2023

BRAVOS GESTÃO DE RECURSOS LTDA.

Risk Management Policy

I - RISK MANAGEMENT POLICY

1. Introduction and Goals

Risk control aims to improve the ability of Bravos Gestão de Recursos Ltda ("Manager") to maximize the generation of value for its partners, customers and investors, establishing strategies and goals to achieve the ideal balance between growth and return targets of investments and the risks associated therewith, and to exploit its resources effectively and efficiently. Corporate risk management aims to: align the risk appetite of its clients and investors with the adopted strategy, strengthen decisions in response to risks, reduce unforeseen events and operational losses, identify and manage multiple risks and between different investments, seize opportunities and optimize capital.

In view of the above, this Risk Management Policy ("PGR" - "Política de Gestão de Riscos") aims to keep the consolidation of written rules that allow the permanent monitoring, measurement and adjustment of the risks inherent to securities, establishing consistent, objective, and verifiable practices.

Also considering that the Manager acts exclusively in the management of private equity funds, exposure to risks must be assessed differently from that applicable to investment funds of a different nature. Therefore, risk measures such as "Value at Risk" (VAR), Stress Test and historical simulation are not applicable..

2. General Principles

The general and ethical principles of the Manager, as provided for in subparagraphs 1.2 and 1.3 of the Code of Ethics, which shall guide this PGR are: always act in good faith, with transparency, diligence, and loyalty.

3. Methodology

This PGR was developed based on feasible verification and control parameters and metrics, so that its structure will comprise the identification, implementation, monitoring, and internal controls of the risks of equity investment funds ("FIPs" - "fundos de investimento em participações") under its management, as well as the risks involving the Manager itself.

The Manager is responsible for pointing out (i) that the measurement and monitoring of such risks will take place in parallel and in addition to the obligations of the trustee and the manager of foreign investment vehicles, FIP investors; (ii) that risk control does not provide a guarantee of total success in the forecasting activity, given that the practice is not capable of eliminating market uncertainty, restricting itself only to reducing the negative consequences of certain events; and (iii) that the FIPs regulations list the risk factors inherent to the investments made by investors, based on the nature of the assets comprising the portfolios of the funds under management.

3.1. Types of Risk and Concepts

This Policy analyzes the risk classifications traditionally disseminated and listed in Article 26, Paragraph 1, I of CVM (Securities Exchange Commission - "Comissão de Valores Mobiliários") Resolution No. 21, dated February 25, 2021, namely: market, liquidity, concentration, credit and counterparty, and operational, among others considered relevant to the Manager.

3.1.1. *Market Risks:*

According to Article 25, caption of National Monetary Council ("Conselho Monetário Nacional") Resolution No. 4.557, dated February 23, 2017 ("CMN Resolution No. 4557/17"), market risk is the possibility of losses resulting from fluctuations in the market values of assets of the portfolio of investment funds. This definition, adapted to the reality of investment funds, includes the risks of operations subject to exchange variation, interest rates, share prices, and others for bonds classified in the securities portfolio.

3.1.2. *Liquidity Risks:*

Article 37 of CMN Resolution No. 4557/17 adds the definition of Liquidity Risk previously established by CMN Resolution 4.090, dated May 24, 2012, as being (i) the possibility of the institution not being able to efficiently honor its expected and unexpected, current and future obligations, including those resulting from binding guarantees, without affecting its daily operations and without incurring significant losses; and (ii) the possibility of the institution not being able to negotiate a position at market price, due to its large size in relation to the volume normally traded, or due to some discontinuity in the market.

3.1.3. *Concentration Risks:*

According to Article 21, Paragraph 3, VI of CMN Resolution No. 4557/17, Concentration Risk is understood as the possibility of losses associated with significant exposures: (i) to the same counterparty; (ii) to counterparties operating in the same economic sector, geographic region, or segment of products or services; (iii) to counterparties whose revenues depend on the same type of asset or activity; (iv) to financial bonds whose risk factors, including currencies and indexes, are significantly related; (v) associated with the same type of financial product or service; and (vi) whose risk is mitigated by the same type of bond. In addition, the Manager will comply with the guidelines eventually agreed with its investors.

