



RISK MANAGEMENT AND STANDARD
OPERATIONAL PROCEDURES (SOP)

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MESSAGE FROM **PARTNERS**

Dear Employees

When we founded TresBomm Agri, we did not choose to baptize it with our last names by chance, but because we believe and trust in our reputation, built in agribusiness since the first half of the 20th century in Palotina, western region of Paraná - today one of the main poles of grain production in Latin America. Therefore, our very genesis shows the solid commitment to our principles, which have always guided our steps.

This document aims to reiterate this commitment, emphasizing our values, evidencing our standards of conduct and the omnipresent concern with the sustainable growth of our business. It is important that every employee is aware of how much we care for the standardization and transparency of our activities, helping us to constantly improve, within a standard of governance, all current operations - whether commercial, financial, or logistical - in addition to their respective unfolding with the environment, the market, the workplace, and society.

We reiterate that we spend more hours of our days together, working, than with our own families. And even though we are a relatively small team, our growth has been exponential (considering revenues and net sales), also increasing our obligations and responsibilities regarding process management and treatment among employees, suppliers, customers, partners, governmental and non-governmental agencies, competitors, and the community.

Thus, we find ourselves facing a gratifying challenge: to improve our processes to increase the control of our operations. Only then, with the full support of all employees, can we increase the predictability of the business, mitigating risks, mapping opportunities, and consistently paving the company's future. This is a necessary exercise that aims not only the perennality of TresBomm Agri, but also the gradual improvement of all of us as citizens and professionals.

We count on you!

Marco Riedi Bomm

Founding Partner
CEO

Eri César Três

Founding Partner
COO

ABOUT THIS DOCUMENT

The procedures described in this material establish standards that we consider ideal in the management of risks, purchase and sale contracts, operations, financial and logistical procedures, helping to guide us as a team, linearizing our activities. It enables the proper identification, assessment, direction, monitoring, and communication of the risks to which we are exposed, contributing to their management and subsequent decision making and applicable measures. Therefore, as a collaborator, try to familiarize yourself with these procedures, because we will take all the necessary administrative measures to follow them and guarantee their maintenance within the company.

SCOPE

These procedures apply to the day-to-day business that we do in Brazil and abroad, and are part of the construction of our reputation in the market and in society.

Every employee is responsible for complying with the guidelines contained in this material, especially because agribusiness is an extremely closed environment where "everyone knows each other" and any unprofessional behavior can reflect directly on our performance and credibility.

That said, we must always

- Act in good faith;
- Comply with national and international laws;
- Consider the impact of our actions on our families, suppliers, partners, customers, competitors, other employees, communities, and others;
- Proceed with integrity, ensuring the transparency of our actions;

Considering also

- Never put personal interests ahead of the collective interests of the business;
- Never act in disagreement with the company's mission, vision, and values.



MISSION

To empower rural producers through smart partnerships and new technologies, reducing costs and raising competitiveness.

HOW?

Connected to the main trading platforms of global agribusiness and always at the technological forefront of the sector, TresBomm Agri helps farmers to offer their production to the world's main consumer markets through the conclusion of partnerships that privilege their own fixed assets (warehouses and silos).

In other words, we help to increase the freedom and power of choice of producers, reducing their dependence on large trading companies or cooperatives. In this way, besides reducing costs, we also maximize competitiveness, mainly because we avoid heavy investments in infrastructure and always work in consonance with the farmers.

VISION

To become a reference in Brazilian agribusiness through efficiency in the origination and processing of grains, as well as in the diversification of the business model.

WHY?

Today, TresBomm Agri is the company with the highest turnover per employee in Brazilian agribusiness. Therefore, we are already a national reference in terms of efficiency, especially in the origination segment.

However, our main challenge is to remain efficient and relevant, growing steadily, expanding our participation in the grain processing market and, consequently, in other businesses related to origination.

VALUES

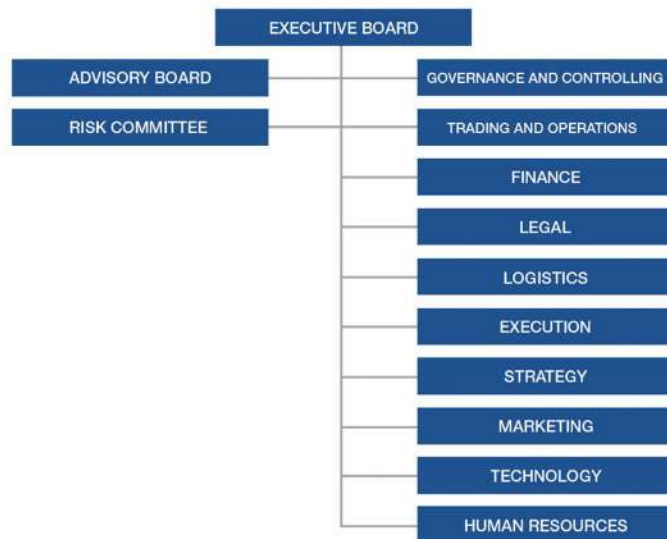
- **Meritocracy, technicality and innovation:** we favor those who dedicate themselves to their craft, invest in more knowledge, foster their qualities, and take pleasure in innovating. We believe that we can only improve if we have motivated employees, committed not only to the company's mission and vision, but also to their own personal and professional development;
- **Respect for others and collectivity:** we recognize each other's differences and value the plurality of customs and ideas;
- **Honesty and sustainability:** without absolute transparency in everything we do, we will never be able to sustainably develop our business. And this development is directly linked to adequate preservation and respect for the environment;
- **Resilience and focus on the long term:** agribusiness is full of adversities. Consequently, we need to be resilient and ready to face challenges with disposition, technicality, and optimism, without anxiety, always focusing on tomorrow.

HOW WE ORGANIZE OURSELVES

TresBomm Agri is divided into ten sectors that support the executive board, as well as an advisory board and a risk committee. Although we are organized in a relatively small team, the division of work is an important step in the search for more governance and consequently, more predictability.

This manual helps us reduce possible mistakes, increase accuracy, and map more precisely the risks that involve our business. It also helps the executive board in decision making, increasing control over all activities, organizing the management of responsibilities and the behavior of each employee. It is, therefore, the cornerstone of an efficient business, encompassing the processes, practices, and policies required for the full operation of the company as a whole.

FIGURE I: COMPANY ORGANIZATION



Fonte: TresBomm Agri (2021).

This is why the segmentation of our activities into sectors, as well as the creation of this document, is an important step towards more control and security, not

only for us, but also for those who relate to us commercially, financially, and institutionally.

• **Executive Board:** responsible for managing all business and contracts entered into by TresBomm Agri. It is composed of the Chief Executive Officer (CEO), the Chief Operating Officer (COO) and the Chief Financial Officer (CFO). Our Chief Executive Officer (CEO) is responsible for:

- a) Resolve and make the most important decisions;
- b) Supervise the activities and resources;
- c) Determine the strategic direction of the company (ensuring that objectives are implemented and achieved);
- d) Review and sanction partnerships and contracts;
- e) Monitor the hiring and performance of employees;
- f) To follow up results and productivity;
- g) To conduct the relationship with the Advisory Board, eventual investors, partners, financial institutions, and other stakeholders;
- h) To analyze all ongoing projects;
- i) To integrate the Risk Committee;
- j) Others.

