IG4 CAPITAL

RISK MANAGEMENT POLICY
IG4 CAPITAL INVESTIMENTOS LTDA.

("Manager")

Current version: June/2022
Previous version: July/2021

Document No.:	Review No.:	Effectiveness:
1	6 (June 2022)	11/30/2016, and, when applicable, as from obtainment of CVM consent to operate as fund manager

DocuSigned by:
Approved by: ______________________________
205EC3047D054CD...

Flávia Andraus Troyano

Compliance Officer

CHAPTER I

PURPOSES

1.1. Under the terms of the Resolution no. 21/2021 of the Brazilian Securities and Exchange Commission ("RCVM 21"), this Risk Management Policy ("Policy") is intended to establish procedures to monitor, measure and permanently adjust the risks inherent to portfolios of securities managed by the Manager, presenting rules and procedures for the management of each risk type and their respective control methods, including the operational risk related to the activities of the Manager.

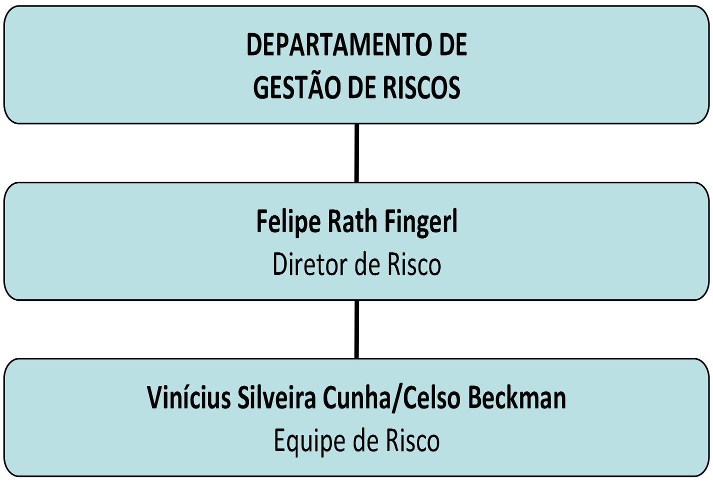
1.2. The area of Risk monitors the exposure to risk factors inherent to the investments made, with monthly analysis of the information of the investment funds managed by the Manager, in order to be in permanent compliance with the investment policy contained in the regulations of the funds, as well as in applicable standards.

1.3. Notwithstanding the procedures provided for in this Policy, the express and objective limits of risk exposure shall always appear in the documents of the investment funds managed by the Manager. In addition, such documents shall also contain a provision to make investors aware that there is on guarantee against loss of the invested amount or against occurrence of negative equity, as applicable, that may happen with the investment funds managed by the Manager.

1.4. The guidelines set in this Policy must be followed by all workers devoted to the activity of management of third party resources, risk management and compliance.

CHAPTER II
GOVERNANCE
AND RESPONSIBILITIES

2.1. The Risk area is composed of a team comprised of 3 (three) professionals, according to the organizational chart below:



2.1.1. The structure of risk management is completely independent of the management of third party resources, according to the duties defined below:

Risk Officer: responsible for the maintenance of the Risk Management Policy, checking the enforcement of the established limits and procedures, in order to ensure monitoring and measuring risks the Manager and the managed portfolios are exposed to, guaranteeing the quality of the risk management process. Furthermore, the Risk Officer approves the monthly risk reports, pointing their conclusions and sending them to the Management Team and Risk Team for analysis. The Risk Officer is also responsible for the safeguard of documents that contain justifications regarding decisions related to risk management.

Risk Team: responsible for operationalization of risk management and preparation of monthly risk reports from technical inputs arising from the follow up of key indicators of invested companies. Moreover, the Risk Team is also responsible for monitoring risk exposure and checking the effectiveness of the metrics used, at least annually.

The **Risk Area** must operate in a preventive and constant manner to alert, inform and request actions from the Officer responsible for the management of securities portfolios, appointed under the terms of the Art. 4, item III, of RCVM21 ("Management Officer"), in the event of potential or actual non-observance of normative limits and internal limits.

2.2. The Risk Officer reports directly to the Executive Board of the Manager in meetings and with the Risk Report, especially to present the results of the activities and other matters related to risk management. The meetings between the management of the Manager and the Risk Area must be held biannually or extraordinarily when the management of the Manager or the Risk Officer consider to be necessary.

2.3. The Risk Officer will always be independent and autonomous to perform functions connected to risk management, with full autonomy to demand compliance.

2.4. The professionals that comprise the risk team, including the Officer in charge for the activity, do not cumulate any function related to the activities of compliance and internal controls or, yet, functions that limit their independence, either inside or outside the Manager, namely those related to the management of third party resources, brokerage, distribution or consulting related to securities.

