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	RaiaDrogasil CEO	Target Audience:	Senior Management
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	Related Party Transactions	Revised on:	Feb 22, 2022
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## 1. **OBJECTIVE**

This Raia Drogasil S.A. ('Company' or 'RD') Related Party Transactions Policy ('Policy') aims to: (i) set rules to ensure that decisions involving related parties and situations with potential conflict of interest be dealt with following market conditions, pursuant to rules in force and best corporate governance practices, besides being taken to the best interest of the Company, and (ii) ensure that all decisions that may bring a private benefit to any of its administrators, family members, entities or anyone related to them, are taken with rectitude, respecting the Company's and its investors' interests.

## 2. **REACH**


This document has a corporate nature and is applicable to all of the company's administrators.

## 3. **REFERENCES**

- Bylaws
- People Code - Ethics and Conduct in RD
- Law no. 6.404/1976 ('Business Corporation Law')
- CVM (Brazilian Securities Commission) Instruction no. 480
- Technical Opinion no. 05, approved by CVM (Brazilian Securities Commission) Resolution no. 642/2010 ('CPC no. 5')
- B3 S.A. Novo Mercado Listing Regulation
- Brazilian Code of Corporate Governance
- Conflict of Interest Policy

## 4. **DEFINITIONS**

- **Administrators:** each member of the Board of Directors, Executive Board of the Company and, by extension, Fiscal Council members.
- **Market Conditions:** conditions in which, along a negotiation, the following principles are taken into account: (i) competitiveness (prices and service conditions compatible to those offered in the market); (ii) conformity (compliance of services rendered with contractual terms and responsibilities adopted by the Company, as well as with adequate information security controls); (iii) transparency (adequate report on conditions agreed and duly applied, as well as their results shown in the Company's financial statements); and (iv) equality (development of mechanisms to prevent discrimination and/or privileges and of practices that prevent the use of privileged information and/or business opportunities to favor individuals or third parties).
- **Conflict of Interest:** situation in which a related party is involved in a decision-making process where he/she can influence the final result, ensure personal gain, or favor a family member and/or a third party with whom he/she is involved, or even be able to interfere in his/her ability to exercise fair judgment. Potential conflicts of interest are those in which personal objectives of the Company's decision makers, for any reason, are not aligned with the Company's objectives. In case of a

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potential conflict of interest, the Company seeks to ensure that all decisions that might bring a private benefit to any of its administrators, family members, entities or related people are taken with rectitude, respecting the Company's interest.


- **Significant Influence:** right to participate in operational, financial and strategic decisions of the Company, whether through ownership interest, shareholders' agreement, position, or any other way to influence the administrators' decisions, but not to control those decisions.
- **Members of the Highest Governance Body:** people with authority and responsibility for planning, management and control of the Company's activities, directly or indirectly, including any Company administrator.
- **Investee Companies:** companies where the Company has (i) any type of ownership interest; (ii) any type of loan agreement or convertible bond that can be exchanged for ownership interest; or (iii) power to influence their administrators' decision making.
- **Related Party:** natural persons and/or legal entities that are related to the Company according to CPC (Brazilian Accounting Pronouncements Committee) Technical Notice no. 5, that is:

One person, his/her respective spouse or partner, children, spouse's or partner's children, their dependents or their respective spouse's or partner's dependents, are related to the Company if they:

- (i) Have full or shared control over the Company;
- (ii) Have significant influence over the Company; or
- (iii) Are members of the highest governance body, of the Company or of the parent company.

One entity is related to the Company provided any of the conditions below exists:

- (i) the entity and the Company belong to the same economic group (which means the parent company and each controlled company are interrelated; likewise, the entities under the same control are also interrelated);
- (ii) the entity is associated or jointly controlled (joint venture) by another entity (or associated or jointly controlled by an entity that is a member of an economic group of which the other entity is a member);
- (iii) both entities are under joint control (joint venture) of a third entity;
- (iv) one entity is under joint control (joint venture) of a third entity and the other entity is associated with this third entity;
- (v) the entity is a post-employment benefit plan whose beneficiaries are employed by both entities - the Company and the entity related to the Company;
- (vi) the entity is fully or jointly controlled by a person identified in item (a) above;
- (vii) one person identified in item (a)(i) has significant influence over the entity or is a member of the highest governance body; and
- (viii) the entity or any member of the group it belongs to, provides services as a member of the highest governance body of the entity that reports or to the parent company of the entity that reports.

