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1. PURPOSE

The purpose of this policy is to establish guidelines, rules and procedures for trading derivative products, which aims to protect and / or mitigate the exchange rate and interest rate exposure risks of Brisanet and its subsidiaries. In addition, ensure that the parameters established in the Authorization Policy are followed when contracting derivative products, as well as their respective limits. Finally, it should be noted that all derivative operations must be linked to effective non-speculative exposure (hedge).

2. SCOPE

This policy applies to all employees and third parties from Grupo Brisanet as of January 1, 2023.

3. ACRONYMS

CAPEX - Capital Expenditure

CPC - *Comitê de Pronunciamentos Contábeis* (“Accounting Practices Committee”)

DF - Financial Officer

GPP - Process and Projects Management

IFRS - International Financial Reporting Standards


NDF - Non Delivery Forward

4. DEFINITIONS

To fully understand this policy please refer to the following terms:

Call: Call option, operation that gives the holder the contractual right to buy an asset, on a future date, at a predetermined price (strike), which provides protection

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equivalent to insurance against increases in the price of the underlying asset from strike.

Employee: It includes, individually or jointly, any and all employees, interns, directors, administrators or directors who in any way act on behalf of the Brisagnet Group.

Forward Contract: They are derivatives that represent the commitment to buy or sell a certain amount of a certain asset on a future date and for a predefined price.


Forecasts: Method of forecasting, analyzing and revising a budget, based on the current situation of the company.

Hedge: Protection strategy for the risks of an operation, which seeks to reduce and mitigate the exposure of long or short positions to reduce the impact of fluctuations in prices, rates, among other financial risk factors, on the protected object.

Hedge Accounting: It is an optional accounting strategy used by companies that wish to eliminate or reduce volatility in their financial statements arising from hedging operations.

Non Delivery Forward (NDF): It is a forward contract for future settlement and without physical delivery, that is, for settlement exclusively at the value of the difference between the contractual future price and the market closing reference price.

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Options: Contract that grants the right (and not obligation) to the acquirer, upon payment of a premium, to purchase or sell an asset, at a future date, at a contractually pre-defined price. The predefined price is the Strike Price.

Put: Put Option, operation that grants the contractual right to its holder to sell an asset, on a future date, at a predetermined price (strike), which provides protection equivalent to insurance against price drops of the asset object from the strike.

Spread: The Spread is the differential of prices or rates, applied in operations / hedge contracts and other financial operations.

Swap: It consists of a contract between two parties to exchange the risk of a creditor or asset position and a liability or debtor position that must occur at a future date.

Third parties: Any person, natural or legal, who acts on behalf of, in the interest or for the benefit of the Brisnet Group, provides services or supplies other goods, including, without limitation, agents, consultants, brokers, suppliers or other service providers, regardless of the existence of a written contract.


5. GUIDELINES

In order to avoid the volatility of prices and market rates, Brisnet may choose to carry out operations that mitigate these variations. For this, derivative operations are contracted, linked to the risk factors of Exchange and Interest.

5.1 Limits

For each Company's exposure, there is a methodology for defining protection parameters using derivative products. The definition of these parameters is agreed

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in advance between the directorates directly involved with the origin and mitigation of exposure market risks.

5.2 Eligible Products

The use of derivatives must be exclusively for protection (hedge) of financial operations already contracted or protection of the Company's Cash Flow. Such an operation does not generate leverage for the Company.

The Company may hire the following derivatives:

- a) Swaps;
- b) NDFs (*Non Deliverable Forward*);
- c) Options
- d) Forward Contracts.

5.3 Debt Hedge


For debt hedges, the maximum term and value limit are the same as the base debt object of the hedge.

5.4 Purpose

5.4.1 The purpose of this policy is to dictate general rules, guidelines and responsibilities to be followed by all employees and third parties of the Company in the process of monitoring interest rate risks and managing exchange rate effects related to the Company's operations, in order to ensure that:

- a) The Company's foreign exchange exposure is monitored and controlled conservatively in view of achieving its budgetary and strategic objectives;

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b) The structure of Governance and Internal Controls is continuously reviewed, considering the identified Risks, minimizing the costs associated with uncontrolled Risks and/or unnecessary control activities;

c) Operations with potential conflicts of interest are identified and the associated risks are minimized from the implementation of measures for segregation of duties and/or monitoring of activities;

d) All Collaborators involved in the process clearly understand the objectives of this Policy and the roles, functions and responsibilities attributed to the different levels of the Company.