2.5. Finally, the **Department of Compliance** is responsible for checking compliance with internal controls and confirming the actions taken for observance of the aforementioned Policy regarding management of the risks the managed portfolios are exposed to, including checking the correct filing of information and documents mentioned in this instrument. Management of Operational, Legal, Image and Systemic Risks shall be carried out jointly by the Department of Risk and the Department of Compliance.

CHAPTER III
RISK MANAGEMENT

3.1. The business object of the Manager is illiquid assets, considering its exclusive operation in the management of Equity Investment Funds. Therefore, the exposure limits shall be defined on a case-by-case basis in the documents of the investment funds, and the Risk Officer is responsible for controlling and monitoring compliance, assessing the adequacy of structured operations.

3.2. That said, the Manager presents the risks inherent to the managed portfolios (Market, Credit, Counterpart, Liquidity and Concentration) below, as well as risks deriving from its activities (Operational, Legal, Image and Systemic):

A. Market Risk

(i) Such risk consists in the risk of the operating market of the invested company, which may cause occasional financial problems or business development problems.

(ii) Market risk is monitored by the Manager with reports developed internally, which support risk control. Market risk monitoring uses history and statistical data to try to foresee the economy behavior and, thus, possible scenarios that may affect the managed assets.

(iii) Therefore, in order to mitigate market risk, both domestic and international microeconomic and macroeconomic scenarios will be monitored, as well as the activities of invested companies, actively participating in the planning and decision-making processes.

B. Credit/Counterpart Risk

(i) Credit risk is connected to counterpart risk, which is the possibility of occurrence of losses associated to non-compliance, by the counterpart, of the respective obligations under agreed terms, to devaluation of credits due to deterioration in risk classification of the counterpart, to reduced gains or compensation or to costs incurred or benefits obtained in a renegotiation or recovery.

(ii) The investment funds managed by the Manager have a specific strategy of investment in assets in stressful situation, such as companies subject to financial problems or general debt reorganization, where credit risk is inherent to the risk-return equation of the investment. In such cases, the credit risk analysis described below shall take into consideration such investment policy, which shall appear expressly in the regulations of the investment funds.

(iii) Credit/counterpart risk is mitigated by a deep analysis of the target companies, in order to identify potential investment risks, being constantly monitored by following the activities of issuing companies, in addition to being preferably included in the investment agreements and in the shareholders agreement, the right of veto or qualified quorum in certain matters, mainly involving financial matters such as, for example, debt approval, discussed in a general meeting.

(iv) In that sense, the contracts must contain, regarding the invested company, restrictive clauses, such as limitations to the leverage level, maintenance of an interest coverage index, absence of protests and negative entries in credit protection bodies above a certain level, restrictions to changes in corporate structure and a minimum guarantee ratio.

C. Liquidity/Concentration Risk

(i) Liquidity management is performed by the Risk Area, based on position size, sector exposure limits and certain risk groups, using internal spreadsheets, as well as information provided by the fiduciary managers of the investment funds, observing the items below.

(ii) Considering that the Manager is responsible for managing Equity Investment Funds, the liquidity risk for that type of product is mitigated by broad transparency with the investors, keeping in mind that such assets are naturally illiquid. Notwithstanding, the liquidity of the assets must always be suitable to the payment deadline of redemption.

(iii) The part of the assets of the equity investment funds that is not allocated to equity investments may be allocated to liquid assets, until the limits allowed by applicable law.

(iv) Allocation in cash or liquid assets, such as government bonds, 1 (one) day Repo operations (backed by government bonds) or quotas of investment funds that invest exclusively in government bonds, shall take into consideration the characteristics of the respective investment funds, noting that the investment funds managed by the Manager are closed investment funds for the purpose of investing in assets of an illiquid nature.

(v) In investment funds established as closed condominium, which have a determined term for redemption of quotas, the investors that decide to dispose of their quotas must sell them in a secondary market.

D. Operational Risk

(i) Operational risks are those arising from weaknesses in internal processes and controls, which may be caused by lack of internal regulation and/or documentation on policies and procedures, lack of consistency and adequacy of information systems, processing and operations. Such weaknesses may cause errors in the development of activities and unexpected losses.

(ii) Operational risk is treated by validation procedures applied to different existing systems, such as: software, telephone system, Internet, and more.