Our Chief Operating Officer (COO) is responsible for:

- a) Provide support to the CEO in all decision making;
- b) Supervising all operations;
- c) Determine the strategic direction and the commercial directions;
- d) Establish partnerships, contracts, among others;
- e) Monitor and lead the employees involved in all operational spheres;
- f) To follow the progress and performance of each contract;
- g) Provide all the data regarding Commercial and Operations to the Advisory Board, eventual investors, partners, financial institutions, and other stakeholders;
- h) To assist the CEO in the review of ongoing projects;
- i) To integrate the Risk Committee;
- j) Others.

It is the duty of our Chief Financial Officer (CFO):

- a) Provide support to the CEO in all decision making;
- b) Supervise all operations from a financial point of view;
- c) Determine the financial strategic direction;
- d) To make feasible and improve financial products (credit lines, financing, export, among others) with financial institutions;
- e) To follow up the performance and obligations of each contract and financial product in effect;
- f) Provide all the data regarding the Financial Department to the Advisory Board, eventual investors, partners, financial institutions and other actors;
- g) Organize payments and receipts, accounting statements, projections and all matters related to fiscal management;
- h) To assist the CEO in the review of ongoing projects;
- i) To integrate the Risk Committee;
- j) Others.

• **Advisory Board:** formed by a group of specialists and external professionals who add knowledge and experience to the vision of the founding partners and executive board. Its members are appointed by the CEO with the consent of the other members of the Executive Board, with no restriction in relation to the number of board members and their term of office. It is incumbent upon the Board of Directors to:

- a) Help in the analysis and prospection of new markets;
- b) Propose different solutions for a certain problem;
- c) Suggest strategic changes;
- d) Contribute with forecasts and trends;
- e) Strengthen institutional relations;
- f) To serve as a HUB for new ideas and propositions;
- g) To establish an impartial vision about pre-established processes;
- h) To follow up the development of new projects;
- i) To monitor different segments of the business (when requested).

• **Risk Committee:** formed by members of the Executive Board, being called by

the CEO, COO or CFO, when necessary. It has the following duties It has the following duties:

- a) Assess the level and impact of the issues;
- b) Discuss and deliberate actions to control or eliminate the risks;
- c) Define tolerance limits;
- d) To elaborate secondary strategies;
- e) To supervise the measures adopted;
- f) To conduct the relationship with auditors and external consultants;
- g) To manage the relationship with the impacted parties;
- h) Others.

- **Governance & Controllershship:** responsible for supervising and controlling all of the company's activities, from reviewing processes to overseeing operations;
- **Commercial & Operations:** responsible for all the company's commercial and operational demands, from prospecting new clients to contract supervision;
- **Financial:** responsible for all the company's financial demands, from payments to the review and contracting of financial products;
- **Legal:** responsible for all the company's legal demands, from monitoring cases to contract mediation;
- **Logistics:** responsible for all the company's logistics demands, from contracting freight for basic inputs to contracting road, rail, and sea freight for the main products marketed by the company;
- **Execution:** responsible for the management of all the company's contracts, from domestic to international contracts;
- **Strategy:** responsible for the development, improvement, and monitoring (alongside the CEO) of all the company's projects and processes, whether they are in place or to be designed;
- **Marketing:** responsible for all demands that require marketing, from the creation of packaging to the maintenance of our social networks;
- **Technology:** responsible for all the technological demands, from network configuration to the updating of our website;
- **Human Resources:** responsible for all human resources demands, from hiring to firing employees.

ABOUT RISK MANAGEMENT

We consider Risk Management a responsibility of the Executive Board, supported by the Risk Committee, Advisory Board, designated employees and external auditing/consulting, requiring active participation of all areas of the company in the extension of their competencies, integrating with the strategic goals and objectives of TresBomm Agri's business.

The organizational structure of the Risk Management processes incorporated by the company uses the guidelines established by the Brazilian Institute of Corporate Governance (IBGC) and by COSO® as a parameter, especially regarding the flow of identification, assessment, implementation and monitoring of the risks to which we are exposed.

TresBomm Agri uses the COSO® guidelines to define the components of its Risk Management structure, as described below:

a) Internal Environment: the internal environment includes the organizational structure, human and physical resources, culture and values of the company, and is considered the basis for all other components of the controls structure, establishing the form, management, monitoring and discipline of the administrators and committee members and other employees physically allocated on TresBomm Agri's premises in relation to the internal controls structure;

b) Setting Objectives: the objectives must be established before the identification of potential situations that could affect their achievement. Risk Management involves the adoption, by the company's management, of a process to establish the alignment between the set objectives and TresBomm Agri's mission, taking into consideration its risk appetite;

c) Identification of Events: after setting the objectives, the events that can hinder the achievement of such objectives must be identified. During the process of identifying events, these can be classified as risks, opportunities, or both;

d) Risk Assessment: the identified risks are analyzed with the purpose of determining how they will be managed and, then, they must be associated to the

to the objectives they may influence. Risks are assessed considering their inherent and residual effects, as well as their probability of occurrence and the impacts they may cause to TresBomm Agri, its partners and third parties. The risks are identified and evaluated according to the probability of occurrence and their impact on the business, including the company's image and reputation.

Each decision takes into account the benefits, the negative aspects and the related risks, measuring the relationship between impact and mitigation, in order to develop contingency and continuity plans that are appropriate for the company's business. Thus, the identified risks are classified using a risk matrix according to the degree of relevance involved;

e) Risk Response: after the identification and assessment of risks, the possible responses to such risks must be assessed: avoid, accept, reduce or share. The treatment given to each of the identified risks must take into consideration a set of actions intended to align the risks with the respective tolerances and the company's risk appetite;

f) Control Activities: these are the procedures established and implemented to ensure that responses to identified risks are executed in a timely and efficient manner;

g) Information and Communication: effective communication is that which flows in the organization in all directions, with respect to the company's Risk Management, in such a way that employees receive clear and precise information regarding their roles and responsibilities;

h) Monitoring: monitoring is conducted through ongoing management activities, independent evaluations or a combination of these two procedures.

TYPES OF RISKS

The risks can be divided into categories according to the probability of materialization and expectation of the level of impact on the fulfillment of TresBomm Agri's objectives, being classified as follows:

a) Strategic Risks: these are the risks arising from the implementation of an unsuccessful or ineffective strategy that fails to achieve the intended returns. Also classified as strategic risks are those that may cause negative impact on the company's revenue or capital, as a result of poor planning or changes in the business environment, beyond the company's control. They include business continuity risks, changes in government policies that affect our business, among others;

b) Operational Risks: risks involving operations, key people, information systems, processes, internal controls, customers, revenues and other assets that may result in financial losses, damage to reputation and image, and decline in the company's results;

c) Financial Risks: are the risks arising from unexpected effects in the economic scenario that may be reflected in market behavior, interest rates, inflation, financial investments, among others;

d) Legal Risks: these are the risks that may arise as a result of lawsuits in which the company is the plaintiff or defendant, for non-compliance with obligations applicable to the business, for hiring third parties without legal analysis, financial losses arising from labor claims filed by employees and service providers, among others;

e) Sustainability Risks: risks related to the possibility of incurring in losses due to negative effects on the environment and/or on society resulting from environmental impact;

f) Image Risks: risks related to the possibility of the company having its name, brand and/or credibility eroded in the market or before authorities due to negative publicity, whether true or not;

g) Regulatory Risks: risks arising from the delay or difficulty in obtaining regulatory licenses or permits, or from the non-compliance with regulatory norms and limits defined by regulatory agencies.

