



## **MINING LAB CHALLENGE 2020 - PROGRAM REGULATION**

Nexa Recursos Minerais S.A. ("Nexa") believes in the value of partnership and teamwork in order to promote innovation in the metals and mining industries.

Solidity, ethics, respect, entrepreneurship and unity are the core values that guide our work, which have been formalized in Nexa's Code of Conduct.

Regarding this matter, Nexa actively seeks groundbreaking projects in order to complement internal efforts in key areas of the metals and mining exploration activities and in other corporate activities.

The purpose of this document is to define terms, conditions for joining and the operation of the program.

### **THE PROGRAM**

- 1.** The Mining Lab Challenge was conceived by Nexa to support entrepreneurs and other professionals and companies in the process of developing technological innovation for the metals and mining sector.
  - a. For the purpose of this document, the Mining Lab Challenge team represents the employees, the members of the evaluation panel and others involved in the program.
- 2.** The program is not determined by any kind of lottery, not subordinated to any kind of chance, luck, risk or payment by the participants (in compliance to Brazilian Law 5.768/1971, article 3, paragraph II), under the terms and restrictions provided by these Rules.
- 3.** The main goal of the Mining Lab Challenge program is to identify, acknowledge and connect innovative projects globally, particularly in the fields of **Producing Zinc and Copper, Management and Elimination of Tailings and Effluents, Developing Positive Legacies and Greater Efficiency and Productivity**, which can be used in the metals and mining activities of the Nexa units in Brazil and Peru as well as in other corporate activities.
  - a. **Producing Zinc and Copper:** The production begins with mineral exploration and then the ore mined is transported to the beneficiation process where the concentration occurs. This concentrate goes to the smelter where it is refined and melted, thus producing metallic zinc and copper, zinc oxide and by-products. We seek innovative solutions and technologies that can be tested in a proof of concept up to 12 months, involving scientific aspects and that are capable of transforming and increasing our production chain.
  - b. **Management and Elimination of Tailings and Effluents:** During the beneficiation, process tailings are generated, which are destined for deposits and, at the refinery, when processing the concentrate, waste is generated. In addition to these, there are energetic residues, which must be reused, gaseous emissions and liquid effluents. We seek innovative solutions and technologies that can be proven in up to 12 months and that are capable of transforming and increasing our management process, eliminating waste and effluents and transforming them into new products.
  - c. **Developing Positive Legacies:** Nexa's operations have a finite operating life and, after the



closure activities, the benefits generated will cease to exist. It is in our interest to have a set of complementary actions for future use, both in short and long terms, as well as structuring actions that generate positive cash flow in these locations for an indefinite period. We seek to create a network that promotes the sustainable economic development of these territories by developing their local resources and bringing qualification to the workforce, expanding the possibilities of employment generation and income.

d. **Greater Efficiency and Productivity:** The core of Nexa is zinc and copper. However, we have a structure that must remain organized. Areas such as engineering, human development, management control and finance, among others, seek innovations that increase their productivity, enhance their connection, rationalize the resources allocation and manage risk exposure. In addition and aiming to accelerate our transformation, we seek to automate and stabilize our industrial processes. We look for innovative solutions and technologies that can be proven in up to 6 months and that are capable of developing our activities.

**3.1. It is important to clarify that the participants considered eligible for the purposes of this Program Rule are:**

a. **Duly** constituted companies, registered with the competent authorities in accordance to and in compliance with the Law and constitutive acts of their countries of residence.

a. Technical staff hired by the participant must be comprised of at least 2 (two) professionals allocated exclusively for project management and development.

