and suppliers, independent of managerial title, requiring stakeholders to follow the directives as set out in the MRV Code of Conduct.

All suppliers, third-party service providers and associates will be dealt with impartially during the hiring process and will all have access to the same level of information, free of discrimination or privilege.

The MRV Group does not except any form of fraudulent practices or corruption within its business model.

Therefore, the following behavior shall not be tolerated:

- Offering, promising, handing out and authorizing cash payments or any direct or indirect personal advantage to MRV Group staff, public officials or those associated with public officials, aiming to gain or maintain business affairs.
- Involvement in illegal activities or business practices such as fiscal misappropriation, tax evasion, contraband, bribery and cash payments.

Not only staff members, but also suppliers shall inform the MRV Group of any suspicious or inappropriate business affairs that do not meet the requirements of this policy by means of the Confidential Communication Channel (see item 8 in this policy).

7.1.2. Conflict of Interest

Every staff member, especially those from the Procurement Department, should avoid any dealings, business dealings or situations that may cause or be characterized as a potential and evident conflict of interest in relation with suppliers.

A conflict of interest can be understood as any situation in which personal interests influence business dealings, or may place staff members in a situation posing a direct conflict with the tasks to be carried out on behalf of the MRV Group.

The conflict of interest policy states that no staff member should receive any personal advantage regardless of title within the company; the policy also prohibits suppliers from offering staff members forbidden gifts or benefits in exchange for new business contracts.

Employees can not use their positions and functions to obtain, from the suppliers, personal services under the same conditions of negotiation for the MRV Group.

Any degree of family relationship or existing personal connection between staff member and supplier, third-party service provider or other associate must be clearly documented within the proper forms found in the company network and registered with the Compliance Department.

7.1.3. Gifts, Presents and Hospitality

The practice of giving and receiving gifts, presents and hospitality is widely regarded as common courtesy in business, symbolizing the appreciation of one organization to another and are acceptable as long as these corporate courtesies are carried out in the appropriate fashion both ethically and legally.

In some circumstances, offering or receiving presents and hospitality may create expectations or expectations of returning favors, perceptions of bribery or inappropriate business dealings, ultimately generating a conflict of interest.

Staff members in the Procurement Department, by its nature, often find themselves in the unique position of authorizing/renewing contracts, and therefore must take the necessary precautionary measures to avoid situations that may interfere in decision-making; thus only company gifts with no commercial value may be accepted such as office supplies, daily planners, pens, calendars, hats and similar corporate marketing tools.

In the event staff members receive any gifts or presents mentioned above, they shall be logged within the company network and raffled off among office members.

Procurement Department staff members may not accept any type of gift in exchange for favors from suppliers, third-party service providers or partners that are participating in contract bids or renewal of contracts for services, products or materials in order to avoid any sort of inappropriate business dealings.

7.1.4. Cost Reduction, Productivity and Competition

The MRV Procurement Department is aware that sustainable business practices contribute to lowering production costs, such as employing new techniques and technologies thus, in turn, result in reducing waste and using fewer raw materials, ultimately contributing to the optimization process. As such, products manufactured by employing these processes offer a competitive edge in the market, adding value both to the customer, in addition to contributing to preserving society and the planet.

7.2. Society (Human Resources)

All of our suppliers, third-party service providers, associates and partners should strive to maintain ethical, responsible labor practices, in accordance with the existing labor laws in the country and in compliance with the International Labor Organization (ILO) as described below.

In the hopes of guaranteeing compliance with these practices, suppliers are required to promptly provide access to and openly share information upon request by the MRV Group on their labor conditions and installations, in order to guarantee transparency.

7.2.1. Child Labor, Forced or Compulsory Labor

Under no circumstances may our suppliers employ workers under child labor or force or compulsory labor in their installations or throughout their supply-chain. As such, suppliers may not enter into commercial dealings with any companies that employ these deplorable practices.

Child labor is characterized as any task carried out by children and/or teenagers below the minimum legal working age.

The coercion of individuals to carry out certain types of work, without providing adequate working conditions, may be characterized as forced or compulsory labor. Therefore, no staff member from our suppliers and supply chain may be hired under the circumstances; employees should freely enter into a work contract by their own choice and with dignity.

As a result, under no circumstances will any of our suppliers be allowed to reap the benefits while employing child labor or force or compulsory labor.

7.2.2. Sanitary and Safety Conditions

The working conditions for staff members must be an item of constant attention and care throughout our supplier installations, wherein suppliers should minimize risks to routine performance activities, seeking to protect the physical and mental integrity of its workforce. Any instances of reports of inhumane or deplorable work conditions will not be tolerated.