RESPONSIBILITIES AND COMPETENCIES

In TresBomm Agri's Risk Management, the Executive Board, the Risk Committee, the Advisory Board, the employees (from the involved sectors), in addition to auditors and external consultants, have distinct attributions, but must act in an integrated manner. Below, we list their main attributions when facing an eventual risk scenario.

EXECUTIVE BOARD OF DIRECTORS

Among other attributions, the Executive Board is responsible for:

- (i) Implement the mitigation strategies;
- (ii) To execute the guidelines set forth in this document, whenever necessary, proposing to the Advisory Board and the Risk Committee possible revisions;
- (iii) To identify risks preventively and to manage them, evaluating the probability of their occurrence and adopting measures for their prevention and/or mitigation;
- (iv) To develop a solid Risk Management structure, with the support of the Risk Committee and Advisory Board;
- (v) To inform and receive through the Risk Committee, the report of the internal audit activities promoted in the scope of the Risk Management process;
- (vi) To monitor the adequacy of the structure (human, financial resources and systems) destined to the Risk Management process;
- (vii) To delineate the Company's Risk appetite;
- (viii) To practice any other acts and to take any other measures strictly related to the competencies listed above and necessary for the faithful fulfillment of this document.

RISK COMMITTEE

It is incumbent upon the Risk Committee, among other attributions:

- (i) Assess and monitor the company's exposure to risks;
- (ii) To supervise the activities of the company's financial, controlling and accounting areas;

- (iii) To monitor the activities of external auditors and consultants;
- (iv) To evaluate the effectiveness of the Risk Management model, suggesting solutions for improving the processes to the Executive Board, when necessary, pointing out the causes and responsibilities;
- (v) To report to the Executive Board, recommending the review or implementation of changes, prioritizations and inclusions in the risk matrix, in the distribution of competencies, in the risk categories, and in the company's internal Risk Management processes;
- (vi) To advise the Executive Board in the evaluation of policies, limits and action plans related to Risk Management;
- (vii) To evaluate and monitor the compliance and effectiveness of this document, recommending the necessary corrections or improvements to the Executive Board;
- (viii) To practice any other acts and to take any other measures strictly related to the competencies listed above and necessary for the faithful fulfillment of this document.

ADVISORY BOARD

It is the duty of the Advisory Board, among other attributions:

- (i) To opine on Risk Management policies and their future revisions;
- (ii) To help establish the general guidelines of the Risk Management strategies;
- (iii) To assist in the evaluation and approval of the Risk Matrix;
- (iv) To accompany the development of a solid Risk Management structure, giving support in case of need to the Risk Committee;
- (v) To contribute with the supervision of the activities of the Risk Management process performed by the company;
- (vi) To accompany the evolution of Risk Management with the Risk Committee;
- (vii) To practice any other acts and to take any other measures strictly related to the competencies listed above and necessary for the faithful fulfillment of this document.

COLLABORATORS (FROM THE INVOLVED SECTORS)

It is up to the designated collaborators, among other attributions:

- (i) Consolidate the company's risk assessment, through the preparation of periodic reports, and report them to the Risk Committee;
- (ii) To elaborate processes to be used in risk management;
- (iii) To identify risks preventively and to make their necessary management, evaluating the probability of occurrence and adopting measures for their prevention and mitigation together with the Risk Committee;
- (iv) To make those responsible for each sector involved aware of the importance of risk management and the inherent responsibility of each employee.

EXTERNAL AUDITORS AND CONSULTANTS

Among other attributions, the external auditors and consultants are responsible for:

- (i) Document and ensure compliance with this document and Risk Management procedures, as well as provide support in review processes of such documents;
- (ii) To periodically evaluate the adherence to internal controls, as well as to assess the quality and effectiveness of the company's Risk Management, control and governance processes;
- (iii) To report to the Risk Committee the results of audits and evaluations carried out in the areas monitored by this area;
- (iv) To map the key controls per process, and to execute periodic tests to evaluate the efficacy and operational effectiveness of the key controls;
- (v) Identify new risks, vulnerabilities and opportunities for improvement by evaluating and testing improvements in implemented controls. For all deficiencies identified in an internal controls assessment, the responsible business areas define action plans to remedy them.

MANAGEMENT OF PURCHASE AND SALE CONTRACTS

Our core business is to originate (buy) conventional and transgenic grains from rural producers in order to resell them to the Brazilian and global consumer market. Obviously, besides buying directly from our suppliers, we also buy via trading or trading desk, especially when the demand of the contracts exceeds the quantity made available by the partner farmers.

Therefore, all farmers that sign contracts with TresBomm Agri must be registered with the company, undergoing a risk analysis, and be registered in the Rural Environmental Registry - CAR, in compliance with the Brazilian Forest Code. Thus, we guarantee the origin and provenance of all soybeans, corn and wheat commercialized, besides reducing the possibility of setbacks, whether contractual or logistical.

This way, throughout a decade, we have established a respected portfolio of clients that regularly buy the grains originated by us, evidencing our reliability. From trading companies to food manufacturers, animal nutrition, vegetable oils, biodiesel, among others, count on us to manufacture their products.

SEGMENTS OF PERFORMANCE

- 1) Grain Origination;
- 2) Animal nutrition and vegetable oils;
- 3) Specialty foods and grains.