**3.2.** The facts listed below will be considered criteria for disqualification and exclusion for program proponents:

a. To include in its board of directors, shareholders and/or administrators, an individual or legal entity, that directly or indirectly, acts in the zinc mining industry.

b. The project and/or startup has in its board of directors, shareholders and/or administrators, an individual or legal entity that has been directly or indirectly evaluated by direct relatives that are part of any of the evaluation panels of this program.

c. Existence of a commercial agreement or relationship enter by the shareholders of the entity of any other nature, contractual or otherwise, current and related to the project presented in the program with a market player in Brazil and/or in the world that can be considered a competitor of Nexa.

d. Having entered into any type of partnership or collaboration agreement with a market player in Brazil and/or the world that may be considered a competitor of Nexa.

e. Participation of public servants, governmental entities or politically exposed persons in the applicant's board of directors, shareholders and/or administrators, except professors, University's researchers or research institutions.

f. The applicant company or any of its partners has been convicted, found guilty or charged with any crime, including but not limited to acts involving fraud, misappropriation, corruption or bribery, in any jurisdiction or country.

g. Participation or further participation in other programs with conflicting schedules. If Nexa understands that the timetable of another project may be detrimental to the development of the current project, it may in its sole discretion, disqualify the participant in the course of the process.



h. Non-acceptance of the division of intellectual property of at least 50% (fifty percent), when there is financial incentive from Nexa and/or co-development of a new technological route, during the project period, justifying the division of intellectual property.

i. Non-compliance with any procedures, formal instructions or deadlines issued by Nexa.

j. Violation, by any means, of the intellectual or industrial property of third parties, such as trademarks, patents, utility models or computer software.

**4.** Participants who display images and texts with erotic, inappropriate content, Inconsistent records (false data), improper use of images of public figures or third parties, use of inappropriate words and terms or in violation of any policies of Nexa or third parties will automatically be disqualified.

**5.** The application period for the program will begin at **12 AM (Brasilia time), September 7th, 2020, and end at 11:59 PM (Brasilia time) on October 2nd, 2020**. It may be extended at the sole discretion of Nexa through an advertisement published on the website (<http://mininglab.com.br>).

### **BENEFITS**

**6.** The specific benefits of this program are:

a. Potential investment for the development of the project;

b. Equity free;

c. Opportunity to become a supplier to Nexa and, potentially, of other company of the Votorantim Group;

d. Promotion of partnerships for co-development of new technologies and solutions with Nexa;

e. Possibility to perform testes in an industrial environment with Nexa technical support;

f. Access to startup's development methods, including but not limited to training, technical visits and professional management;

g. Coaching and mentoring by worldwide renowned experts of the mining sector and in the entrepreneurship and innovation ecosystem;

h. Option to establish partnerships to search for funding, acquiring or distribution of the products and services of the projects developed by the vendors that were selected during the program;

i. In the online Bootcamp and Immersion phases, which will be carried out virtually in its entirety, Nexa will provide all the information necessary to carry out the activities through the selected candidates.

**7.** Any taxation on the remuneration, investment or financial transactions to be carried out by Nexa related to the program will be exclusive responsibility of the participant, even if collected by Nexa as determined under Brazilian law. In that sense, the participant shall reimburse Nexa or write off its credit in the event that Nexa has collected tribute on their behalf.

**8.** It is hereby established that the acquisition of equity interest in the corporate entities incorporated by the participants to develop the projects is **not** included in the scope of this program.