(iii) The main internal control measures for operational risk prevention are:

a. The Risk and Compliance Areas shall use records and electronic monitoring systems to check the conduct of workers of the Manager. The Risk Officer is responsible for checking the conduct of the professionals who are members of the risk team, guiding them in case of any verified non-conformity. The Compliance Officer shall periodically monitor non-conformities reported by the Risk Officer, assessing, jointly with the Risk Officer, the appropriateness of adjusting the internal procedures or, furthermore, the need of applying the rules of enforcement, always considering the severity of the infraction and recurrence;

b. electronic mail messages and telephone conversations of workers of the Manager may be read, recorded, intercepted and listened to, and this rule is applicable to the entire content in the network, in the computers and other devices of the Manager;

c. the Manager will perform periodic monitoring of communications and files of the workers, who will be chosen randomly with the purpose of checking potential violations of the rules contained in the internal policies of the Manager.

d. daily "backup" of the database and files of the Manager, in an external server.

e. implementation of the training program, considering that human failure, although inevitable, may be mitigated with the adoption of manuals and internal policies that may guide the conduct of the workers in the development of their activities at the Manager. Such rules shall be presented to the workers at the moment they start working for the Manager and reviewed by everyone annually, with a refresher training; and

f. remote access to information systems.

(iv) The Manager has a business continuity plan so that, in the event of contingency or disaster, it is possible to continue the operations with the least impact possible. According to such plan, the following procedures are adopted:

a. list promptly available at the Compliance Area and updated quarterly by it, with contact information (including home contacts, cell phones and personal e-mails) of the entire team of the Manager for the purpose of locating the team and communicating with it;

b. under supervision of the Compliance Officer, the Manager shall contact its clients, as necessary, informing the alternative communication channels and the form of continuity of the services;

c. contact list of service providers critical for the business of the Manager at the Compliance Area, and updated quarterly by it;

d. the person in charge of the information technology ("IT") department shall develop a file backup and recovery plan in order to enable proper data protection for the Manager, including identification of critical data and documents, process of backup and recovery in the event of contingency or disaster and external storage of critical data; and

e. the Manager shall keep backup of all its files for recovery in the event of contingency or disaster, including an external backup, in order to enable business continuity.

E. Legal Risk

(i) Legal risk derives from the potential legal challenging of contracts, legal proceedings or sentences contrary or adverse to those expected by the Manager and that may result in losses or significant changes that negatively affect the operational processes and/or organization of the Manager.

(ii) In order to solve the legal risk, the Manager has a Legal Officer, as well as specialized outsourced legal counseling.

(iii) The Code of Ethics and Conduct also provides for a series of conducts in order to mitigate legal risk.

F. Image Risk

(i) The Code of Ethics and Conduct provides for a series of conducts in order to mitigate image risk.

G. Systemic Risk

(i) Derives from financial problems of one or more institutions that cause substantial damage to other institutions, or a rupture in the normal operational conduction of the financial system in general.

(ii) In order to mitigate systemic risk, the Manager selects its partners among sound financial institutions, less susceptible to rupture, as well as it monitors the market in order to assess changes in the financial health of its partners.

H. Methodologies

(i) The metrics/tools used to monitor the risks of managed portfolios are consistent and compatible with the investment policy defined in the regulation of the funds managed by the Manager.

(ii) Furthermore, in order to analyze the invested companies and subsequently monitor their level of development, the Manager uses a methodology that classifies the maturity parameters versus risk in order to identify the company in an explanatory matrix. This is a way of monitoring the growth and maturity of invested companies and the moment when the divestment shall occur, according to the risk appetite of the investment.

CHAPTER IV
MONITORING, RISK REPORTS AND ADHERENCE TESTS

4.1. Monthly risk reports are generated and submitted to analysis of the Risk Team. Such reports contain the conclusions of the Risk Officer about the set of risk factors exposed above.

4.2. Still for monitoring purposes, the Risk Team, notwithstanding the responsibilities already mentioned in this Policy, shall assist the Risk Officer in the employment of the methodologies defined herein and in the maintenance of documents related to decisions made, its adherence and conformity with the precepts defined in this Policy.

4.3. The adherence/efficiency tests of the metrics and procedures provided for in this Policy shall be carried out at least once a year, by the Risk Officer.

CHAPTER V
GENERAL PROVISIONS

5.1. This Policy must be reviewed at least every 2 (two) years, except when the aforementioned events demand adjustments in shorter periods, considering (i) regulatory changes; (ii) changes in the best practices adopted by the market; (iii) occasional deficiencies found, and more, in order to ensure adequate and permanent monitoring, measurement and adjustment of the risks inherent to each of the managed portfolios, and improving internal controls and processes.

5.2. All relevant documents and information for the risk management process are archived, in physical or digital media, at the headquarters of the Manager, for a minimum period of 5 (five) years.