7.2.3. Formal Working Conditions and Fair Wages

Suppliers shall offer formal contracts to its workforce and ensure fair wages, as well as all the applicable benefits packages in accordance with local labor laws.

7.2.4. Discrimination

Every supplier shall respect and value diversity. Discrimination based on any aspect (race, color, politics, sex, sexual orientation, religion, physical disability, age, civil status and nationality) will not be tolerated.

7.2.5. Work Hours

The MRV Group will not accept suppliers requiring staff to work excessive work hours or to work hours beyond the hours defined in the local labor legislation.

7.2.6. Sexual Harassment, Sexual Exploitation and Moral Harassment

The MRV Group does not tolerate any incidents related to sexual harassment, sexual exploitation or moral harassment, under any circumstances.

7.2.7. Freedom of Association and Collective Negotiations

The freedom of association and collective negotiations will be respected. In accordance with the ILO, all workers have the right join or leave groups voluntarily, and the right of the group to take actions to defend the group or individual interests and to freely enter collective negotiations.

7.2.8. Workers' Rights – Direct and Third-party Contracts

To provide compliance with labor laws for both direct contract and third-party provider staff members according to National labor laws. To offer equal treatment of staff members regardless of contract status.

7.2.9. Education and Development

Ensure access to education and professional development activities to all employees, regardless of contract status.

7.2.10. Open Dialogue

Suppliers must maintain direct, open dialogue between the organization and its staff members (direct contract for third-party providers) in order to deal with concerns and to collect constructive criticism.

7.2.11. Volunteer Work

Volunteer work is a useful tool in developing a variety of professional skills such as teamwork and leadership. Thus, suppliers should motivate and promote volunteer work programs among its staff members.

7.2.12. Hiring Special Needs Staff

Suppliers must guarantee compliance with hiring special needs staff according to the existing national labor laws.

7.2.13. Wages and Taxes

All government taxes and employee wages will be paid punctually and correctly, in addition to creditors and taxes.

7.3. Environmental Issues (Planet)

Suppliers are required to remain committed to monitoring their processes so that they may minimize the impact to the environment. The MRV Group understands how important monitoring greenhouse gases, water resources and wood and energy consumption, as well as any other issues that may impact the environment throughout the manufacturing process.

The MRV Group values and respects suppliers that:

- Control greenhouse gas in missions seeking to minimize the impact of their carbon footprint, maintaining close in missions monitoring.
- Promote good use of water resources, maximizing efficiency in the production process and administrative sectors, in addition to proper usage and recycling where possible.
- Maximize energy efficiency, minimizing environmental impact and optimizing energy costs.
- Actively seek legal sources in accordance with the Brazilian Forest Certification project (CEFLOR) and responsible use of any wood resources throughout the organization.

8. CONFIDENTIAL COMMUNICATION CHANNEL

It is imperative that all individuals immediately report any acts or suspicions of infractions of the policy, thus preventing any acts of fraud, corruption and preserving the MRV Group image.

As a result, we have created the Confidential Communication Channel:

-E-Mail: canalconfidencialmrv@br.ictsglobal.com

-Website: www.canalconfidencial.com.br/mrv – available 24 hours/day

-Telephone: 0800 888 2833 – representative available from Monday to Friday, from 9am-5pm – voice mail available outside of office hours

-Address: Caixa Postal 521 (Post Office Box) CEP 06320-971

This media channel is operated by a specialized company, thereby guaranteeing ensured confidentiality and safety.

Individuals need not identify themselves upon contacting this hotline, nevertheless individuals are requested to act responsibly and any reports must be consistent and truthful.

Staff members can be ensured that there will be no retribution as a result of using the channel in good faith to report suspicions or file complaints as regards this policy or instances of corruption.

9. AUDITING

The MRV Group reserves the right to carry out an audit at any moment requesting documents, on-site visits or any other means in order to confirm that suppliers are complying with the principles and commitments as stated in this policy.

10. INVESTIGATIONS AND SANCTIONS

All reported infractions of this policy will be immediately investigated to the fullest extent. If any misconduct is, in fact, verified after the appropriate investigation, immediate and exemplary corrective measures will be taken according to the circumstances, severity and within the applicable laws.

Any staff member, third-party service provider or partner that violates any the policies herein stated will be subject to the proper disciplinary sanctions as stated in the MRV Group's Code of Conduct, as listed below:

- Written warning
- Suspension
- Dismissal without just cause
- Dismissal with just cause
- Exclusion of supplier, partner or contractor from MRV Group
- Appropriate legal action

11. RESPONSIBILITIES

All MRV Group staff members must comply with the Anti-corruption policy to the best of their abilities and ensure that all third-party service providers and partners within their communication network are aware of the Terms and Conditions therein.