## THE PROCESS

- 9.** In order to achieve the proposed goals, development activities will be carried out, as well as group activities of diffusion and interaction between the corporate entities and Nexa.
- 10.** The deadline for completing the project testing and validation steps, after the signing of the respective agreement between the parties, is up to a year, unless otherwise stated. The specific period and dates of the selection step are available for consultation on the website (<http://mininglab.com.br>).
- 11.** Approval on Demo Day does not necessarily imply the formalization of a contract, which may be signed between the participant and Nexa and/or any affiliates for commercial agreements between them and that will strictly follow the present rules, at the discretion of Nexa.
- 12.** The process will consist of five steps: (i) Application/registration; (ii) Evaluation and Interviews; (iii) On-line Boot Camp; (iv) On-line Immersion and (v) Demo Day.
- 13.** The selection process will take place in an eliminatory fashion at all steps.
- 14.** At each step of the program, Nexa will determine which documents must be provided by the participants, according to the annexes contained in present rules. In the event of non-submission of the required documents by the deadline, the participant will be disqualified from the program.
- 15. Application and registration.** The application process starts with completing and submitting (i) the form available on the program website (<http://mininglab.com.br>); (ii) information related to your project in compliance with the application platform guidelines on the program site; and (iii) the acceptance of the confidentiality agreement and the program rules available on the program website.
- 15.1.** Registration is free and will take place exclusively electronically via the program's website (<http://mininglab.com.br>) until **11:59 PM (Brasília time) on October 2nd, 2020**. For the selection period, or at any time or stage provided for in this regulation, the participant may be contacted at any time to explain the project and must respond to the demands within 3 (three) business days, observing Brasilia time, otherwise they will be disqualified.
- 15.2.** The acceptance of the terms of these Rules and the Confidentiality Agreement is required for the registration to be successful.
- 15.3.** The registration will be confirmed by Nexa, via automatic email, within 3 (three) business days after the entry. In case that the confirmation is not received within the deadline above mentioned, the participant should email Nexa ([mininglab@nexaresources.com](mailto:mininglab@nexaresources.com)).
- 15.4. Any mistakes in completing the form, such as inaccurate content and partial fulfillment, will be the sole responsibility of the participant, and no rectification will be accepted after finalization and submission.**
- 16.** After the applications are completed, the selection of innovative projects and businesses will proceed accordingly to the propositions of each pre-established area and also, at the sole discretion of Nexa, having synergy with the business and showing potential to solve the challenges faced in the chosen areas of interest: **Producing Zinc and Copper, Management and Elimination of Tailings and Effluents, Developing Positive Legacies and Greater Efficiency and Productivity.**



**16.1.** Nexa guarantees the confidentiality of all the information and documents provided by the projects, which will only be used for the purposes described in this Regulation.

**16.2.** The selected participants will be provided with both business intelligence and infrastructure support, and may be also eligible for financial investment if their projects are able to be implemented, customized and used by Nexa within the scope of its production process.

**17. On-line Boot Camp.** This step will take place via the Distance education platform, and each project will have an individual login and password.

a. This step aims to align the pre-selected projects and refine the proposed solution. Participants will receive orientation on how to proceed in this step through videos and written materials. Participants will be required to deliver materials for evaluation by the Nexa team.

**18. On-line Immersion.** This step will take place via the on-line platform, and each project will have individual access, on the dates found on the website (<http://mininglab.com.br>).

a. In this step, the final alignment of the projects will be carried out with Nexa's technical and management mentors, to devise the value statement for each project, which will be presented to Nexa executives during the Demo Day (as described below).

b. The documentation listed in **Annex 20.B** of the present Rules, and its original versions must be validated, subject to exclusion from the program in case the documents are not delivered.

**19. Demo Day.** The Demo Day will take place on November 12<sup>th</sup>, 2020, in which the projects should present their proposals to the program's evaluation panel. Nexa will not be responsible for the technical criteria adopted by the evaluating panel of the program. The panel is composed of independent and reputable judges, whose decisions will be sovereign and unappealable.

a. The projects will be evaluated and scored by the panel, being selected exclusively in compliance with Nexa's purposes.

**20. Evaluation criteria.** The program relies on a team of experts with vast knowledge in the ecosystem of entrepreneurship, innovation and new business models, as well as the expertise in the technical areas involving mining and metallurgy or other corporate matter relevant to this edition. The classification of the projects will be based on the following criteria:

Criterion	Goal
Team	Evaluate the team's ability to develop the solution and turn it into a business.
	Evaluate the vision of the future for the business and proposed strategies.
Technology	Evaluate the effectiveness of the solution's operation, its level of maturity and the feasibility of its scale production.
	Assess whether it is possible to protect developed or developing technologies.



