



Compliance System

2023

VERSIONING AND CONTROL INFORMATION

Document Type: Corporate Policy

Validity: This Corporate Policy is valid for an indefinite period, and must be renewed at the most every 3 years, and may be amended or revoked at any time.

VP in Charge: Compliance

Document review:

Number	Date	Revision History
1	06/07/2023	Approval

Summary

1	PURPOSE	4
2	SCOPE	4
3	TERMS & DEFINITIONS.....	4
4	DEVELOPMENT.....	5
4.1	Our Compliance System.....	5
4.2	How We Prevent	6
4.2.1	Compliance Governance.....	6
4.2.2	Policies and all other guidelines	6
4.2.3	Evaluating risks and controls	7
4.2.4	Communication and Training.....	8
4.2.5	Integrity Due Diligence.....	8
4.2.6	Engagement in collective actions	9
4.3	How We Detect.....	9
4.3.1	Ethics Channel.....	9
4.3.2	Monitoring of risks and controls	10
4.4	How We Remediate	11
4.4.1	Remediate risks and strengthening controls.....	11
4.4.2	Disciplinary action.....	12
5	DUTIES & RESPONSIBILITIES	12
6	GENERAL PROVISIONS.....	12
7	AWARENESS AND CERTIFICATION.....	12
8	REFERENCES.....	12

1 PURPOSE

The purpose of this Policy is to provide guidance on the practice of Foresea's Compliance System and ensure its effective application, aiming at the commitment to its activity with ethics, integrity and truth.

2 SCOPE

This Policy is applicable to Foresea, including their subsidiaries that do not have a Board of Directors, to all members, Officers and members of the Board of Directors, in any jurisdiction in Brazil or abroad.

In addition, this Policy serves as a guide for the members of the board of directors appointed by Foresea, in subsidiaries or affiliates, so that, in line with all other directors, they approve and implement a policy on the compliance system containing the principles, concepts and all other guidelines defined and explained in this policy, without neglecting, however, to promote the complements and other guidelines which are necessary for adaptation to the characteristics of their respective businesses and to the contributions of all other directors.

3 TERMS & DEFINITIONS

- **CA-Foresea:** Board of Directors of Foresea. Collegiate, deliberative, non-executive body in charge of approving the strategic steering and monitoring the company's performance, deciding on all other matters within their competence and exercising the control functions which are relevant to them.
- **CCA-Foresea:** Compliance and Audit Committee of Foresea. Permanent advisory committee to CA-Foresea.
- **Ethics:** system of moral principles that guide us for the good of people and society.
- **Integrity:** character, quality of a person of integrity, honesty, incorruptibility, whose actions and attitudes are irreproachable.
- **Risk:** effect of uncertainty on the achievement of Foresea's purposes, characterized by deviations from the expected, either positive or negative. Risk is normally expressed in terms of risk sources, potential events, their consequences, and probabilities.
- **Stakeholders:** customers, shareholders, members, users, partners, creditors, suppliers, outside partners, service providers, surrounding communities, authorities, media, opinion makers, business leaders, class entities, NGOs, governments and regulatory agents and funders who may either affect or be affected by Foresea's activities, goals or policies.

- **Transparency:** conducting business with no hidden agendas, and regularly disclosing and providing accurate and comprehensive information to stakeholders.
- **VP:** Vice President of the company.

4 DEVELOPMENT

4.1 Our Compliance System

Out of belief, we undertake to work with ethics, integrity and truth and we adopt a compliance system inspired by the best global practices and respect for the laws.

Our compliance system protects Foresea's reputation, manages risks and strengthens the trust of our customers, members, investors and all other stakeholders.

Our system consists of 3 pillars of prevention, detection and remediation of risks and misconduct. These pillars are split into 10 integrated measures to promote an organizational culture that supports the Code of Conduct, a commitment that is everyone's responsibility, especially of leaders who play a central role in the implementation and practice of our system.

Our compliance system is an organic structure, with interdependence among the 10 actions. Its operation is effective when there is harmony and connection among its pillars and when it is implemented together and in an integrated manner with all the other Foresea policies.

We seek legitimate, sustainable and trusting relationships with different audiences, based on our culture and in the Code of Conduct. More important than the awareness of this culture is the actual practice on the part of all our members in performing the day-to-day activities and when doing business.

We fulfill our policies and guidelines, we act in accordance with the Code of Conduct and in line with our compliance system, which is constantly maturing and evolving.

We rely on each of our members to understand, comply with, follow and disseminate the 10 actions to detect, prevent and remediate risks which are there in our compliance system.

Our leaders, supported by the compliance team, play a key role. The example, involvement and unrestricted support of the leaders – in speech and in action – are key to ensuring that there are, in practice, effective formal processes that adhere to Foresea's identity. Thus, proper guidelines are practiced at all levels.

