
PRIVATE CREDIT MANAGEMENT POLICY

OF

LIGHTROCK GESTORA DE RECURSOS LTDA.

APRIL 17, 2023

1. INTRODUCTION

LIGHTROCK GESTORA DE RECURSOS LTDA. is a limited business company with its head office in the city of São Paulo, state of São Paulo, at Avenida Brigadeiro Faria Lima, No. 3477, Suite 42-A, Postal Code 04.538-133, Itaim Bibi, Rua Joaquim Floriano, No. 1120, Suite 122, Postal Code 04.534-004 (sic), registered with the National Corporate Taxpayers' Register of the Ministry of Economy ("CNPJ/ME") under No. 27.927.837/0001-37 ("Manager"), accredited by *Comissão de Valores Mobiliários* (the Brazilian Securities Commission) ("CVM") to conduct the professional activity of securities portfolio management, as asset manager, pursuant to CVM Resolution No. 21, of February 25, 2021, as amended ("CVM Resolution 21")

The Manager is a member of the Lightrock group ("Lightrock Group"), a global asset and securities management group, which acts as manager of specialized investment funds and other investment vehicles, which invest in a wide range of industries, locations, classes of asset and investment strategies.

In view of the nature of the management activities it develops, the Manager is subject to an extensive legislation, regulation and self-regulation in the Brazilian market. In order to fully meet the applicable legislation, regulation and self-regulation requirements, as well as to adjust its activities to the best market practices, the Manager adopts the following internal policies: (i) code of ethics and conduct; (ii) securities trading policy; (iii) risk management and liquidity management policy; (iv) business plan; (v) information security policy; (vi) order division and apportionment policy; (vii) compliance and internal controls policy; (viii) policy for prevention of money laundering, terrorism financing and financing of proliferation of mass destruction weapons ("AML/CFT"); (ix) third-party contracting policy; and (x) private credit management policy (jointly, the "Internal Policies").

All the Manager's partners, officers, directors, associates, managers and employees directly involved with the securities portfolio management activity, whether individuals or legal entities, including the Manager itself ("Associates"), related to the Manager on the date of preparation of the Internal Policies and/or who come to integrate the Manager's professional body in the future shall receive a copy (in printed and digital versions) of the Internal Policies.

Upon receiving a copy of this Private Credit Management Policy, Associates shall sign an Instrument of Adhesion, according to the form of Exhibit I to the Manager's Compliance and Internal Controls Policy ("Instrument of Adhesion").

The provisions of the Private Credit Management Policy shall be interpreted in an integrated manner by Associates, who shall take into account the Manager's set of internal policies, as well as the applicable legislation, regulations, self-regulation and best market practices.

Associates may also consult this Private Credit Management Policy at the Manager's website: www.lightrock.com.

2. PURPOSES

This Private Credit Management Policy ("Policy"), in accordance with the ANBIMA's Code of Third-Party Assets Management ("ANBIMA Code"), aims to establish guidelines and

procedures for the management of financial assets representing debts or obligations of individuals or legal entities of private law, and securities whose issuers are other than the Federal Government, which may be part of the composition of the portfolio of investment funds under management of the Manager (“Private Credit Assets”).

This policy lists the criteria, controls and parameters used to manage the types of risks and their control points in relation to the acquisition of Private Credit Assets and for their due mapping, in view of the exposure to credit risk due to the existence of expectation of future receipt of an obligation undertaken by any debtor, which may directly impact the Manager's investment funds (“Funds”).

The Manager understands that the establishment of clear and well-defined rules meets not only the regulatory requirements, but also the best interest of its Funds' shareholders.

Notwithstanding the use by the Manager of the procedures described in this Policy and in the documents of the Funds, investors are made aware that there is no guarantee against any asset losses or even the occurrence of negative equity, as applicable, that may be incurred by the Funds, so that the Manager may not be held accountable for any losses incurred by investors.

3. RESPONSIBILITY AND ORGANIZATIONAL STRUCTURE

The purpose of analyzing and managing Private Credit Assets is to study the payment capacity of counterparties/issuers, so that hypothetical scenarios are created to assess the risk of default in adverse environments.

Thus, the Manager's resource management area, allocated for this purpose, and the management of managed portfolios shall be responsible for approving the acquisitions and monitoring of Private Credit Assets within the scope of the Funds, which has its executive board led by the “Chief Management Officer”, designated directly in the Articles of Association of the Manager (“Asset Management Area”).

The Asset Management Area shall also rely on the assistance of (i) the Manager's Associates for analysis and management of Private Credit Assets, with the duties being defined on a case-by-case basis; and/or (ii) third parties contracted specifically for the purpose of assisting and/or monitoring the Fund's private credit, with the contracting subject to prior and careful analysis and selection.

In addition, the Chief Compliance, Risk and PLD/FTP Officer, as designated in the Manager's articles of association, shall be responsible for supervising the processes involved in relation to investment decisions.

It is worth mentioning that specific transactions, as well as some issuers or industries of the economy, may require additional credit assessment procedures, determined on a case-by-case basis, which shall always be submitted to the Asset Management Area - the primary decision-making body in all final decisions involving credit risk for transactions.