	Evaluate the possibility of generating new solutions based on the technology used and the level of contribution of this technology to the production chain.
<b>Solution</b>	Assess the degree of innovation, technological risk and expected impact of the product and the strength of competition in the market.
	Evaluate the manner in which the solution (product/service) meets Nexa's demands.
	Evaluate if the business model is interesting and allows to build a scalable and competitive business.
<b>Legal and Financial Viability (qualitatively)</b>	To verify the investments needs and the legal and compliance viability for the solution development.
	To evaluate the solution impact on the given Nexa's metrics, such as long term goals, cashcos or other.
<b>Strategic alignment (qualitatively)</b>	Assess the project's ability to strengthen Nexa's image.
	Evaluate if the proposal is aligned with Nexa's strategy: <ul style="list-style-type: none"> <li>- Operational excellence;</li> <li>- Mining growth;</li> <li>- Market development .</li> <li>- long term sustainability goals</li> </ul>

a. **Program schedule.** The schedule with the main milestones of the program is available for consultation and detailed on the website (<http://mininglab.com.br>).

### **INFORMATION CONFIDENTIALITY**

**21.** The parties involved must consider confidential all the information regarding the projects that have been disclosed to them, obliging them not to disclose said information to third parties without their knowledge and consent, under penalty of civil and criminal liabilities.

**22.** The terms and conditions for the development of the selected projects and the promotion of the research will be confidential and subject to timely agreements with the selected participants.

### **PERSONAL DATA PROTECTION**

**23.** As The Parties commit to process the personal data involved and necessary for the execution of this program and regulation, solely and exclusively to fulfill the purpose for which



they are intended and in compliance with all applicable legislation on information security, privacy and data protection, including, but not limited to, the General Data Protection Law (Brazilian Federal Law No. 13.709/2018), under penalty of being liable for losses and damages.

## **JURISDICTION AND SETTLEMENT OF DISPUTES**

**24.** This program, its Rules and Confidentiality Agreement, as well as any **documents** executed under the program, are governed and interpreted by the laws of the Federative Republic of Brazil. The Central Forum of the District of São Paulo is hereby elected as the only competent forum to settle any controversy arising from the interpretation or implementation of these Rules, including any questions concerning the relations established between Nexa, the participants and third parties, due to this instrument.

**25. On the agreement with Nexa.** Following the Demo Day, alignment meetings will be held between Nexa and the participants on a case-by-case basis in order to identify and draw up the most appropriate agreement for both parties, establishing the commercial and licensing conditions of each of the projects, which will strictly follow the terms of these Rules. If the parties do not reach an agreement, there is no obligation to sign a partnership contract.

## **OBLIGATIONS AND RESPONSIBILITIES**

**26.** The obligations of Nexa and of the participants are to:

- a. Comply with all the terms of the present Rules, as well as those contained in any documents that may be signed between Nexa and the participant.
- b. Participate in the activities planned for each step of the program, as well as providing all the information and documents required for each step.
- c. Actively participate in program events and initiatives.
- d. Allow Nexa to use the brand, the name and the image of the participants, as well as its partners, employees and representatives, for promotional purposes in internal and external communication media, free of charge, without limitation of time or territory. The participant shall ensure and submit to Nexa the proper terms of consent for the use of their image, which are in their exclusive responsibility and competence.
- e. Grant an exclusive, non-revocable, global, indefinite license to Nexa for all of the participant's image rights, as well as its partners, employees and representatives, for Nexa to disclose and display such images freely with any third party and for any purpose relating to the program, which may be fixed or printed in physical, electronic and/or any media capable of recording and reading electronic information, including, but not limited to, any type of media, whether printed or not, in addition to internet, intranets, other public or private data networks, mobile devices such as cell phones and handheld devices, computers and data processing devices, physical media such as CDs, DVDs, memory cards, hard drives, photos, posters, billboards, newspapers, magazines, exhibitions, or any other media, as well as automatically authorizing Nexa to use its physical image, name and/or voice, including photos, posters, films, as well as any type of media and advertisement for the promotion of this program, for an indefinite period.



