



CLISA

Protocol for Relations with the Public Sector



CLISA - Compañía Latinoamericana de Infraestructura & Servicios S.A. Protocol for Relations with the Public Sector

2019¹

¹ This document has been translated from a Spanish version. Therefore the Spanish version shall prevail should any difference, as regards to its content or interpretation, may arise between the Spanish and the English version.

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Definitions

“CLISA”: means CLISA - COMPAÑÍA LATINOAMERICANA DE INFRAESTRUCTURA & SERVICIOS S.A.

“Code of Ethics”: means CLISA´s Code of Ethics and Business Conduct.

“Policy”: means CLISA´s Anti-corruption Policy.

“Protocol”: means CLISA´s Protocol for Relations with the Public Sector.

“Company”: means any Subsidiary of CLISA or line of business of CLISA, which expressly adheres to the Protocol. A Company must adhere to this Protocol by means of a Board of Directors meeting minute or such legal instrument relevant to the case.

“Internal Collaborators”: means all executives, managers and employees (whether part of their permanent, semi-permanent or temporary staff, trainees or contract employees) of the Companies that are part of CLISA, regardless of their hierarchical level and geographical location.

“External Collaborators”: means any other

person who works with or provide services to any Company that is part of CLISA.

“Collaborators”: means “Internal Collaborators” and “External Collaborators”

“Public Sector”: means the Public Sector at national, provincial or municipal level as well as inter-jurisdictional agencies, bodies in which the State at any level has participation and international organizations.

“Public officers”: means any officer or employee of a department, agency or division of the State, and any person who participates accidentally or permanently in the exercise of public functions, in a remunerated or honorary manner, either by popular choice or by appointment of a competent authority; any officer or employee of permit, authorization and license offices, customs officers, candidates for public office and officers of international public organizations. The term also includes officers or employees of companies controlled by the State or owned by the State, such as universities, airlines, oil companies, health care facilities and other providers controlled by the State or owned by the State. Relatives or

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direct associates of such persons are also included in this definition.

“Illegal Practices”: means any illegal act according to the provisions of the Corporate Criminal Liability Law No. 27,401, the Antitrust Law No. 27,442 and the Law 25,246 on Concealment and Laundering of Proceeds of Crime, as amended or supplemented, as well as to other laws on such matters which are applicable in other countries where we operate.

“Subsidiary”: means, with respect to any person, any other person of which such person owns, directly or indirectly, more than 50% of the voting power of the other person’s outstanding shares with voting rights; or decision rights, in the case ownership is not represented through shares.

Subject Matter

This Protocol aims to provide CLISA and the Companies that make it up, with a document that establishes clear principles of action to guide the actions of the Collaborators of CLISA and Companies that, in the exercise of their functions, must interact with any of the Public Sector's powers, in order to prevent Illegal Practices.

Then, the purposes of this document are:

- ▶ Ensuring the application of the principles of transparency and correctness in relations with Public Officers and authorities.
- ▶ Protecting competition and proper functioning of markets, by preventing and eliminating practices involving unlawful competitive advantages.
- ▶ Establishing clear principles of action for CLISA and its Companies, especially for those of its members dealing with Public Officers or national and international authorities that serve to prevent Illegal Practices.

We maintain a policy of “zero tolerance” in all matters relating to corruption, which includes “facilitating payments”, i.e. payments intended to guarantee or expedite government actions, such as issuing permits or releasing payments or goods. The CLISA's Integrity Program, of which this document is part, constitutes an essential pillar for the development of CLISA's activity under the principles of ethics, transparency and excellence.

Scope

This Protocol applies to all Internal Collaborators. It also applies to all External Collaborators, especially to those who make decisions that link CLISA and its Companies to the national, provincial, municipal State or any foreign State or to third parties in agreements that may be of benefit to the Company.

Content

In the relations with Public Officers and authorities, any conduct that may be interpreted as an attempt to obtain undue considerations, whether for the agent or for CLISA, should always be avoided.

In cases where the relationship with the Public Sector takes place within the framework of procedures adequately regulated by external legislation, such rules shall be of reference and application.

Without prejudice to the foregoing, the rules laid down in this Protocol shall always apply, as minimum standards, to the treatment of Public Officers and national, provincial, municipal or international public authorities.

Authorization and Information

As a general principle, in the interaction with national, provincial, municipal or foreign Public Officers, the employees of CLISA will take all necessary precautions to ensure their actions fit within a strictest legal framework.

Only the General Manager is authorized to maintain contact with the Public Sector. The Internal Collaborators of CLISA and the Companies who maintain contact with the Public Sector must be previously authorized for such purpose by their immediate superior.

Contacts made by Internal Collaborators must be duly informed, in writing, to their immediate superior who, in turn, will inform the Compliance Officer.