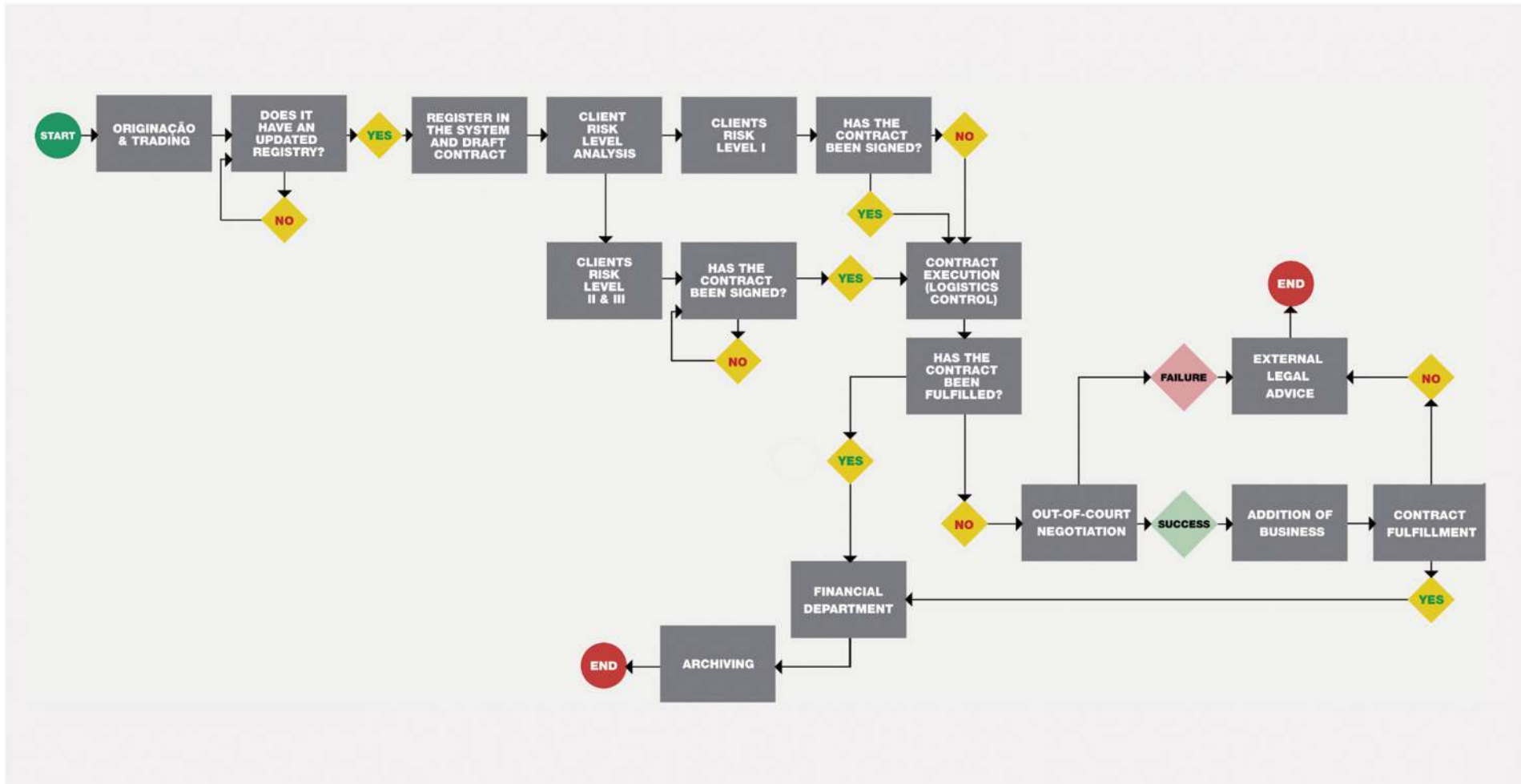
Worthy to mention, TresBomm Agri itself is part of this chain, since we also process grains originated by our suppliers, besides those acquired via trading. This is why we have to be permanently on alert, focused, and willing to give our best in every contract we sign.

The following flowcharts, as well as complementary instructions, have this intention: to help each employee to understand the "path" that each contract goes through within the company. Based on this standardization, it becomes easier to assimilate how each business deal is done within a mapped, standardized, and less prone to errors environment.

MAIN CLIENTS



FIGURE II: PURCHASE AND SALE CONTRACT MANAGEMENT FLOWCHART



Source: TresBomm Agri (2022).

a) Origination e Trading

Regardless if originated from origination (purchase from the producer supplier) or trading (purchase and sale of grains and its sub-products from other market players), every contract starts here.

After commercial prospecting and informal agreement established between the parties during the negotiation phase, the Commercial and Operations traders pass the information to the sector coordinator who will review the conditions as a whole. If they meet the market prerequisites of the moment, together with the quality criteria established by TresBomm Agri, the transaction is registered in the Business Book, and then registered in the system.

These criteria will always be the same, with emphasis on the technical characteristics of the product, quality, quantity, price, delivery/withdrawal period, payment terms, freight (defining if it will be on account of the buyer or seller), delivery/withdrawal location, commission metrics and cancellation terms.

b) Registration

The next step is to register the potential supplier and/or customer, following the specific form, providing all the necessary information for us to proceed with the contract formatting and respective registration in the system. If the registration has not been updated within a maximum period of two years, it must be updated before continuing - always including all the necessary documents. Remember that the registration must be carried out and followed up by the Commercial and Operations team under the seal of its coordinator.

c) Registration in The System and Preparation of Contract

With the registration updated or created, the next step is to elaborate and register the contract in the system for later issuance. At this stage the contract must first be evaluated by the CFO for cash flow forecasting purposes. Once approved by the CFO and registered internally, the contract is available for subsequent final review and collection of signatures from the interested parties. If one of the

parties decides on any further changes or additional demands, the contract must be updated to proceed to risk analysis.

Here is an important addendum: if there are doubts regarding the legality of the change or if there is no consensus, the Commercial and Operations team must necessarily contact the Legal Department, in order to clarify any uncertainties. Once any impasses are solved, the Legal Department approves the continuation of the project.

d) Risk Analysis

After the contract is registered and issued, the client's degree of risk is analyzed before execution and signature is collected. And why don't we perform this screening before registering the contract? Because agribusiness is very volatile, especially the market for the purchase and sale of grains and inputs. Therefore, the speed of decision making needs to follow the speed of supply and demand. In other words, we first seek to secure a new business, and then ascertain the customer's status. Even so, it is necessary to reinforce that no contract will be signed without considering the risk levels of each customer and/or supplier.

Clients/Suppliers Risk Level I

We consider customers of this level to be those who:

- Have an excellent reputation in agribusiness;
- Have a positive business history with us, without litigation or setbacks;
- Possess credibility with the financial institutions with which we have a relationship;
- They do not have any type of pending accounting, fiscal, and legal issues potentially capable of making the business unviable, and are up to date with the Federal Government (Justice and Internal Revenue Service).

Clients/Suppliers Risk Level II

We consider customers of this level to be those who:

- Have a good reputation in agribusiness, but some references attest otherwise;
- Possess a positive business history with us, but we have already been through adversities or tribulations;
- They have credibility with the financial institutions with which we have a relationship, however, not all of them have an unblemished reputation;
- They do not have any type of pending accounting, fiscal, and legal issues potentially capable of making the business unviable, and are up to date with the Federal Government (Justice and Internal Revenue Service). However, they have in the past.