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For the purposes of this Policy, the following are not considered related parties:

- (i) two entities for simply having a common administrator or other member of the highest governance body, or because one member of the highest governance body of the entity has significant influence over another entity;
- (ii) two joint entrepreneurs for simply sharing the joint control over an enterprise (joint venture);
- (iii) (a) entities that grant funding; (b) unions; (c) public utilities; and (d) government departments and agencies who neither control, whether fully or jointly, nor have significant influence over the Company, simply by virtue of their regular business with the entity (even being able to affect the entity's freedom to act or take part in its decision-making process); and
- (iv) customer, supplier, franchisor, concessionaire, distributor or agent with whom the entity does significant amount of business, purely due to the resulting economic dependence.

For the purposes of this Policy, the definition of related party shall automatically be updated whenever there is a change in the applicable rules and regulations.

- **Related Party Transactions:** operations where there is transfer of resources, services or obligations between the Company or a controlled company and a related party, regardless of being charged a complement, pursuant to CPC (Brazilian Accounting Pronouncements Committee) Technical Notice no. 5.

## **5. RULES FOR ENTERING INTO TRANSACTIONS WITH RELATED PARTIES**

### **5.1. PROCEDURES FOR ENTERING INTO TRANSACTIONS WITH RELATED PARTIES**

- a. The Company, through its Executive Board and Board of Directors assisted by the Audit Committee, shall ensure that any and all related party transactions carried out by the Company or its controlled companies are formalized in agreements, according to the following criteria:
  - the related party transaction shall be in line with market conditions at the time of approval;
  - the transaction terms and business purposes shall be described in the respective agreement;
  - terms and conditions of this Policy shall be fully observed; and
  - the related party shall neither have access to information related to the transaction nor participate in resolutions regarding the matter.
- b. The Audit Committee shall have access to all documents regarding the respective related party transaction, as well as to any technical opinions or reports on the theme, so that it can inform its analysis and verify compliance with this Policy's principles.
  - The Company's Board of Directors, assisted by the Audit Committee, may define the content and format of the information deemed necessary for its resolutions regarding a related party transaction, which shall be provided together with the notice of meeting, if applicable, in which the transaction will be analyzed.
- c. In the related party transaction analysis, the Board of Directors, assisted by the Audit Committee, shall verify whether such transactions will be carried out under commutative conditions in line with market conditions. The analysis shall cover the following issues:

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- whether there are clear reasons that justify the related party transaction;
  - whether the transaction takes place in terms at least equally favorable to the Company as compared to those available in the market or those offered to or by a third party not related to the Company in equivalent circumstances;
  - results of assessments performed or opinions given by an independent expert firm, if any;
  - whether or not a competitive process for the referred transaction was performed and its result; and
  - the pricing methodology used and other alternative ways to price the transaction.
- d. In the case of related party transactions that must be based on assessment reports pursuant to applicable regulations, such reports shall not be prepared with the participation of the parties involved in the transaction in question - whether a financial institution, a legal advisor or specialized consultancy, among others - and shall be based on realistic assumptions and information ratified by third parties.

## **5.2. PROHIBITED RELATED PARTY TRANSACTIONS**

- a. The following transactions are prohibited:
- compensation of advisors, consultants or agents that may give rise to conflict of interest with the Company and its shareholders and administrators;
  - direct granting of loans and collateral in favor of members of the highest governance body, controlling shareholders of the Company and other related parties, except for investee companies;
  - corporate restructuring involving related parties that do not guarantee equitable treatment to all shareholders of the Company.
- b. It is also prohibited the participation of administrators and employees in business of private or personal nature that interferes or gives rise to conflict with the Company's interests or result in the use of confidential information by virtue of the position or function they might hold in the Company.


## **5.3 AUTHORITY FOR APPROVAL**

- a. Any and all operations involving the Company and any related party shall be previously analyzed by the Audit Committee and approved by the Board of Directors, regardless of the amount involved, pursuant to Article 8 of the Company's Bylaws and this Policy.
- b. With respect to related party transactions to be entered between the Company and investee companies, they shall be subject to previous analysis by the Audit Committee and approval by the Board of Directors only when the transaction amount is equal to or above R\$10,000,000.00 (ten million Reals) for one or more acts performed in a given accounting period. Transactions for smaller amounts shall be approved by the Company's Executive Board, who shall present to the Audit Committee a quarterly report on the transactions entered in the accounting period, providing clarifications whenever requested.
- c. Investments under any title to be made by the Company in investee companies whose amounts have been previously considered in the Company's annual budget, and duly approved by the Board of Directors for the current accounting period shall not be subject to approval.