The Compliance Officer shall keep an up-to-date record of all meetings held with Public Officers, including the date of the meeting, the attendees and the content of the meeting.

Segregation of Duties

In any relationship with the Public Sector which directly or indirectly involves the assumption of economic commitments by CLISA and the Companies, appropriate segregation of duties shall be ensured between the person negotiating the agreement from which such commitments derive and the person managing and authorizing the payments resulting from the agreement.

Traceability and Transparency of the Process

In contractual or capital-related relations with the Public Sector sufficient traceability should be ensured as to the origin and destination of the funds and transparency as to the nature and characteristics of the relationship from which the commitment of funds results.

Cash payments are expressly prohibited unless expressly authorized by the relevant regulation.

Sensitive Transactions

For transactions considered to be of greater sensitivity, special control should be exercised in order to maintain adequate documentary support so as to ensure transparency of the relationship with the Public Sector and to maintain a register of the persons contacted and the documents exchanged. The Compliance Officer is responsible for safeguarding this information and will include it in his monthly report to the Compliance Committee.

All of them shall identify the transaction and the economic value involved, as well as any other sensitive information.

The following shall be considered transactions of greatest sensitivity:

- ▶ Participation in national, provincial, municipal or international public tenders, whether in Argentina or abroad.
- ▶ Time window between bid submission and opening of envelopes in public tenders, having to keep in strict reserve the offered price for reasons of commercial security.
- ▶ Application for grants, tax exemptions, subsidies or special benefits granted by national, provincial or municipal public agencies.
- ▶ Application for licenses, permits, concessions or administrative authorizations granted by the Public Sector.
- ▶ The relationship with national, provincial, municipal or foreign Public Officers who have the power to make decisions that may have direct economic advantages for CLISA and the Companies, except for the usual and customary relationships arising from the execution of the tasks provided for in contracts.

Gifts and Token Gifts

Internal Collaborators shall not offer or grant unwarranted personal benefits in relation to their work activity to employees of contractual partners. Commonly accepted gifts, promotional gifts, as well as low-value invitations from third parties with whom business is conducted shall be accepted only if they are reasonable and are not intended to influence business decisions in bad faith and are in accordance with this Protocol.

Gifts must be in accordance with the principles of courtesy, as well as the usual social customs, and may in no case be used to influence commercial decisions. Any appearance of fraud or misconduct shall be avoided. Gifts can never serve as an incentive to close a business deal or obtain any kind of benefit.

As a general principle, any form of gift, present, donation, benefit or reward to municipal, provincial, national and international Public Officers that may influence the recipient's independence of judgment or induce him to grant CLISA or the Companies any kind of favor is prohibited. Likewise, gifts, presents, donations, benefits or rewards, made in connection with or on the occasion of the performance of a Public Officer's duties, that would not be offered if the addressee did not exercise those duties, are prohibited. In this sense it is forbidden to deliver:

- ▶ a gift, remuneration, favor or service, regardless of its economic value, conditional, explicitly or implicitly, on the Public Officer making a decision for the benefit of CLISA or any of the Companies;
- ▶ a gift, remuneration, favor or service, regardless of its economic value, which constitutes, directly or indirectly, a reward for a decision previously taken by that Public Officer for the benefit of CLISA or any of the Companies; and
- ▶ a gift, favor, or service that, according to its economic value, its uniqueness, its exclusivity, or any other circumstance, is beyond the practices of courtesy within the scope of activity of CLISA and any of the Companies.

Invitations

Invitations to work meals/dinners, promotional events, seminars, etc. addressed to a Public Officer within the normal courtesy practices, shall be informed in writing (via e-mail) to the pertinent superior and to the Compliance Officer of the Company in which the Internal Collaborator serves, indicating the identity of the guest or guests and the amount of the expense, completing the note of expenses of CLISA or each Company. Failure to comply with this reporting obligation may result in disciplinary sanctions.

Invitations to Public Officers are not allowed if they exceed normal courtesy practices. Under no circumstances may such invitations be extended to family members, friends or other persons close to a Public Officer.

For the purposes of this rule, work meals/dinners are considered to be those exclusively intended to deal with professional issues relating to the provision of services specific to any CLISA Company.

For the purposes of this rule, by way of illustration and not limitation, commercial meetings, promotional events, seminars, etc. that are considered customary courtesy practices include:

- ▶ business meetings exclusively for the purpose of dealing with professional issues relating to the provision of the services of CLISA or of any of its companies;
- ▶ seminars and conferences organized by CLISA or any of its Companies, on topics of interest specific to their industry; and
- ▶ promotional events and presentations of new projects, services or facilities of CLISA, or any of its Companies.