Clients/Suppliers Risk Level III

We consider customers of this level to be those who:

- Have a questionable reputation in agribusiness or are new players;
- Do not have or have a negative business history with us;
- Do not have credibility with the financial institutions that we have a relationship with;
- They have some type of pending accounting, fiscal, and legal issues, demanding extra attention.

e) Signature and Implementation

If the customer/vendor is classified with risk level I, the contract can proceed to execution even without signature. This is because we will not fail to execute it simply because we have not collected the respective signatures, after all, this is a partner that we trust. Even so, it is worth pointing out that no shipment will be authorized without the contracts being duly signed. In the case of risk levels II and III, the contract must always be signed before the logistical execution or control.

f) Contract Compliance

With the collected signatures, the contract's compliance is verified within the

pre-established premises. If everything is correct, the contract goes to Finance and respective payment, and is finally filed. If any irregularity or non-compliance is found, it goes to extrajudicial negotiation.

g) Out of Judicial Negotiation

When a contract is disrespected, it becomes liable to extrajudicial negotiation conducted by the Commercial and Operations Department with the customer/supplier within a maximum period of 90 working days (this may be reduced). If an agreement is reached, the contract is sent for amendment, where it is updated with the subsequent amendments. However, if there is no agreement, the contract goes to the Legal Department, and is monitored by an external legal counsel.

h) Additement of The Business

Once the contract that was originally broken is re-discussed between the parties, the Legal Department, in partnership with the Commercial and Operations departments, becomes responsible for composing and granting the referring amendments based on the new conditions established. If they are respected, the contract is fulfilled, following for payment by the Financial Department and subsequent filing (conclusion).

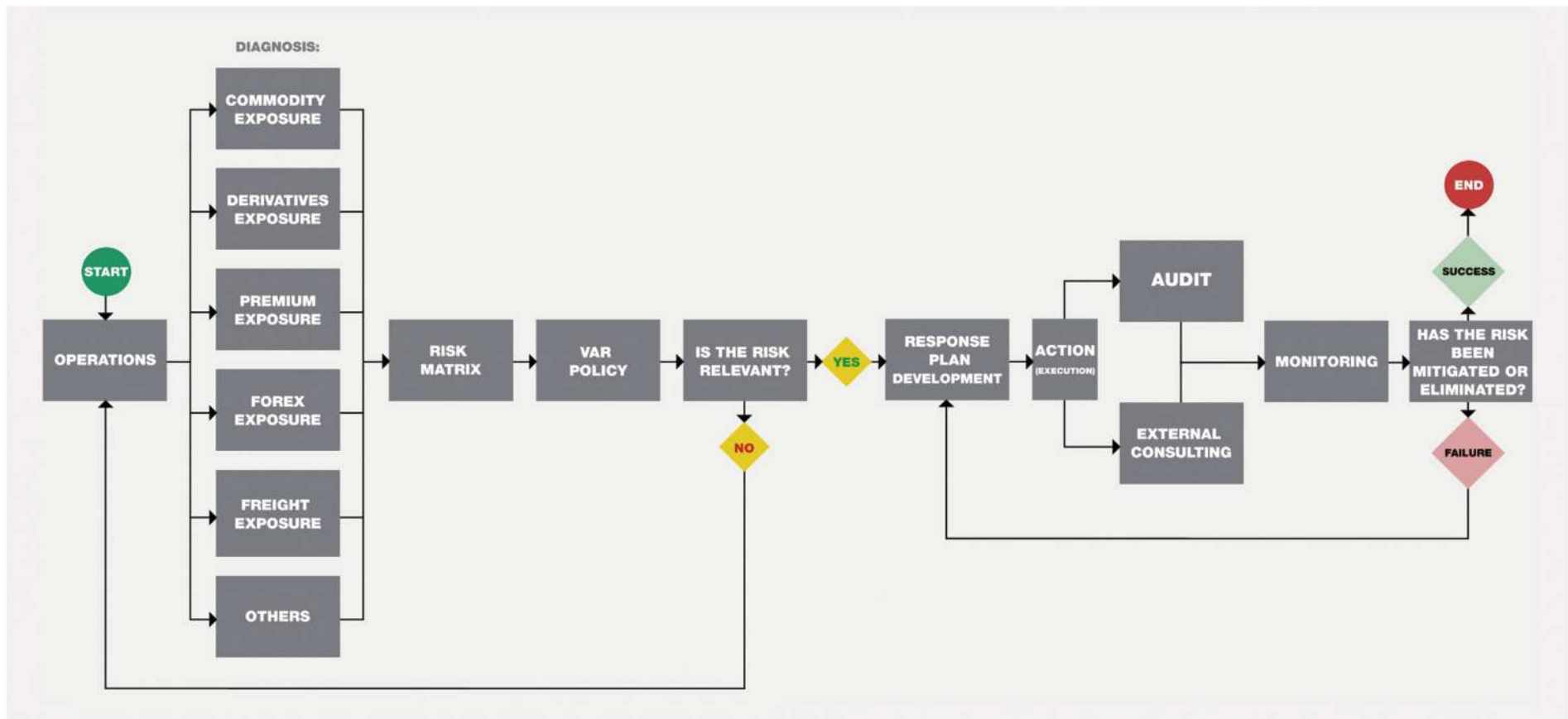
i) External Legal Advice

If both parties are unsuccessful in the out-of-court negotiation, an external legal consulting firm is called in. From this moment on, the contract is directly managed by a team of lawyers that, together with the Legal and Commercial Department and TresBomm Agri Operations, trigger the client/supplier, closely following the developments in court. Nevertheless, the contract can only be considered fulfilled after the opinion of a court.

OPERATIONS MANAGEMENT

The purpose of this chapter is to show the risks to which we are exposed and which procedures we should adopt to mitigate or eliminate them within a standard of conduct. From the flowchart below and the subsequent detailing of the risk management phases, we highlight which problems can compromise the health of our business, as well as the different degrees of intensity and respective impact on our operations.

FIGURE III: FLOWCHART OF OPERATIONS MANAGEMENT



Source: TresBomm Agri (2022).

a) Exposure in Commodities

This is the verification of the open amount between purchases and sales of agricultural commodities. In short, it aims to show whether the company is bought or sold in commodities, and from this diagnosis, to discover the effects of the market on this exposure.

b) Exposure in Derivatives

This is the verification of the open amount between purchases and sales of agricultural and financial derivatives. In short, it aims to demonstrate whether the company is bought or sold in derivatives (commodities or exchange rates), and from this diagnosis, to find out the effects of the market on such exposure.

c) Exposure in Premiums

This is the verification of the amount outstanding between purchases and sales of agricultural commodity export premiums. In short, it aims to show whether the company is bought or sold in export premiums, and from this diagnosis, to find out the effects of the market under such exposure.

d) Exchange Exposure

This is the verification of the open amount of international pricing of agricultural commodities and foreign currency transactions. In short, it aims to demonstrate the degree of the company's exposure to the volatility of currencies and the impact on current contracts.

e) Freight Exposure

It is the verification of the company's logistical exposure from a pre-estimated freight with regard to pre-contracted freights and the freight prices practiced in the market. In short, it aims to demonstrate the possible impact of the freight price variation on the freight pre-estimated by the company.

f) Other Risks

These are other risks identified in the company's day-to-day activities, such as customer default, failure to sign contracts, climatic problems, among others.

g) Risk Matrix

We use a risk matrix to determine the size of the threat, mapping the most critical exposures, considering the risks necessary to reach the performance goals established through impact and probability parameters within a scale of 5%, 10%, 25%, 50% and 100%.

h) Analysis Via VAR Policy

Based on the VAR policy defined by TresBomm Agri's Risk Committee, we verify the impact of financial risk in a preventive or consolidated manner. The result helps us measure the losses due to risk exposure in a certain period of time associated with a confidence interval. Instead of analyzing and parameterizing via percentage (as in the case of the Risk Matrix), the method helps to calculate the total value that can be lost at a given time, defining whether the risk is pertinent.