3.1.4. *Credit and Counterparty Risks:*

Credit risk is directly related to counterparty risk, as this consists of the risk of default or delay in payment by counterparties (issuers and co-obligors of assets) of investment fund operations, which may lead, as the case may be, to a reduction in financial gain or loss.

According to Article 21 of CMN Resolution No. 4557/17, credit risk is the possibility of losses associated with (i) failure by the borrower or counterparty to fulfill their respective financial obligations under the agreed terms; (ii) the devaluation, reduction of remuneration, and expected earnings in a financial bond; (iii) the restructuring of financial bonds; or (iv) the costs of recovering exposures characterized as troubled assets (as defined in said resolution).

3.1.5. *Operational Risks*

Article 32 of CMN Resolution No. 4557/17 defines Operational Risk as the possibility of losses resulting from extreme events or failure, deficiency or inadequacy of internal processes, people, and systems.

3.1.6. *Other Risks*

a. *Legal Risk:* although treated by the regulations in force as part of the Operational Risk, discussed above, the Manager pays special attention to the legal and normative aspects inherent to its activity, always seeking to meet the requirements in providing information to regulatory and self-regulatory bodies, in relation to the company, its products and its customers/shareholders.

In addition, it is worth noting that in the case of the Manager, Legal Risk can be attributed to the possibility of losses arising from fines, penalties, or indemnities resulting from proceedings by supervisory and control bodies. These risks can be, for example, failures in information or periodic legal commitment. The risks arising from insufficient documentation, lack of powers of the counterparty's representatives to assume commitments and lack of knowledge of relevant legal aspects are also mentioned..

b. *Image Risk:* risk directly related to the possibility of losses arising from the Manager having its image or name worn out in the market or before the authorities due to the inappropriate behavior of its Members, investees by the FIPs and/or its officers, as well as negative publicity, whether being true or not.

3.2. Management Strategies

Risk management procedures are carried out in order to independently monitor the aforementioned risk models, and their control, monitoring and measurement are carried out through corporate policies that establish roles and responsibilities among Members and seek (a) promote the adoption of good risk management practices (b) consolidate the assessment of corporate risks, including strategic risks, and (c) regularly inform the Manager's management, as follows:

3.2.1. *Market Risk Management*: is carried out through the daily monitoring of risk and performance indicators of each fund under management.

In order to ensure control, monitoring, and measurement of the investee's risk, the Manager acts by implementing governance mechanisms in the investees for the investment funds under its management, participating in the Board of Directors and/or Board of Directors of the investees, hiring service providers for Due Diligence in several segments of the company (such as finance and accounting).

Additionally, the Manager's Operational Area is linked to the effective control of the activities of the investees, that is, the day-to-day investments of the FIPs under management, in order to improve the governance and internal controls of the investees, as well as to assist the integration projects of the Manager's investments.

The Valuation of investees by investment funds managed by the Manager, in turn, is prepared/updated quarterly. This process takes into account the review of the investee's business plan, the analysis of consolidated earnings reports and studies of operational reports provided by the investee's management. Such documents contain specific information about the investee and its market, among other important information that contribute to the maintenance of monitoring and measuring the risks that the asset may generate.

Lastly, the Manager monitors the economic and regulatory events of the markets in which it operates, in order to mitigate the impact of market changes on the activities of the investees of the funds under management. To this end, the Manager may use widely circulated newsletters and newspapers, as well as subscriptions to specialized websites and programs, as assessed by the Compliance, Risk and PLDFT Officer.

3.2.2. *Liquidity Risk Management*: maintenance of strict control of available cash, future obligations and future resources, considering that most FIP assets are illiquid.

The Manager reinforces that the FIPs are constituted in the form of a closed condominium, and redemptions by investors are not possible or allowed before the liquidation of the fund, normally at the end of its duration, in accordance with the respective Regulations. As a result, the liquidity risk will be treated by the players in the private equity market in a *sui generis* manner, aiming to guarantee (i) cash resources available to timely pay the expenses and charges of the FIPs and (ii) the divestment implementation.