Our success depends on the attitude of each and every one of our members. We practice our compliance system out of belief.

Ethics, Integrity, Truth

Working with ethics, integrity and truth is key for the survival, growth and perpetuity of Foresea

Learn more about it in Foresea's Code of Conduct.

4.2 How We Prevent

Prevention is better and less expensive than remediation. Therefore, the attention of our leaders, investments and all other resources must be primarily steered to the preventive measures. The prevention pillar in our compliance system consists of 6 actions, namely:

4.2.1 Compliance Governance

Governance is the management system, including of communication and processes, by which Foresea is steered and monitored, and involves the relationship between shareholders, CA-Foresea, management, inspection and control bodies and all other stakeholders. The purpose of this management system is to disseminate our basic principles, agree upon corporate interests and render accounts for its activity.

At Foresea, compliance governance starts at CA-Foresea and extends to all our members.

Permanent support and commitment from leadership to good conduct are key conditions for fostering a culture of ethics, integrity and truth and respect for the laws, which must be reinforced and implemented in all areas of the company. By working with ethics, integrity and truth, leaders inspire all other members to work in accordance with these same principles, constituting the basis of an effective compliance system.

We ensure the independence, autonomy and impartiality of the compliance role through its link and reporting to CA-Foresea. The Compliance VP has the necessary skills for their duties and access to adequate and sufficient resources for developing their work. CCA-Foresea, in turn, has the support of the Ethics Committee (CE-Foresea) in all matters involving breaches of the Code of Conduct.

Although independently, the Compliance VP works in constant partnership with all other leaders of Foresea to ensure the effective practice of our compliance system by all company members.

4.2.2 Policies and all other guidelines

Policies and all other guidelines properly planned, structured, reported and practiced are key for the effectiveness of our compliance system.

Our guiding documents describe, register and disseminate decisions, standards, business guidelines and their limits of action to steer with legitimacy, traceability and applicability the work and activities

Governance agents

Shareholders, CA-Foresea and their Advisory committees, control bodies and all other stakeholders. They are responsible for ensuring all of Foresea complies with their principles and values, reflected in our policies and all other guidelines, and with the laws and regulatory provisions to which we are subject.

For performing their activities, the Compliance VP has access to the following resources:

- A dedicated team to develop compliance activities;
- Sufficiency of the budget allocated for the formulation, implementation and maintenance of the Compliance System;
- Access to all members, information, records, data, systems, and facilities that may be necessary.

performed by Foresea’s members. Such documents provide guidance on expected conducts and are tools to support the conversation process and planned delegation between leaders and team members, which is the main axis of communication at Foresea.

Our policies and all other guidelines are documented, reported and reinforced by the leaders to ensure their awareness and practice by all personnel impacted by the topics covered. They are living instruments and, therefore, are revised from time to time so that they are always updated to reflect the company’s goals, subject to the best market practices.

Our guidelines are coordinated with each other and must be easy to understand and access, for full application in the work routine of each member. Consistent and transparent guidelines are more effective, creating solid foundations for trusting relationships internally and with all other stakeholders.

4.2.3 Evaluating risks and controls

The purpose of risk management is to support the fulfillment of our business activities by defining strategies and actions to mitigate the impact of potential events that could affect Foresea.

Evaluating risks and controls

learn more on the topic in the “*Policy on Risk Management*”.

Our internal controls are built in the proportion required by the risks, and evaluated in a continuous and consistent manner.

The pillar of prevention of our compliance system is reinforced when, through a broad and continued evaluation process, we identify and address the main risks to which we are exposed. We are subject to risks of the most different categories, such as strategic, financial, image and reputation, legal and regulatory or compliance, operational and socio-environmental risks, which must be properly identified, evaluated and addressed, always in a direct, timely and practical manner. This way, we anticipate and prevent any possible materialization of risks and their consequences.

Risks, of the most diverse natures, may result from the lack or inefficiency of policies, weaknesses in processes, conduct, procedures and internal controls or outside factors. It is the role of our leaders to assess the risk environment to which we are exposed, to adopt preventive and proactive attitudes in identifying, mitigating and preventing risks, ensuring each member of their team does the same.

Our risk and control assessment process is structured, systemic and supported by risk management methodology and practices defined in the “*Policy on Risk Management*.” The effectiveness of the risk and control assessment process is key to improving business performance and for the effectiveness of our compliance system.

4.2.4 Communication and Training

A compliance system is effective and efficient when policies and all other guidelines (2nd action of the compliance system) are properly reported and covered in training sessions for members impacted by the topic in question.