i) Elaboration of The Response Plan

Based on the exposure diagnosis, risk matrix and VAR policy, we elaborate the strategy and define the set of actions that will be adopted. The response plan also corroborates the severity of the risk, estimating costs and time within a realistic context and agreed upon by the parties involved.

j) Action (Execution)

This is the implementation phase of the strategy established by the response plan. Here we engage in the process of developing the options and executing the actions required to mitigate or eliminate the risk. This process also helps us to ensure that the identified risk is being correctly addressed within the scope of the previously defined response plan, and its effectiveness is essential to

determine the level of control over it.

k) External Audit & Consultancy

In addition to a team appointed internally by the Risk Committee to manage the risk of the operations, we also count on the appreciation and support of an audit office responsible for monitoring the entire implementation and execution of the response plan - in this case the action. In parallel, we are also advised by a multidisciplinary external consulting firm composed of board members, legal professionals, agribusiness peers, financial institutions, among others.

l) Monitoring

This is the final phase of risk management of the operations carried out by TresBomm Agri, where we fully follow up the measures and solutions executed to mitigate and/or solve the ongoing problem. If the risk is mitigated and even eliminated, we consider the response plan successful. However, in case the risk remains high or out of control, we must revise or format a new response plan to then adopt a new set of actions.



FINANCIAL MANAGEMENT

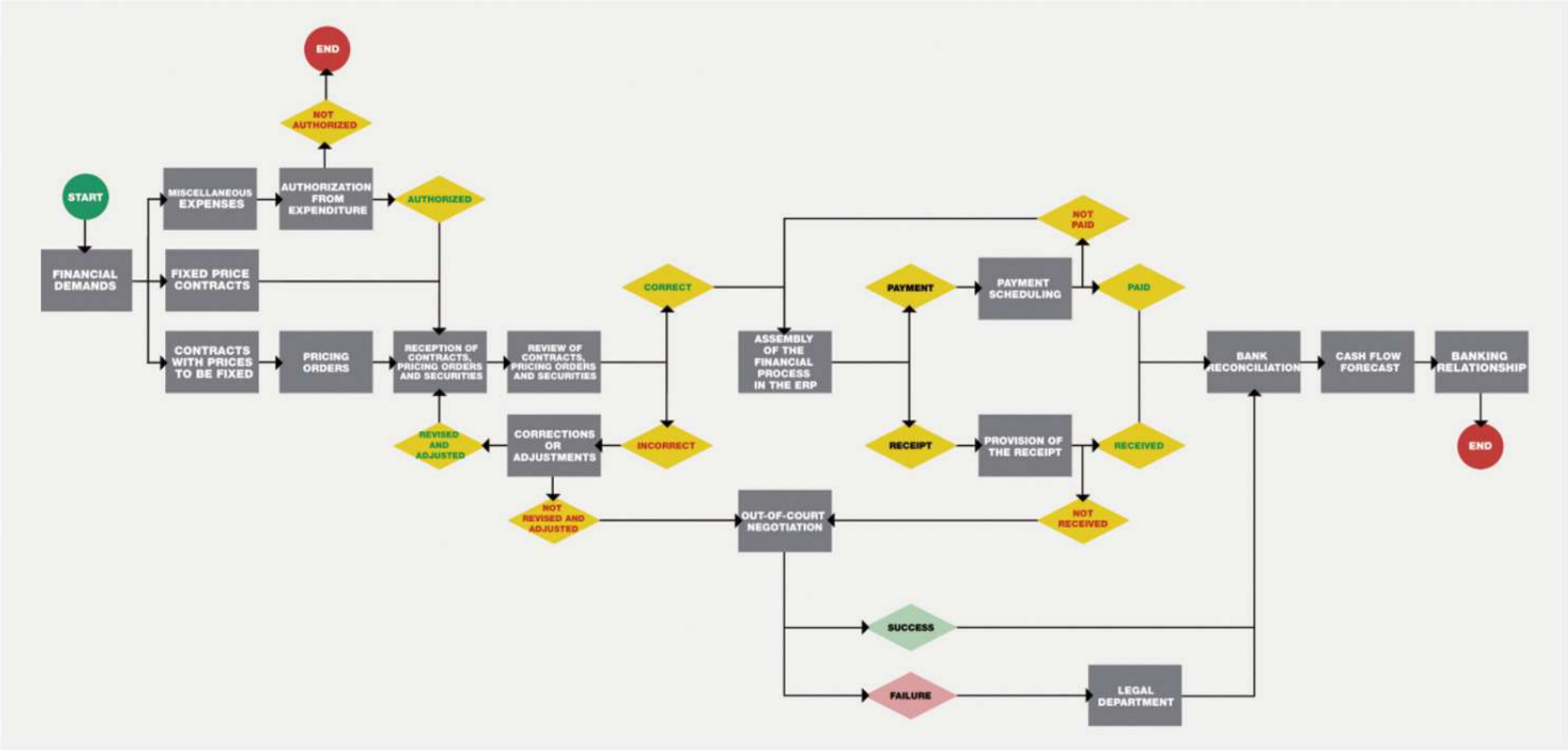
Good financial management provides the necessary resources for us to evaluate different scenarios and possibilities, helping us to set tangible goals focused on the best results - either in the short and/or long term. In short, it helps us to keep our expenses balanced, especially in relation to earnings, enabling us to operate profitably.

In this sense, our management is 100% technological (via software), focused on two basic pillars: control and planning. This means that we frequently analyze the financial health and performance of our business, keeping permanent control of expenses, stocks, and resources, always paying attention to cash flow and performance indicators. Only this way we are able to plan our future, review more clearly our goals and objectives, and define which investments should be a priority.

To this end, the standardization of procedures is essential, because it allows us to analyze, in a macro way, the path of each contract and/or expense, identifying points that require more or less attention, helping us in the best decision making, also reducing the possibility of eventual inconveniences. This is the purpose of the following flow chart:



FIGURE IV: FINANCIAL MANAGEMENT FLOWCHART



Source: TresBomm Agri (2022).

a) Identification of Demand

There are three types of financial demands that are forwarded to the Financial Department. They are: 1) Sundry expenses; 2) Fixed price contracts; and 3) Fixed price contracts.

b) Authorization of Expenditure

Before a certain product or service is invoiced against TresBomm, it must be authorized. In this case, the Financial Department requests this authorization by e-mail from one of the Risk Committee members, as they have the legitimacy to analyze, approve or reject the expense in question.

c) Price Fixing Orders

The pricing orders for merchandise are received by the Commercial and Operations, and are immediately forwarded to the Financial Department for evaluation.

d) Receipt of Contracts

The contracts, pricing orders and titles are received by the Financial Department in physical or digital (e-mail) form for the due procedures.

e) Confirming Contracts

The contracts, pricing orders, and titles are checked again by the Financial Department based on the ERP data and the manual control books. If the quantities and values are correct, they are forwarded to the assembly of the financial process in the ERP.