In any event, the assessment of the adequacy of the invitation must take into account:

- ▶ the economic value of the invitation, individually considered;
- ▶ the economic value of the invitation, as well as of others made to the same Public Officer during the anniversary year;
- ▶ the characteristics of the place and facilities where the person is invited; and
- ▶ the identity of the Public Officer to be invited.

The Compliance Officer of CLISA and of each relevant Company shall maintain a registry with all invitations given by the staff of CLISA and/or each Company to Public Officers, or received by them.

Business Courtesies

In certain exceptional circumstances, occasional business gifts, as well as discounts and free services for reasons of commercial promotion, may be considered appropriate, provided that the interest of any CLISA Company, or its commercial relationship with third parties, are not affected and the provisions of this Protocol are complied with. To this end, the following are exempted from the prohibitions set forth here:

- ▶ Gifts made by diplomatic custom, under the conditions in which such presents are admitted by law or official custom; and
- ▶ Courtesy gifts. Gifts, presents, donations, benefits or rewards which may be considered demonstrations or acts showing the attention, respect or affection that someone has towards another person in connection with events in which it is customary to do so shall be considered as such.

Gifts and attentions to a Public Officer within normal courtesy practices must be authorized in advance by the superior of the Internal Collaborator intending to deliver them and, once authorized, their delivery must be reported in writing (via e-mail) indicating the type of gift delivered and the identity of the recipient on a corresponding form to be reported periodically to the Compliance Officer.

“Facilitating” or “Processing” Payments

Neither CLISA nor any Company tolerate any payment, in cash or in kind, in favor of any person or entity in the Public Sector for the purpose of unduly influencing to obtain a commercial advantage, a permit, or any other benefit. It is strictly prohibited to make such payments, in any form or manner, including offering work to acquaintances of a Public Officer, donations, gifts, meals, entertainment or travel expenses.

Facilitating or processing payments are those payments meant to ensure or accelerate a routine or necessary action the payer is entitled to, and are normally offered to foreign Public Officers, as customs officers, to ensure an incident-free transit of export goods.

Therefore, the decision of CLISA and each Company is that the Collaborators cannot make these types of payments under any circumstances. Such payments shall not be tolerated or consented to, either if made by Collaborators or by any person or entity acting on behalf of CLISA, or any of its Companies.

In no case shall Collaborators be penalized for a delay in the performance of their duties, if such delay may be attributed to refusal to make a payment of the type described above.

Contracts with the Public Sector: at all times, and under any circumstances, CLISA, the Companies and its Collaborators must observe and comply with international, national, provincial and municipal laws and regulations, and with the ethical standards applicable to its activities.

In this regard, any contracting with the Public Sector, whether national, provincial,

municipal or international, in any of its modalities, that is, public tender, direct contracting, renewal or extension of contracts, procedures for obtaining grants, tax exemptions, subsidies, special benefits, licenses, permits, concessions or administrative authorizations, shall always be done in accordance with the provisions of the applicable legislation.

Public Tenders: CLISA strictly prohibits any Internal Collaborator or External Collaborator acting on its behalf, from promising or offering, directly or indirectly, benefits to Public Officers, from whom an advantage can be obtained for a CLISA Company in a bidding process.

Internal Collaborators should strictly respect and comply with the applicable rules and ethical principles recognized in this Protocol throughout the bidding process, that is, from the call for bids until the submission of tenders, including the process of consultation of the tender documents, preparation of technical reports on tenders and determination of the price to be offered.

CLISA strictly prohibits any connivance of its Collaborators with Public Officers for the purpose of adjusting any conditions or requirements of the tender in order to benefit, directly or indirectly, CLISA, or any Company.

i. Pre-Bidding Phase (Commercial Phase)

The Commercial Manager of the Companies of CLISA will be in charge of analyzing and finding out on the bids to which the Companies have the possibility to submit their tender.

In addition, the Commercial Manager, or whoever the latter designates from the Companies of CLISA, will be the one who attends information meetings on possible projects, conducts internet research and maintains contact with Public Officers on such projects.

Once all information on the projects has been obtained, the commercial department shall evaluate and decide on the possibility of submitting an offer in such tenders.

ii. Bidding Phase (Commercial Phase)

The commercial department will be responsible for preparing all the documentation, and/or delegate certain technical issues to the appropriate sector within the Companies, to make the presentation of documents, or to ask for clarification on the project, as well as any additional documentation requested by the Public Sector.

During the bidding phase, the Commercial Manager must make a periodic report and hold meetings with the Company's Compliance Officer on the procedure, meetings with Public Officers, documentation submitted to the Public Sector and all official documentation related to the project.

The Compliance Officer shall analyze the report and any accompanying documentation and will submit it to the Audit Committee if any inconsistency and/or risk is encountered.

