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1. Purpose

The purpose of this policy is to provide guidance on the criteria and procedures for the application of disciplinary measures in the event of non-compliance with the values and principles defined in the Code of Ethics and Conduct and other policies and procedures of the Mac Jee Group.

2. General Information

RESPONSIBLE	Legal Department
STORAGE	Computerized system
DISTRIBUTION	Electronic address where the instruction is available for consultation (PDF).
ACCESS	Access restricted to members of the Ethics Committee/ Only the legal department is allowed to make changes.
RECOVERY	Electronic address where the instruction is available for consultation (PDF).
USE	Ethics Committee
PRESERVATION	Periodic backups made on the server.
RETENTION	For an indefinite period of time.
DISPOSITION	
RECORDS	

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3. Definitions

Listed below are definitions of general terms, which appear repeatedly throughout the policy. Specific definitions on disciplinary measures will be made in section 4, general guidelines on the subject.

“Government Agent”: A person responsible, either permanently or temporarily, for the exercise of any state function or function in a governmental entity, in Brazil or abroad. This includes, but is not restricted to, government employees, including members of all spheres, municipal, departmental, state, provincial, central or other categories that may exist in each country, employees of state-owned corporations, employees of public universities or government-funded research organizations, members of royal families who have de facto authority or not, members of political parties and members of international institutions such as the United Nations, the North Atlantic Treaty Organization and the International Monetary Fund.

“Employees”: It means all Mac Jee employees, regardless of hierarchical level or nature of employment, including Board members. It also applies to all employees and managers of companies whose direct or indirect controlling interest is held by one of the companies in the Mac Jee Group, as well as joint ventures in which one of the companies in the Mac Jee Group is formally designated as the operator.

“Triggering Facts”, “Faults” or “Violations”: Any attitude or behavior of the employee that, through carelessness, omission or intentionally, violates the guidelines and principles of Mac Jee's Code of Ethics and Conduct, or other internal company guidelines.

“Government Employee”: A government employee, for criminal purposes, is anyone who, although temporarily or without remuneration, holds a public office, job or function.

“Mac Jee Group”; “Group” or “Mac Jee”: Means the Companies Mac Jee Participações Ltda., Mac Jee Industria de Defesa Ltda., Mac Jee Tecnologia Ltda., Equipaer Indústria Aeronáutica Ltda., Bracey Investimentos e Participações Ltda., and all legal entities in which the aforementioned have an equity interest or equivalent that guarantees them the right to elect the majority of directors and define the conduct of the business strategies of said legal entities.

4. General Guidelines

Our employees have a duty to behave responsibly and always comply with Mac Jee's Code of Ethics and Conduct, our Anti-Corruption policy, other internal regulations and applicable laws.

Violations of the above-mentioned guidelines, whether through carelessness, omission or intent, are neither expected nor permitted and therefore cannot be tolerated. The purpose of the Disciplinary Measures policy is to establish the rules for dealing with such violations quickly and efficiently, as well as ongoing counseling and education for individuals who, for whatever reason, have committed a violation of our principles.

In the case of employees who intentionally and/or repeatedly violate our values and principles, more severe measures may be necessary.

4.1 Identification of Potential Violations

The disciplinary measures set out in this policy apply to all employees who have been proven to have violated the guidelines of the Code of Ethics and Conduct and other internal regulations. These violations may come to Mac Jee's attention in various ways, including, but not limited to:

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- Reported by an employee or third party;
- Reported directly by the perpetrator;
- Verified by the Ethics Committee;
- - Reported through the Whistleblowing Channel.

Potential violations that are reported, either directly or through the whistleblowing channel, will be duly investigated and, only after the investigation, effective conclusion and confirmation of the violation, the disciplinary measure may be applied.

4.2 Types of Violations

The non-exhaustive list below presents examples of non-compliance with the guidelines of the Code of Ethics and Conduct and other internal regulations of the Mac Jee Group. Employees who incur any of these violations, but not limited to them, will be subject to disciplinary action.

- **Theft or Robbery:** The causative act may be theft or robbery of materials, e-mails, falsification of documents, misappropriation of Mac Jee's assets, etc;
- **Inappropriate conduct or misconduct:** Sexual and moral harassment. Irregular attitudes, incompatible with the rules of the Mac Jee Group and good social interaction;
- **Habitual trading:** Acts of trading carried out by the employee in his or her own name on Mac Jee premises, without express written permission, on a regular or sporadic basis, which is detrimental to and competes with the activities and working environment;
- **Active corruption:** This is characterized by offering or promising an undue advantage to a government employee, which may be something of monetary value or not, in exchange for an undue advantage;
- **Act harmful to the Government Agent:** Promising, offering or giving, directly or indirectly, an undue advantage to a Government Agent, or to a third party related to them.
- **Criminal conviction:** Criminal conviction with no possibility of appeal (final and unappealable), provided there is no conditional suspension of the sentence (SURSI);
- **Disclosure of confidential information:** Disclosure of confidential processes and/or products, details and data of industrial processes, characteristics of products and processes even if not patented OR disclosure or use of emails, documents and other information of the Mac Jee Group without express written authorization;
- **Sloppiness:** When in the performance of his/her duties he/she does so with negligence, laziness, unwillingness, omission, unjustified absences, etc..;
- **Drunkenness and intoxication:** This is characterized by habitual or occasional drunkenness or the use of narcotics during working hours;
- **Acts of indiscipline or insubordination:** Disrespect for and failure to comply with orders from immediate superiors, as well as non-compliance with general service orders, policies, procedures, communications, etc;
- **Act damaging to honor and good reputation:** Hurting the honor and good reputation of the employee, hierarchical superiors or any other person, except when exercising it in case of self-defense or defense of others;

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- **Physical offense:** Assault by the employee against any person in the work environment, except in the case of self-defense.