- d. Prior to approval of related party transactions, the Audit Committee may request from the Executive Board market alternatives to the transaction in question, adjusted to the risk factors involved.
- e. The Board of Directors shall only approve the related party transaction if it concludes the transaction is equitable, commutative and entered to the best interest of the Company, having the right, at its own discretion and according to this Policy, to condition the related party transaction's approval to the amendments it may deem necessary.
- f. Related party transactions to be entered by the Company shall be submitted by the Board of Directors for approval by the General Meeting, excluding shareholders with potential conflicts of interest when involving disposal or contribution of assets, in case the transaction amount is higher than ten per cent (10%) of the Company's total assets, as per the latest Financial Statements approved.

## 6. RESPONSIBILITIES

- a. **Management & Finance Officer:** shall be responsible for ensuring that the information regarding related party transactions is duly included in the Quarterly Financial Information and Financial Statements of the Company, as well as in the Reference Form.
- b. **Investor Relations Officer:** shall be responsible for promoting the disclosure of related party transactions in the manner and in the time period set forth by the laws in force.
- c. **Chief Legal Officer:** shall be responsible for previously evaluating the documentation sent by the Officer responsible for closing the related party transaction, containing the grounds, rationale and enough support material for the verification that it is, in fact, a related party transaction, and submitting pursuant to this policy, the material for analysis by the Audit Committee and final resolution by the Board of Directors, as well as verifying compliance with the applicable law, including the notifications set forth in CVM (Brazilian Securities Commission) Instruction no. 480.
- d. **Audit Committee:** shall be responsible for: (i) previously analyzing the related party transactions as provided for in this policy; (ii) presenting to the Board of Directors its conclusions, points of concern and recommendations, accompanied by the comments deemed necessary; and (iii) reviewing and monitoring, at least annually, the related party transactions in place in the current accounting period.
- e. **Responsible Area:** the area responsible for closing the transaction and/or the beneficiary area of the transaction shall notify the Chief Legal Officer about the potential closing of the related party transaction.
- f. **People with Significant Influence:** shall keep their information and status involving conflict of interest with the Company updated, voluntarily declaring any change in close family members or companies in which they have ownership interest.
- g. **Board of Directors:** shall be responsible for approving any and all related party transactions, as well as analyzing potential omissions in or exceptions to this policy.

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- h. **Indirect Procurement:** establish an identification and report routine for suppliers that have in their management staff related people or their close family members according to database made available by the Board of Directors' Secretariat.
- i. **GRC Management:** ensure that cases under its management scope, and where there are related party transactions, are dealt with according to this Policy.
- j. **Executive Board:** approve transactions between the Company and investee companies involving amounts up to R\$ 10,000,000.00 (ten million Reals), and present to the Audit Committee, at least quarterly, a report on the transactions entered in the accounting period.

## 7. DISCLOSURE

The Company shall disclose related party transactions pursuant to applicable regulations, also taking into account the qualitative and quantitative relevance of the transactions, providing sufficient details for the identification of the related parties and of any essential conditions, thus allowing shareholders to inspect and follow the transactions entered between the related parties and the Company, including the minimum disclosure requirements provided for in CVM (Brazilian Securities Commission) Instruction no. 480.

## 8. EFFECTIVE DATE

This Policy is effective as of its approval date and shall remain effective for an indefinite period of time, unless otherwise resolved by the Board of Directors.

## 9. NON COMPLIANCE WITH THIS POLICY

Employee's intentional non compliance with this Policy, may result, according to the violation, in disciplinary measures such as: warning, suspension and termination for cause, besides a potential action for damages, if applicable.

## 10. AUTHORITY

Act / Reason	Person in charge	Approval
Development of the Related Party Transactions Policy	Legal Department	Board of Directors

## 11. RECORD

Version number	Created / modified on	Approved on	Access	Maintenance and update	Storage
001	Aug 1, 2018	Aug 1, 2018	Senior Management	Corporate Legal	CVM/Conexão RD
002	Aug 24, 2020	Mar 30, 2021	Senior Management	Corporate Legal	CVM/Conexão RD
003	Feb 22, 2022	Feb 22, 2022	Senior Management	Corporate Legal	CVM/Conexão RD