Our guidelines, through the most diverse means of communication, are widely publicized and periodically revised. The topics addressed are conveyed clearly, precisely and comprehensibly, with no dubious messages, provided in the operating language and in places that are easily accessible to all audiences. No guideline will be effective if people do not know how and when to apply them.

Our program of training in the compliance system is prepared based on risks, adapted to each target audience and adapted to each area of activity. Thus, all members are properly trained to understand the content and practical aspects of the compliance system and to keep the compliance issue present in their daily lives. Registration and evaluation instruments are implemented to ensure the monitoring and follow-up of the performance of the training program in the compliance system.

In addition, our leaders are responsible for implementing actions and disseminating guidelines, directions and knowledge to their respective teams in the best possible way.

4.2.5 Integrity Due Diligence

We are made accountable for all acts performed on our behalf by those who may act on behalf of Foresea, regardless of the nature of their affiliation.

Our due diligence with third parties is prior to the formalization of our effective relationship or engagement, be they suppliers, service providers, customers, investors, intermediary agents and associates, among others. Risk mitigation actions are adopted and unique monitoring measures are implemented according to the risk profile of each third party.

The relationship with third parties is contractually formalized and includes specific clauses on the commitment to comply with applicable laws, including the anti-corruption laws. Based on your risk rating, it may be necessary to define a communication and awareness plan for the third party on our commitment to acting with ethics, integrity and truth, ensuring the content is properly understood and practiced by their leaders and all other employees.

Integrity Due Diligence

Risk analysis procedure involved in the engagement of a third party prior to establishing the actual relationship.

Learn more about this topic in our guideline on "Integrity Due Diligence".

Our base of third parties is kept updated and evaluated from time to time due to its exposure to risks, considering the corporate structure, activity, business performance, origin and nature of its resources, among other aspects to be evaluated.

4.2.6 Engagement in collective actions

We believe that, for a fair and competitive business environment to exist, it is necessary for the productive private sector and government, political and administrative bodies to act, simultaneously and synergistically, based on the same values, including actions to promote the fight against corruption in their operating sectors for the benefit of the business environment, the companies themselves and, mainly, society.

Our participation in collective actions is aimed at improving the structuring conditions in the markets and environments where we operate. Our leaders seek, support and engage with institutions, associations, universities and actions which have proposals for the improvement of the institutional system, for the improvement of the public-private relations and for improvements in labor relations, human rights, the environment, fight against corruption, unfair competition, among others.

Engagement in collective actions also strengthens our commitment to acting with ethics, integrity and truth. We can share experiences, results and company actions, demonstrate our maturity in the practice of doing business, as well as learn and positively influence leaders of other companies and be influenced by them. It is one more component to strengthen our compliance system.

4.3 How We Detect

To ensure the effectiveness of the compliance system, in addition to preventive measures, risk detection measures are also key. Such measures involve the adoption of mechanisms to detect deviations in relation to our commitment to working with ethics, integrity and truth, in addition to assessing compliance and adequacy of our policies and all other guidelines. The prevention pillar in our compliance system consists of two actions, broken down below:

4.3.1 Ethics Channel

The purpose of the Ethics Channel is to provide a classified, independent means of communication to make it possible for our members, customers, third parties or anyone to report acts representing breach of our Code of Conduct or any other Foresea regulation.

The protection of whistleblowers is ensured by the possibility of receiving anonymous complaints and by the prohibition of retaliation against whistleblowers who make complaints in good faith. Using the channel is also governed by rules of anonymity, secrecy, confidentiality and prevention of conflicts of interest.

The channel is widely publicized to all audiences, and can be accessed uninterruptedly online using the internet portal or by toll-free telephone number available in all countries where we operate.

We ensure all complaints received are registered, investigated and assessed with independence, impartiality, methodology and legal support by a specific and dedicated team. We provide means that allow whistleblowers to monitor the status of the registered complaint, even if it has been made anonymously.

4.3.2 Monitoring of risks and controls

Risk and control monitoring is the ongoing assessment of internal processes and controls to verify that they are adequate and effective in anticipating and mitigating risks. Through such monitoring, we identify opportunities for improvement in processes and internal controls so that their due improvements and corrections be implemented.

Continued evaluation of risk indicators

Learn more about this topic and about the risk management methodology in the "Policy on Risk Management"

Our leaders are responsible for monitoring events that could generate risks on a daily basis, for taking the necessary measures to mitigate risks and for strengthening internal controls. They are also responsible for properly training their teams so that all members can monitor risks in their daily activities.

Those responsible for risks monitor the effectiveness of processes and controls in mitigating identified risks, and also ensure their continued improvement and strengthening.

