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1. Introduction

BEETELLER, aiming at its commitment, ethics and transparency, and in compliance with the provisions of Article 6 of Circular No. 3,681, dated November 4, 2013, CMN Resolution No. 4,557, dated February 23, 2017 and CMN Resolution No. 4,606, dated October 19, 2017, makes public its "Risk Management Structure Report", of annual frequency, where it establishes the principles for risk management within BEETELLER. The risk framework is duly segregated from the Internal Audit organizational component and formalized in policies.

2. Definitions

Operational Risk: the possibility of losses resulting from failures, deficiencies or inadequacy of internal processes, people and systems, or from external events. The scope of this definition also includes the legal risk associated to inadequacy or deficiency in signed contracts, in addition to sanctions that may be imposed due to noncompliance with legal provisions and compensation for damages to third parties.

Liquidity Risk: the potential for a mismatch of financial flows of assets and liabilities, as well as its effects on BEETELLER's financial capacity to obtain funds and honor its obligations.

BEETELLER has a liquidity contingency plan that considers all the operations practiced in the financial and capital markets, and eventual contingent exposures, with the liquidity risk being inherent to the jurisdictions in which the payment services are offered. The liquidity contingency plan is based on a safeguard structure formed from its own capital in order to ensure the settlement of its users' payments, even under the eventual instability and/or inoperability of the systems of its original liquidity structure, and establishes the individual responsibilities, strategies and procedures which are updated at least every 12 months.

Compliance Risk: is the possibility of BEETELLER suffering legal and/or administrative sanctions, financial losses, reputational damage, as well as other damages, resulting from legal non-compliance understood as non-compliance or failures to comply with applicable legislation, infra-legal regulations, recommendations from regulatory bodies and self-regulatory codes. For more information, see BEETELLER's "Corporate Compliance and Anti-Corruption Policy".

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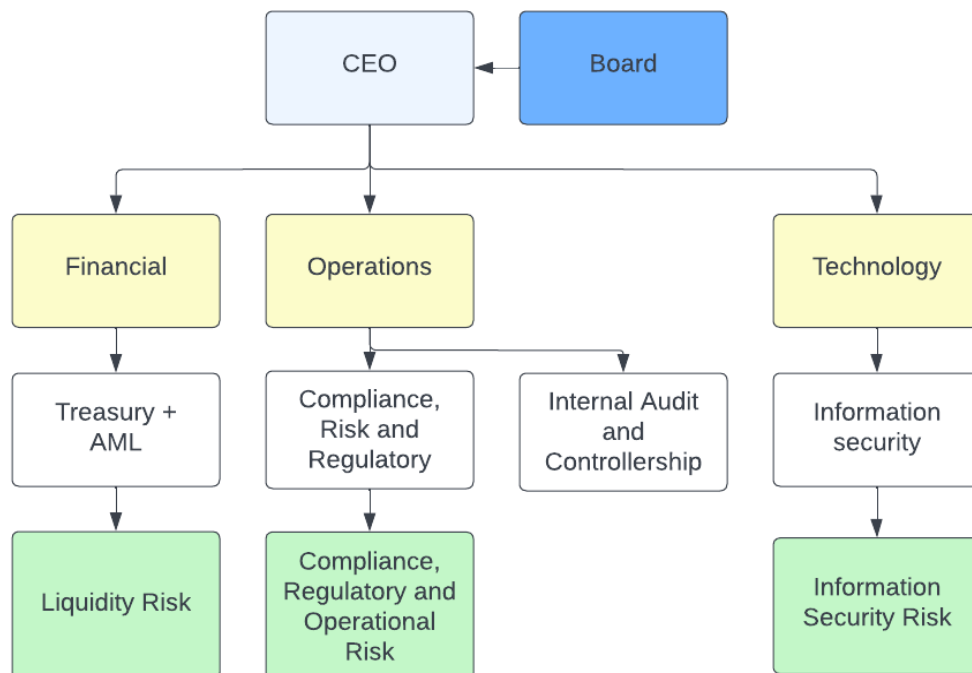
Business Continuity Risk: is the possibility of losses arising from the inability of an institution to foresee and anticipate events that may interrupt the continuity of its activity. To avoid this possible risk, the Business Continuity Program is developed.

3. Risk Management Structure

To ensure the effectiveness of the Risk Management Policy, the Risk Management Structure provides for a shared performance for the management of each risk. All employees who perform activities related to the risks that are the subject matter of this Policy have the duty to ensure the compliance of the risk management processes.

The Risk Management Framework shall provide policies and strategies approved and reviewed, annually, by the board of directors and/or senior management, to determine its compatibility with BEETELLER's objectives and with market conditions; and shall keep this documentation on the policies, risk management strategies and governance at the disposal of the BACEN, with criteria for deciding on the outsourcing of services and for selecting their providers, including the minimum contractual conditions necessary to mitigate the operational risk, and the continuity of the payment services provided.

Currently, BEETELLER has the following risk structure:



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3.1 The Lines of Defense

The Risk Framework has three main lines of defense:

First Line of Defense: composed of managers with business functions or activities that generate exposure to risks, in accordance with policies, limits and procedures defined by the Risk Department and approved by Senior Management, and who manage and implement the actions for monitoring and mitigating the risks associated with the processes under their responsibility.

Second Line of Defense: composed of the areas or people responsible for Compliance, Controls, and Risk Management, as the case may be, responsible for defining the methods for identifying, assessing, and monitoring the degree of exposure to operational risks.

Third Line of Defense: composed of the internal audit areas, or persons responsible for the activities that provide independent and periodic verification and evaluation of the effectiveness of the processes and procedures established for risk control and management, including the degree of exposure and adequacy of the structure of BEETELLER's internal systems.

3.2. Responsibilities

It is up to the Top Management:

- Approve and review, annually, the Risk Management Policy;
- Approve the strategic risk planning, the Risk Matrix, Risk Tolerance limits, Risk Response Plan, and business continuity policies;
- Ensure compliance with this policy;
- Appoint the Chief Operating Officer (COO).

The Chief Operating Officer (COO) is responsible for

- Define objectives and develop policies and procedures related to strategic risk planning, Risk Matrix, Risk Tolerance limits, Risk Response Plan, and business continuity policies;
- Monitors the degree of adherence of the risk management framework's processes to policies;
- Periodically inform the Senior Management about the policies, procedures and events that are the object of this Policy;
- To ensure compliance with this Policy by managers with business functions or activities that generate exposure to risks, and by those responsible for defining the methods for identifying, assessing and monitoring the degree of exposure to operational risks.

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The Chief Financial Officer (CFO) is in charge:

- Ensure the continuous and integrated analysis, monitoring, and control of financial risks in accordance with internal guidelines and those established by regulatory agencies;
- Monitor compliance with the established operating limits and minimum equity requirement; and
- Communicate to the areas involved about the identification of possible liquidity crises, coordinating mitigating actions.

It is up to the Internal Auditor:

- To independently evaluate the institution's processes, systems, and activities, in order to constantly improve them;
- To help the company achieve its objectives, with an approach of continuous and systematic evaluation of the effectiveness of the risk management, control, and governance processes.

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Last movement	
Reviewed by:	Approved by:
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<i>Mariana Dutra de Moraes</i>	<i>Lauriney L. Santos</i>
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Kelly Viviane da Silva (9 de Janeiro de 2023 12:59 GMT-3)	Caio S. Vidal (5 de Janeiro de 2023 18:17 GMT-3)

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