**27.** Nexa is not responsible or liable for any damages or losses arising from the participation in this program or from the eventual acceptance of the benefits by the participants.

### **TERMINATION OF THE PROGRAM**

**28.** The program will be considered terminated for any participant in the following cases: (i) end of the duration of the program; (ii) if there is a breach of any clause of the present Rules or of the Confidentiality Agreement or of the final Agreement; (iii) in case of insolvency, bankruptcy or receivership of the participant; (iv) if the intellectual property developed within the scope of the project is granted to a third party, even temporarily; (v) by Nexa's will.

**28.1. Without prejudice to the previous provisions, the program will be considered automatically terminated if the participant is not selected by Nexa to continue in the next steps of the program.**

**28.2. Fraud:** Participants who commit any type of fraud will be summarily excluded and will still be subject to criminal and civil liability.

### **NON-COMPETE CLAUSE**

**29.** Participants and approved projects that sign a partnership agreement with Nexa are subject to a possible non-compete clause that will be analyzed on a case-by-case basis, depending on the reach and scope of the project.

### **AUDITING**

**30. Right to audit.** Nexa shall have the right to audit or examine, in order to verify the compliance with the terms of the present Rules or the partnership contract, when appropriate, the faithful execution of the terms set forth in this instrument and in the contract, as well as the books and accounting records of participant. Nexa expressly reserves the right to hire an independent auditor or expert to conduct said audit or examination to the extent that such independent auditor wishes. In a reasonable time after the audit or examination, Nexa may provide the participant with a copy of the report of such audit or examination. If it is concluded that the participant did not comply with this instrument, the participant will be immediately disqualified from the program. The participant's failure to cooperate, in regards to such audit or examination, shall constitute a violation of this instrument, justifying the immediate exclusion of the participant from the program.

### **GENERAL PROVISIONS AND ANNEXES**

**31.** The actions that shall be taken to determine the future capability of the implementation of projects supported by this program will be discussed on a case-by-case basis, timely with all interested parties.

**32.** Any and all issues related to the protection and/or transfer of intellectual property rights



inherent to the projects supported by this program will be subject to individualized analysis.

**33.** Any changes to these Rules will be posted on the program's electronic address (<http://mininglab.com.br>)

**34.** Throughout the program, communications should be conducted exclusively via email ([mininglab@nexaresources.com](mailto:mininglab@nexaresources.com)).

**35.** Omissions shall be decided exclusively by Nexa, at the discretion of the Board, with no reasoning required.

**36.** The present document may be altered, suspended or canceled without prior notice by force majeure or any other unforeseen factor or reason that is outside the control of Nexa and jeopardizes the program in order to prevent or substantially modify its operation as originally planned.

**37.** Merely participating of this program implies full knowledge and unrestricted acceptance of these Rules.

**38.** Any tolerance or concession by Nexa or the program evaluation panel regarding the rights, obligations and responsibilities contained in this regulation shall be interpreted as a mere liberality and does not imply the modification or novation of the terms and conditions stipulated herein.



## **ANNEX 20.B – DOCUMENTS REQUIRED BY NEXA**

**Below is the list of documents that must be presented by the startup companies participating - both Brazilian and foreign - when requested <sup>1</sup>:**

1. Company's bylaws or incorporation act according to local law.
2. Shareholders Agreement or equivalent proving the administration's powers and the company representatives.
3. Shareholders registry.
4. Document evidencing the tax good standing of the company in the country of residence.
5. Debt Clearance Certificate issued by the Internal Revenue Service or other competent authority of the jurisdiction of residence.
6. Bank information document for payment procedures.
7. Valid passport for the representative coming to Brazil, for foreign company companies or with a foreign representative.
8. Passport picture, in color.
9. Entry Visa issued by Brazilian Federal Police.
10. Criminal records check for the partners and administrators of the company.

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<sup>1</sup> Documents must be handed until the first day of the On-line Immersion, in the form of an apostille, according to the Hague Convention, if the company is constituted outside of Brazil.