The purpose of monitoring and continuously evaluating risk indicators is to preemptively detect process deviations, potential fraud situations, financial losses and trends that could point to errors or irregularities so that corrective actions can be implemented.

The monitoring of risks and controls is also done through internal and external audit, based on the highest level of independence and objectivity within Foresea.

Internal audit

Learn more about this topic in the guideline on “Internal Audit.”

With independent internal audits, we verify that processes and controls are in compliance with Foresea’s policies and all other guidelines and with the applicable laws, and that they are working effectively. With a systemic, disciplined approach to internal audit, we have improved our processes of managing risks, governance and internal control. The results of the internal audits are presented to leaders for design and implementation of corrective and mitigating actions and reported to CCA-Foresea. CCA-Foresea is responsible for ensuring the independence of the internal audit, ensuring free access to company records, information and people, as well as keeping CA-Foresea informed of compliance with the annual Internal Audit plan.

External audit

Independent examination of the financial statements prepared by Foresea.

Subject to the applicable legal provisions, it is the primary duty of the independent external auditor to analyze, audit and issue an opinion on the financial statements prepared by the company’s directors, and verify that they adequately represent, in all of their relevant aspects, the company’s equity and financial position. The independence of external auditors is key for them to be able to issue their unbiased opinion.

4.4 How We Remediate

In case of any non-compliance, we define the strategy to remediate the risk and to strengthen our preventive and detection measures. Depending on the nature and severity of the non-compliance, appropriate disciplinary action is applied. The remediation pillar in our compliance system consists of two actions, broken down below:

4.4.1 Remediate risks and strengthening controls

Once the risk has been identified, evaluated and measured, we define how it is addressed in situations of exposure to remaining risks. Risk treatment options include their elimination, reduction, sharing or acceptance, respecting risk tolerance and appetite, according to a process defined in the “Risk Management Policy.”

Various addressing options can be considered and applied individually or in combination. Selecting the most suitable option involves balancing the costs and efforts of its implementation and, on the other hand, the benefits arising from its action.

Addressing risks strengthens our control environment. By developing and implementing strategies to address risks, we continuously mature and strengthen our control environment and in line with our goals, especially when new activities or achievements increase our level of risk exposure.

4.4.2 Disciplinary action

Disciplinary action is applied as a result of any non-compliance with current laws and with the company's guidelines, expressed in the Code of Conduct, in our policies and all other regulations. The action may be educational, corrective or punitive, proportional to the severity of the action, its consequences and to the level of participation and responsibility of those involved, regardless of their roles or positions.

When non-compliances are identified, we adopt measures to ensure their immediate interruption and, thus, apply the necessary disciplinary measures and actions to mitigate risks. It is up to our leaders to ensure compliance with the Code of Conduct by their teams and adopt the applicable disciplinary action, in line with the Compliance team.

It is up to our Ethics Committee to evaluate the outcome of investigations into complaints and ensure the proportionality and balance of the disciplinary action adopted, considering the financial, compliance, legal and people aspects. Thus, the Ethics Committee ensures the maintenance of uniformity of criteria used in similar cases and the coherence of the disciplinary action.

The application of disciplinary action is key to strengthen our commitment to working with ethics, integrity and truth and to our compliance system, reinforcing our non-tolerance for misconduct.

5 DUTIES & RESPONSIBILITIES

Duties and responsibilities are described throughout this Policy.

6 GENERAL PROVISIONS

If there is any doubt about the content of Foresea's Policy on the Compliance System, the member cannot omit and must seek clarification through their direct leader or, if necessary, through the Foresea Compliance VP.

7 AWARENESS AND CERTIFICATION

All Foresea members and all other audiences covered by this document must be aware of this Policy on the Compliance System within a maximum of 90 days after its date of approval.

8 REFERENCES

- Federal Law No. 12,846 from August 01st, 2013, which provides for the administrative and civil accountability of legal entities for perpetrating actions against the public administration, either

domestic or foreign, and makes other provisions.

- Decree No. 11,129 from July 11th, 2022, which regulates Law 12,846/2013.
- Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of the Organization for Economic Cooperation and Development (“OECD”), as of May 23rd, 1997.
- FCPA (*United States Foreign Corrupt Practices Act*), a 1977 act enacted aiming at making payments to foreign government officials for assistance in obtaining business illegal. The accounting and anti-bribery provisions apply to all North Americans, foreign issuers of securities, companies that hold securities listed in the USA, foreign companies and persons who cause, either directly or through agents, an act for the benefit of such corrupt payment.
- UKBA (*United Kingdom Bribery Act*), an act providing for offenses related to bribery and/or connected with such purposes, addressing, for example, the act of bribing others or accepting bribes; roles and activities potentially related to acts of bribery; and what is considered bribery of government agents, among other provisions.