4.3 Types of Disciplinary Measures

The Ethics Committee may apply the disciplinary measures listed below, according to the seriousness of the incident and the applicable mitigating and aggravating factors. The measures are arranged in order of severity:

- Verbal warning;
- Written warning;
- Suspension;
- Dismissal.

The Ethics Committee may apply dismissal, and may rely on the Human Resources department to deal with the applicable legal issues.

If the triggering event has not only violated internal policies and procedures, but also current legislation, the Mac Jee Group retains the right, in addition to applying the appropriate disciplinary measure, to contact the competent authorities to report the incident. The application of disciplinary measures by Mac Jee does not exempt the offender from legal penalties.

In cases where Mac Jee becomes aware of misconduct through the whistleblowing channel, the investigator who has investigated the report may, at the end of the investigation, propose recommendations that are not disciplinary measures. These can be specific remedial measures, educational measures or process improvements. These recommendations can be used to prevent or anticipate a future violation that could lead to a disciplinary measure.

4.4 Severity of the disciplinary measure to be applied

Once the triggering event has been confirmed, it will be up to the Ethics Committee to define the disciplinary measure to be applied or to approve the recommendation made by the investigator. In both cases, the Ethics Committee must assess the severity of the disciplinary measure to be applied, i.e. milder violations that are not repeated and have not compromised the Mac Jee Group's reputation or financially should result in milder disciplinary measures, while violations that affect the Mac Jee Group from a regulatory, reputational or financial point of view, or repeated cases, should result in more severe disciplinary measures. For both situations, there are mitigating and aggravating factors that can influence the final decision to be taken. However, the fact that the violation does not result in an immediate adverse effect on Mac Jee does not eliminate the need to apply a disciplinary measure.

The Ethics Committee should base itself on disciplinary measures applied previously, to ensure consistency of application in similar cases, collaborating with the perception of fairness and impartiality of this control body.

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It is forbidden to apply more than one disciplinary measure to an employee for the same triggering event, and the most severe disciplinary measure should be applied. However, a disciplinary measure can be accompanied by educational measures, such as training and guidance.

No disciplinary measure may be applied without prior proof of the act or practice of infringement of the law and internal policies and procedures. Inconclusive investigations cannot include disciplinary measures among their recommendations.

4.4.1 Examples of mitigating factors

The non-exhaustive list below shows examples of mitigating factors, which can reduce the severity of the measure to be applied, provided that the employee is not a repeat offender:

- Good performance record;
- Acts done under some proven misguidance on the part of their leadership;
- The employee has not been given adequate training;
- Acts carried out under imminent threat to the employee's health, safety or well-being, provided that the employee reports the situation as soon as it occurs (e.g. payments of fees that are not due);
- Reported directly by the perpetrator, provided that, in the end, it has been proven that they were in good faith in reporting the fact, that they regretted it and that there was no serious damage to Mac Jee;

4.4.2 Examples of aggravating factors

The non-exhaustive list below shows examples of aggravating factors, which can increase the severity of the measure to be applied:

- Poor performance record;
- Disobedience to leadership instructions;
- Missing or not attending training courses offered to the employee;
- Repeated misconduct;
- Recorded physical and/or property damage;

4.5 Application of the disciplinary measure

The disciplinary measure must be applied by the employee's direct leader within five working days of the day on which the disciplinary measure was approved by the Ethics Committee. When the direct manager imposes the disciplinary measure, he or she must be accompanied by an employee from the Human Resources department, who can help with both the bureaucracy of imposing the measure and how to carry it out.

In the case of written warnings and suspensions, the direct leader must collect the employee's signature on the Written Warning Notice (Attachment I) or the Suspension Notice (Attachment II), and also sign the documents. If the employee refuses to sign the notice, the direct leader must call two witnesses and, in front of them, apply the penalty, requesting the signatures of all those present.

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The application of any disciplinary measure must be documented by the line manager and sent to the Human Resources department, which will file the documentation. The evidence required for each type of measure is described in section 4.6 below.

Disciplinary measures may not be applied without prior proof of the misconduct being remedied and the perpetrator of the misconduct.

4.6 Archiving the evidence

After the disciplinary measure has been applied, the evidence must be forwarded to the Human Resources department for filing and citation in the employee's file. The type of documentation to be filed varies for each type of disciplinary measure applied.

For verbal warnings, an email from the manager directly to the employee can be filed as evidence, stating that the warning was given and the reason for it, as long as the manager indicates the day and time the conversation took place and confirms that he or she was responsible for applying the disciplinary measure.

In the case of written warnings and suspensions, the notification letter, signed by the employee and the direct leader responsible for applying the measure, must be sent to the Human Resources department for filing.

In the case of dismissals, the Human Resources department should file the termination of contract as evidence that the disciplinary measure was applied.

If the line manager so wishes, he or she can send the Human Resources department additional evidence to be filed together with the main evidence. All this information will be kept in the employee's file and will be treated as confidential, with restricted access.

Any unnecessary exposure of disciplinary measures received by employees may result in a sanction for the person who disclosed it.

5. References

- Code of Ethics and Conduct;
- Anti-corruption policy.

6. Attachments

Attachment I – Model Written Warning Notice



Attachment I - Model
Written Warning
Notice

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Attachment II – Model Suspension Notice



Attachment II - Model
Suspension Notice

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