However, if there are contracts, price fixings, and securities with incorrect quantities and values, they are returned to Commercial and Operations for adjustment and correction with the counterparty.

f) Out of Judicial Negotiation

If there is a disagreement with the counterpart in the adjustment or correction process of the contracts, fixing orders and securities, the process goes on to out-of-court negotiation. Normally, the out-of-court negotiation has a 90-day deadline for resolution (for cases of corrections, adjustments, and non-receipt). However, depending on the urgency, this period may be shortened at the discretion of the Risk Committee.

g) Assembly in The Financial Process Inside The ERP

After checking and/or revising the data, the contracts, fastening orders and titles proceed to the assembly of the financial process, where they are inserted in TresBomm Agri's ERP.

h) Agending Payments and Receivables

In this step, if the contracts, fixing orders and titles are payable, they proceed to the payment scheduling. If they are receivable, they must go on to provision for receipt. And worth mentioning, the scheduling of payments are mostly done by internet banking through electronic transfer (TED) or billet. In the case of receivables, TresBomm Agri receives the payment at the bank.

i) Banking Conciliation

All payments and receipts are processed so that the ERP data are 100% consistent with the respective bank statements.

j) Cash Flow Forecasion

From the information of the contracts that are being held and executed, as well as the bank conciliation, the Financial Department makes a cash flow forecast for the next 60 (sixty) days. This forecast, on its turn, is presented exclusively to the members of the Risk Committee.

k) Banking Relationship

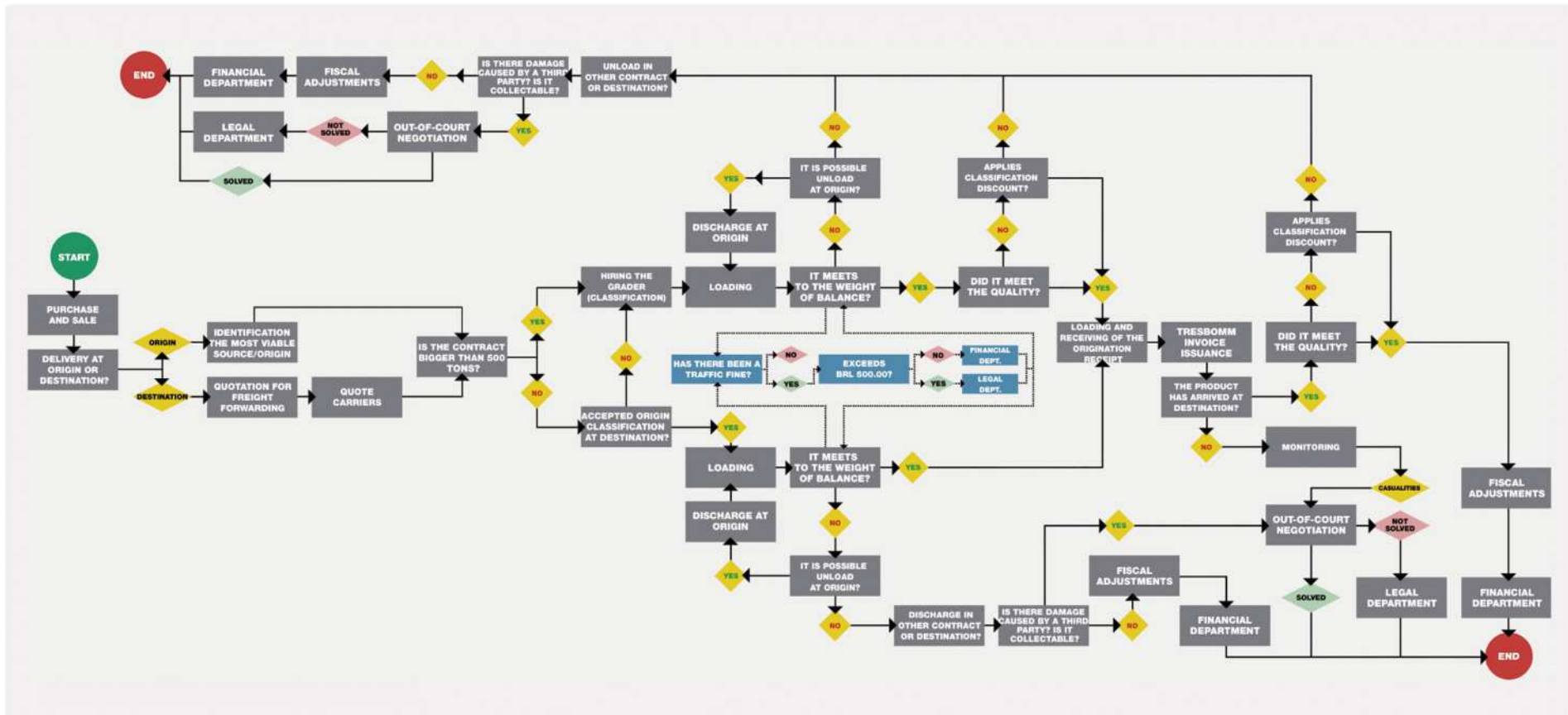
We consider the maintenance of the banking relationship essential for the financial management of TresBomm Agri, notably because we count on products, services and solutions from different financial institutions. Consequently, we need to remain disciplined and follow with great rigor the governance recommendations of these institutions, acting with maximum transparency and cordiality.



LOGISTIC MANAGEMENT

TresBomm Agri's logistics management has the purpose of managing and controlling the purchases, sales and storage of inputs, grains and their by-products with efficiency, within the quality standards required by clients and suppliers. This control must contemplate the classification of the goods, quality, volume, origin, destination, freight value, possible fiscal adjustments, besides eventual setbacks (legal or not) and additional charges, as shown in the flow chart below:

FIGURE V: LOGISTICS MANAGEMENT FLOWCHART



Source: TresBomm Agri (2022).

a) Purchase Sale Contracts

Everything begins when the Commercial and Operations area delivers the merchandise purchase and sale contracts to the Logistics area. The same, in turn, checks the delivery deadline of these contracts, analyzing whether the delivery will be made at origin or at destination.

b) Origin and Destination

If the delivery of the goods is to be made at origin, the most viable place (of origin) for the sales contract (in question) is identified. On the other hand, if the delivery is at the destination, the freight from several origins is quoted for the referred contract, hiring the most cost-effective or viable carriers.

c) Contract Size

For the classification of goods, if the contract is above 500 (five hundred) tons, a classification company must be hired. On the other hand, if it is less, the supplier is asked if he accepts the classification of goods at destination, otherwise, TresBomm Agri will be responsible for contracting a goods classification company.

d) Balance Weight

During the loading of the goods, it is observed if the scale weight has been met. If it exceeds that foreseen by law, it is necessary that the truck unloads the exceeding weight in order to comply with the state and federal norms that regulate the transit of cargo.

e) Issue The Invoice Note

Once weighed and being in accordance with the state and federal legislation, the cargo is submitted to classification. Here it is verified if the quality meets the contractual specifications. If the cargo does not meet the quality standard contractually required, TresBomm will be responsible for applying classification

discounts, cargo scrap or quality arbitration (with different destination). However, if the cargo does meet the quality standard, the issue of the Invoice of Origin will be requested - by the seller of the goods to TresBomm Agri. It is from this issue that both parties will monitor the transport of the merchandise to the destination, checking the unloading (load by load) until the contract has been completely delivered/fulfilled.