Without prejudice, the Manager emphasizes that the liquidity control of the FIPs is carried out together with the trustee of the funds under management, according to CVM Resolution No. 21 and the ANBIMA Code of Management of Third-Party Assets.

3.2.3. *Concentration Risk Management*: the Manager shall seek investment opportunities in all sectors of the economy, focusing on medium-sized companies in Brazil. In addition, (i) the total investment in a single portfolio company may not exceed 20% (twenty per cent) of aggregate commitments; and (ii) the total investment in a single industry may not exceed 35% (thirty five per cent) of aggregate commitments.

The mitigation of the concentration risk can be demonstrated through the FIPs portfolio, once the respective investment periods are constituted and surpassed, as well as through contacts and negotiations held with finders. The applicable evidence shall be filed digitally, together with a copy of contracts entered into with service providers, and reports and/or other deliverables, when applicable.

3.2.4. *Credit Risk Management and Counterparty*: the Manager always looks for the references of the counterparty with which it does business and investigates the partners, officers, and final beneficiaries of the companies it intends to buy or sell. Manager's Co-Workers, responsible for risk management, rely on the assistance of external consultants in the acquisition of equity interests.

Typically, services and procedures are carried out for risk assessment and compliance, such as: on line searches at Boards of Trade, the Federal Revenue Service, search engines in the media, regulatory bodies, search websites and the CVM database. Without prejudice, such processes may be carried out in a consolidated manner using software available on the market for this purpose, and the reports issued must be filed digitally, and available for consultation in the Manager's files.

Moreover, the process of investing in new companies shall go through an extensive and complete Due Diligence process, with the hiring of financial, accounting, legal and tax advisory specialists in M&A processes, analysis of sectors and comparable companies, and consultation with specialized tools, such as "Capital IQ", among others. Evidence of management practices shall be filed digitally and include, at least, a report and/or record - even if by email - containing the conclusions of each service provider with regard to the evaluated company.

3.2.5. *Operational Risk Management*: in order to mitigate risks of this nature, the Manager shall rely on specialized service providers, mainly in Areas related to Technology and Information Systems. The performance of these partners will serve to enable the continuity of activities and services provided by Bravos, so that Co-Workers can carry out their activities from other locations, and be always accessible to others and to investors and/or service providers.

In order to consolidate the guidelines regarding the mitigation of operational risks, the Compliance and Risk Board must map the strategies with the best applicability in the context of the Manager and prepare a Contingencies Manual for Internal Use and in a supplementary basis to the other regulations.

3.2.6. *Other Risks Management*: aiming at (i) the management of legal risk, the Manager hires specialized legal service providers in the corporate and capital market areas, so that the periodic obligations inherent to the activity of managing securities portfolios and related to the investment funds' investees are met in a timely and adequate manner; and (ii) image risk management relies on the training of Co-Workers in relation to the Manager's Policies and Manuals, whose knowledge and agreement must be attested in writing by new Co-Workers, and whose updating is personally carried out by the Compliance and Risk Board.

Evidence of management practices shall be filed digitally.

4. Information Systems, Routines and Procedures Involved

Information Systems - Risk Management through Information Technology and Hardware Structure:

With regard to the management of risks related to information security, the Manager shall act through routines developed by a specialized service provider – Smart Link Consultoria e Serviços de Telecomunicações Ltda. ("Link Solution") - to ensure an environment protected from any type of risk to information and to the internal computer network, preventing the quality of management from being impaired by contingencies.

Additionally, the Manager has developed a proprietary risk management instrument – the Risk Matrix – where the main Risk Events identified and evaluated according to the possibility of appearance and financial, regulatory and self-regulation impacts are classified. Depending on the classification of such risk events, as described below, the Manager's Compliance, Risk, and PLDFT Team shall define the due treatment, based on its strategic goals.

Risk Management Routines and Procedures

With regard to routines and procedures, Risk Events were identified related to (a) resource management activity, including periodic and occasional obligations with the CVM and the market; (b) FIPs, including disclosure obligations, monitoring of service providers, PLDFT, etc.;

and (c) investee companies, including judicial aspects (labor, tax, and bankruptcy), violations of the provisions of the Anti-Corruption Law and Socio-environmental Legislation[1] etc.