Once the bid has been awarded, the commercial department shall not intervene in the performance of the contract.

iii. Contract Performance Phase

The Operations/Construction Department shall be responsible for all matters relating to the execution of the awarded contract. They shall have contact with the Public Sector to carry out the project, shall meet and maintain communications with Public Officers, inspectors and/or any representative of the Public Sector.

The General Manager may also participate, as necessary, in the meetings and may intervene in certain matters of relevance to the performance of the contract.

The Operations/Construction Department shall issue a report and hold regular meetings with the Compliance Officer regarding the execution of the contract and meetings with Public Officers and shall have all supporting documentation for the report.

The Compliance Officer shall analyze the report and any supporting documentation and shall submit it to the Audit Committee if any inconsistency and/or risk is encountered.

iv. Payments

Any payment to be made by the Internal Collaborators of CLISA and the Companies to any unit of the Public Sector, and for whatever reason, must be made in accordance with the internal procedures established for that purpose.

All payments made by the Internal Collaborator of CLISA and each Company must be submitted to the superior officer and the Administrative Management who approved this expenditure.

Any inconsistencies or alerts in payments and expense reports should be immediately reported to the Compliance Officer who, in turn, should report them to the Compliance Committee.

Direct Contracting and Contract Amendments

Any direct contracting of a Company of CLISA, and any modification of a current contract of a Company of CLISA, with the Public Sector, whether national, provincial, municipal or international, must be done in strict compliance and in accordance with the applicable laws, regulations and contractual rules.

CLISA strictly prohibits any Collaborator acting on its behalf, from promising or offering, directly or indirectly, benefits to representatives of the Public Sector from whom an advantage may be obtained for a Company of CLISA in a process of direct contracting or modification of existing contracts.

Tariff and Payment Adjustments

Any process of adjustment of tariffs and receipt of payments, including subsidies, with the Public Sector, whether national, provincial, municipal or international, shall be carried out in strict compliance and in accordance with applicable laws, regulations and contractual rules.

CLISA strictly prohibits any Collaborator acting on its behalf, from promising or offering, directly or indirectly, benefits to representatives of the Public Sector from whom an advantage can be obtained for a CLISA Company in a tariff review process or to accelerate payments due by the Public Sector.

If a Collaborator receives a request from a representative of the Public Sector, of any hierarchy, which involves granting him a benefit, either economic or of any other kind, as a condition for fulfilling his obligations or for giving CLISA an advantage of any kind, the Collaborator must refuse to grant such benefit and must immediately report the fact to his superior and the Compliance Officer of the Company in question.

Examples of the abovementioned advantages or obligations are, inter alia:

- ▶ certify a higher amount of work than is properly due;
- ▶ speed up processes for adjustment of tariffs;
- ▶ adjust the rates upwards and/or outside the corresponding formulae;
- ▶ release or accelerate payments due for work certificates; and
- ▶ release payment of subsidies.

Fair Competition

In CLISA we comply with the rules on fair competition in force in the jurisdictions where we participate. In Argentina, CLISA is committed to complying with the Anti-Trust Law No. 27,442, its amendments and regulations.

Most countries are governed by very strict laws in these matters and it is our duty to know and comply with them.

The general principle is that CLISA or its Companies neither participate in any agreement aimed at limiting the free interaction of market forces nor use improper means to improve their competitive position in those markets. CLISA and its Companies are committed to fair and competitive sales practices and compliance with all applicable competition laws.

When interacting with competitors, either individually or in business or professional forums and associations, we must avoid addressing issues that could pose a risk to compliance with competition laws.

It is prohibited to make any improper use of a competitor's business secrets or any other confidential information. Sharing any confidential information may involve price manipulation, territorial division or other manipulation and distortion of the free market.

In particular, agreements and concerted practices among competitors aimed at, or which may be aimed at restricting competition, are prohibited. That is to say, agreements and concerted practices among competitors regarding any of the following aspects:

- ▶ prices or price components;
- ▶ distribution of markets, territories or customers;
- ▶ boycott;
- ▶ production, technical development or investment control; and
- ▶ tendering processes.

All concerted practices, including informal discussions aimed at restricting competition, are prohibited.

Communications among competitors that may violate competition laws should be avoided. Particular care should be taken to avoid engaging in unfair competitive behavior when acting on behalf of CLISA or any of the Companies in meetings of trade associations or other associations.

Communication

All Collaborators shall be informed of the content of this Protocol by means of internal communication channels. The companies involved in contracts, agreements of collaboration and partnerships with CLISA will also be encouraged to the accession to the present Protocol, as well as the Code of Ethics and to the Policy.

Entry into Force and Effect

This document shall become effective as of the day of its approval by the CLISA Board of Directors, and shall remain in full force and effect until it is modified or repealed by a new document. In the case of Companies of CLISA, the Protocol will become effective at the time such Companies formalize their accession.



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