f) Fiscal Verification and Adjustments

The next step is to verify the need for fiscal adjustments with the final buyer, such as additions, returns, among others. Once these adjustments are made, the sales contract is forwarded to the Financial Department to receive the amounts due. This same process of monitoring deliveries and verifying fiscal adjustments should also be done in each purchase contract, forwarding it to the Financial Department for the respective payment of the suppliers.

g) Improvement of Delivery

In situations where there is an impediment to unloading at the origin, either because the truck did not meet the scale weight or did not meet the desired quality, the merchandise must be unloaded at a destination authorized by TresBomm Agri's administrators.

h) Non-Judicial and Judicial Negotiations

If the impediment to unloading is not completely resolved, there is room for extrajudicial and judicial negotiation, and the Legal Department will guide the next steps. If there is no record of loss due to this arbitration of the destination, it is only verified the needs of fiscal adjustments (such as returns and complements) forwarding the contract to the Financial Department that will proceed with the receipt of the merchandise in question.

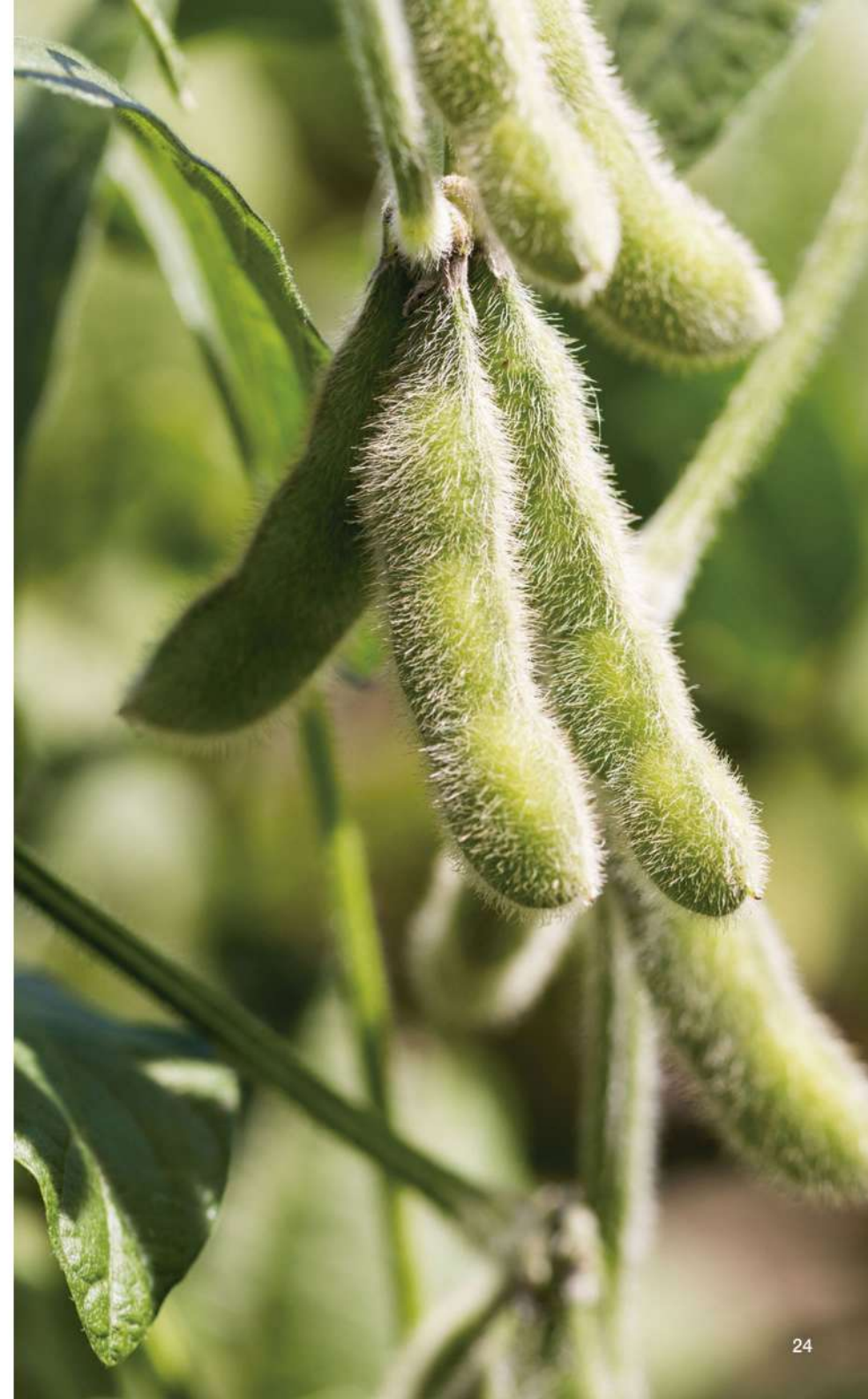
It is worth remembering that this same process also occurs when the classification (quality) is not approved at destination, with the need to look for a new destination to unload the merchandise.

i) Casualties

During the monitoring of the transport, mishaps can occur, such as the loss of goods or stagnation at the delivery point. When this happens, we must start an extrajudicial negotiation with the carrier. If the carrier does not assure the rights of TresBomm Agri as a client, reaching an extrajudicial consensus, the appropriate measures are taken with the Legal Department in the civil or criminal sphere.

j) Traffic Fines

Traffic fines are common, but we must avoid them. If the ticket does not exceed R\$500.00, it must be forwarded to the Financial Department for payment. However, if it exceeds this amount, it must be sent directly to the Legal Department for defense or appeal.



ABOUT THE FULFILLMENT OF THESE PROCEDURES

The procedures exposed in this material were approved by the Executive Board and have the intention of helping our employees to make the best possible decisions in all business fronts.

a) Why are these procedures relevant?

We have a consistent reputation within the agribusiness. Therefore, improving, parameterizing, and policing our activities are of vital importance for the harmonious maintenance of our mission, vision, and values, as well as the strategy and longevity of the business as a whole.

Even if we are a small team, our revenue requires us to raise our governance and prepare for sustainable growth, anticipating possible setbacks. That said, it is of utmost importance to keep us in constant evolution, assimilating the best market practices.

b) What happens if the employee does not follow the suggested procedures?

Non-compliance with the procedures described in this material can be considered serious, and the consequences are:

- Case study and temporary dismissal;
- Case study and dismissal;
- Case study and opening of legal proceedings.

If you have any questions about the procedures presented in this material, or how they apply in specific circumstances (not covered here), contact the Legal Department at juridico@bomm.com.br.



ACKNOWLEDGEMENT AND COMMITMENT

I declare that I have received, read, and understood the procedures and other orientations described herein, agreeing with the values, principles, and orientations contained therein, and undertake to comply with them in my professional activities as a TresBomm Agri employee.

Full Name:

CPF:

Date:


Signature:



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