4. ACQUISITION OF PRIVATE CREDIT ASSETS

The analysis for acquisition of Private Credit Assets involves assessing the probability of default by an issuer and, in order to identify factors that may affect their creditworthiness, a specific internal analysis is carried out for the type of credit to be acquired, including, without limitation, the following issues:

Macroeconomic Considerations

- I. Sovereign and Systemic Risk;
- II. Political Risk;
- III. Economic growth projections;
- IV. Critical success factors attributed to competitive advantages;
- V. Inflation and Foreign Exchange Projections;
- VI. Government intervention in business;
- VII. Growth projections for the industry; and
- VIII. Capex and the industry's need for working capital;

Business Risk

- I. The company's market, products, services and competitive position;
- II. Quality and stability of the flow of receivables and the company's cost base;
- III. Effects on profitability caused by commodities and foreign currency price volatility;
- IV. Sales, operating profitability (operating margin), sources of operating cash flow generation and trends;
- V. Speed with which your asset is traded; and
- VI. Liabilities related to ESG – Environmental, Social and Corporate Governance criteria.

Company Management and Shareholders

- I. Assessment of the shareholding structure, such as: who are the majority shareholders and the level of shareholders diffuse control;
- II. The Company purposes and their possible impact on the future;
- III. Performance measurement of executive officers;
- IV. The top executives and their background;
- V. Board of Directors composition; and
- VI. Issues related to ESG – Environmental, Social and Corporate Governance criteria.

Financial Risk

- I. Business risk versus appropriate level of leverage;
- II. Access to different funding sources: capital market, government, bank facilities, debt, equity, etc.;
- III. Liquidity level;
- IV. Quantification of the level of refinancing, if necessary: debt capacity versus capacity to take credit;
- V. Adequate debt profile with the flow of income payments and repayments and payment sources;
- VI. Proposal for which debt funding shall be used, for example: capex, share buybacks, refinancing of existing debt, investment in working capital, etc.;
- VII. Determine primary or secondary sources for debt repayment; and
- VIII. Financial and non-financial covenants used to mitigate risk.

In addition, for the acquisition of Private Credit Assets by the Manager to compose the Funds' portfolio, the Asset Management Area shall, at least:

- I. Verify, prior to acquisition, the compliance of the credit intended to be acquired with the Funds' investment policy and the regulations in force;
- II. Evaluate the creditworthiness of the debtor and/or its subsidiaries, as well as the quality of the guarantees involved, if any;
- III. Define limits for investment in Private Credit Assets, both for the Funds and the Manager, when applicable, and for issuers or counterparties with similar characteristics;
- IV. Consider, on a case-by-case basis, the relevance of combining quantitative and qualitative analyzes and, in certain situations, the use metrics based on the debtor's financial ratios, accompanied by a duly documented analysis;
- V. Make investments in Private Credit Assets only upon having access to the information necessary for the proper credit risk analysis for the purchase and monitoring of such asset;
- VI. Observe, in transactions involving companies from the group of direct or indirect controlling entities, controlled companies, subsidiaries or companies subject to common control of the Fund's Manager and/or Trustee, the same criteria used in transactions with third parties, maintaining a documentation to prove the carrying out of arm's length basis transactions, and free from conflicts of interest; and

- VII. Invest in Private Credit Assets only from corporate issuers that have their financial statements audited annually by an independent auditor authorized by CVM and/or BACEN. In this context, private credit assets having: (a) a full insurance coverage; or (b) a letter of guarantee issued by a financial institution; or (c) full co-obligation by financial institutions or insurance companies, or companies that have their financial statements audited annually by an independent auditor authorized by the CVM may be waived from such requirement.

5. MONITORING OF PRIVATE CREDIT ASSETS

The Manager shall have a monitoring mechanism for the analysis of financial instruments capable of generating a credit risk ratio for the Funds, which shall consist of procedures that include, but are not limited to, the analysis of monitoring reports provided by a fiduciary agent, securitization company and/or rating agencies, and news and public documents.

The Asset Management Area shall be responsible for defining the frequency of monitoring the Private Credit Assets acquired in each case, observing the relevance and quality of credit, considering that the worse the quality, the shorter the interval between the reassessments.

All monitoring assessments and reassessments shall be documented and made available at the Manager's head office to the trustee of the Funds and to ANBIMA.

6. DEFAULT OF PRIVATE CREDIT ASSETS

In the event of non-payment on the due date of the Private Credit Asset acquired, the Asset Management Area shall take the following measures:

- I. Firstly, it shall attempt to negotiate with the counterparty/issuer the fulfillment of the obligation, always in order to preserve the best rights, interests and prerogatives of the Fund's shareholders;
- II. If there is no agreement between the parties, the Manager shall submit the credit right to protest at the respective registry office;
- III. If the counterparty/issuer fails to comply with the obligation through the attempts set forth in items (i) and (ii) above, the Manager shall adopt the appropriate legal measures for a greater possibility of recovering the funds spent.

In addition, in case of deterioration of the credit quality of the asset, the Manager may consider its sale or other alternatives determined by the Asset Management Area for the credit recovery.

7. CONTROL SYSTEM

The risk control dealt with in this Policy is carried out through electronic systems, which are perfectly protected by the security required by current regulations. In addition, the Manager has an internal control capable of (i) monitoring the credit limits per issuer, as approved in the investment portfolios, observing the provisions of the Funds' respective regulations; and (ii) storing the Private Credit Assets acquired by the Funds with the following information:

- I. Credit instrument;
- II. Installments dates and amounts;
- III. Contracting and expiration dates;
- IV. Interest rates;
- V. Guarantees;
- VI. Date and amount of acquisition by the Fund; and
- VII. Information on the rating of the Private Credit Asset, when applicable.