Risk Events, including those indicated above, were defined based on guidance from specialized legal counsels, on the experience of the Manager's Compliance, Risk, and PLDFT Team and on CVM's Biannual Risk-Based Supervision Plans. The same applies to the Possibility of Appearance - the chance of occurring each Risk Event - which can be classified as rare, low, medium, and high.

In addition to the Possibility of Appearance, the Impact of eventual appearance was estimated, considering both financial and regulatory and self-regulation aspects, as follows:

a) No relevant financial and/or functional impact, such as those limited to 5% of the Shareholders' Equity (PL - "patrimônio líquido") of the FIP under management;
b) Low, such as those limited to 10% of the PL of the FIP under management and/or with the possibility of applying sanctions that do not prevent the exercise of Bravos activities by ANBIMA;
c) Medium, such as those limited to 30% of the FIP's PL under management, and with the possibility of applying sanctions by CVM and ANBIMA; and
d) Severe, such as those that exceed 50% of the PL of the FIP under management and/or make the exercise of resource management activity unfeasible as a result of regulatory and/or self-regulatory sanctions.

According to the positioning of each Risk Event in the Managers Risk Matrix (Possibility X Impact), individualized strategies shall be adopted in order to meet the Manager's strategic planning, namely: (i) the assumption of risks classified as Low; (ii) the management of risks classified as Medium; and (iii) the transfer or elimination of risks classified as High, respectively.

Lastly, the evaluation of Risk Events according to Possibility of Appearance and Impact - and the consequent update of the Risk Matrix - shall be carried out monthly. Once operational, said routine shall be carried out at intervals to be defined by the Compliance and Risks Board, preferably no longer than monthly.

5. Monitoring

In case of doubts regarding the principles and responsibilities described herein, the Co-Worker must contact the Compliance and Risk Board.

In the event of occurrence, suspicion, or indication of non-compliance with any of the rules established herein, the Compliance and Risk Board may use the available electronic records to verify Co-Workers' conduct.

6. Reporting and Penalties

The violation hereof shall subject the Co-Worker to the measures provided for in the Manager's Code of Ethics. All Co-Workers must inform the Compliance and Risk Board about violations or possible violations of the provisions set forth herein, in order to guarantee fair and equitable treatment of investors by the Manager, thus safeguarding its reputation.

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[1] Laws, regulations and other environmental and labor standards in force, including those related to occupational health and safety.

Failure to comply with any rule established herein shall, at the discretion of the Compliance and Risk Board, result in the following penalties, depending on the severity of the non-compliance and possible recurrence: (i) written warning; or (ii) dismissal.

Any Co-Worker who believes he or she has violated this PGR or is aware of a violation and/or suspected violation must report the fact directly and immediately to the Compliance and Risk Board, and any disciplinary action shall take the report into account. Disciplinary actions may also be taken against the Co-Worker who (i) authorizes, even if silently, coordinates or participates in violations hereof; (ii) having information or suspected violations, fails to report them; (iii) fails to report violations that, due to his/her official duty, he/she should have known or suspected; and/or (iv) promotes retaliation, whether directly or indirectly, or encourages others to do so.

6.1. Officer in Charge

Please find below the registration information of the Compliance, Risk, and PLDFT Officer in charge of Manager's risk management:

Name	Emir Josafaf Calvo Correia
Email	*compliance@bravosgestao.com.br*
Phone	(21) 3235-0770 or (11) 3074-0920

Lastly, the Manager attests that the Compliance, Risk, and PLDFT Officer is not subordinated to other fields of expertise, including resource management or the commercial department.

6.2. Update

This Policy shall be subject to annual review or in shorter periods, whenever the Compliance and Risk Board deems it necessary, in order to preserve the security conditions for the Manager.

Version	Date	Responsible
1	December 2020	Suelen Marinho de Souza
2	May 2021	Márcia Regina Brambilla
3	June 2022	Emir Josafaf Calvo Correia
4	May 2023	Emir Josafaf Calvo Correia