5.4.2 The mission of this Policy is to ensure compliance with the Company's business objectives and strategies, identifying and timely communicating the need to adapt operating procedures and the level of exposure to inherent risks of exchange rate variation and interest rates. This Policy aims to protect and optimize the Company's results through the contracting of financial instruments in the futures, forwards, options and swap markets.

5.4.3 The provisions of this Policy must be interpreted together and complement the conduct guidelines established in the Code of Ethics and in other related internal policies and procedures.

5.5 Process of Hiring Hedge

5.5.1 Premises for contracting financial instruments (futures, forwards, options, and other derivatives):

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- a) Foreign exchange operations must have the objective of protecting and optimizing the Company's results in view of changes in currency prices (without speculative purposes);
- b) Foreign exchange transactions must be based on the Company's total net exposure. Investments and CAPEX must also be included in the driver for total net exposure;
- c) The contracting of hedge operations and derivatives must be restricted to the protection of debt contracts, contracts for the acquisition of inputs, products and equipment that are related to the Company's production chain and operation;
- d) Hedging operations and derivatives, both for rate and exchange rate swaps, must be based on budget forecasts, interim forecasts, historical consumption, production and sales statistics. For the construction of the target price curve, historical prices, market projections and budgets from previous years must be considered;
- e) Exceptions and contracting of operations outside the Derivatives Policy must be submitted for approval by the Financial Board before being executed.

5.6 Derivative Negotiation Criteria

5.6.1 The contracting of hedge and derivative operations must be restricted to raw materials, products and equipment that have a correlation with the Company's production chain and operation.

5.6.2 The Hedge instruments authorized by this Policy must be contracted with first-rate financial institutions that comply with the Company's policies.

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5.6.3 Among the eligible instruments, those that best adapt to the market conditions at the time, that provide the lowest cost and that prove to be more efficient in mitigating exposure to the identified risk must be contracted.

5.6.4 Operations must be carried out at competitive quotations from at least 3 (three) financial institutions. These quotes/proposals must be properly filed and available at all times. If it is impossible to make 3 (three) quotations, the justification must be filed and made available for consultation.

5.7 Hedge Accounting

Hedge accounting may be adopted for financial instruments contracted in accordance with the current rules established by the CPC, specifically described and approved in the following rules of nº 48, IFRS 9, NBC TG 48 and CVM 763/16 of the regulatory entities.

6. GENERAL DISPOSITIONS

6.1 This Policy Esta Política entra em vigor a partir de 01/01/2023 e será revisada conforme necessidade.

6.2 Esta Política será atualizada sempre que for necessária, mediante aprovação pelo Conselho de Administração.

7. REFERENCES

NOR.GPP.001 - Norm for Creating Documents


Code of Ethics - Brisanet Group

POL.GVC.004 - Anticorruption Policy

CPC 48/ IFRS 9

8. APPLICABLE VIOLATIONS AND SANCTIONS

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Violation of any term or condition of this Policy will subject the violator to corrective measures provided for in applicable law and internal rules, including the possibility of unpaid suspension of employment and even termination of the employment contract or contract. supply of goods or provision of services to a third party, without prejudice to any applicable measure(s) in the administrative and/or civil and/or criminal sphere(s).

9. NOTICE OF NON-COMPLIANCE

Any non-compliance with the rule(s) or guideline(s) of this policy must be forwarded to the Brisagnet Group's Ethics Committee for the necessary measures to be taken for its investigation:

e-mail: brisanet@canaldeetica.com.br;

site: www.canaldeetica.com.br/brisanet;


phone: 0800 591 8826.

The report must also be made in cases of approach, directly or indirectly, to participate in an act of bribery, corruption or where there is suspicion of the existence of an act of corruption and / or bribery.

In the event of any doubts arising about the procedures addressed in this policy, it is the Employee's responsibility to seek guidance from the Compliance Area or the Financial Board before taking any decision that may compromise compliance with this policy or the Code of Ethics of the Brisagnet Group.

Approved by:

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José Roberto Nogueira
CEO

João Paulo Estevam
Chairman of the Board

13. REVISION

José Romário Fernandes Pinheiro
Financial Officer

Adriana Fernandes Pereira
Legal Manager

Jamille Maria dos Santos Mota
Legal and Compliance Superintendent

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