



The Board of Directors of Cielo S.A. ("Company"), in a meeting held on January 14, 2019, approved this present charter ("Charter"), as follows:

## **1. Purpose and mission**

**1.1. Purpose.** This Charter regulates the composition, the operation and the responsibilities of the Risk Committee ("Committee"), binding and advisory body to the Company's Board of Directors ("Board of Directors"), pursuant to the Company's Bylaws ("Bylaws"), the Company's shareholders' agreement ("Shareholders' Agreement") and applicable laws.

**1.2. Mission.** The Committee's mission is to advise the Board of Directors, focused on the quality and efficiency of risk management and minimum equity requirements applicable to the Company, ensuring its business purpose and values in conformity with the following basic corporate governance principles: transparency, equity, accountability, and corporate responsibility.

## **2. Committee's General Rules**

**2.1. Installation.** The Committee shall be installed by the Board of Directors, pursuant to Article 27 of the Company's Bylaws and Article 2.3 - "Composition" hereof.

**2.2. Responsibilities.** It shall be incumbent upon the Committee:

- (a) analyze and define its operational rules and submit them to the Board of Directors' approval, which shall be compatible with the Company's nature and complexity;
- (b) analyze and issue recommendations on the policies relating to risk management, business continuity, internal controls, compliance and minimum equity requirements applicable to payment institutions, as well as oversee compliance and guide the Company on the exceptions identified;
- (c) analyze and recommend, where applicable, proposals to revise the statement of risk appetite and tolerance, as well as risk management strategies, considering risk on an individual and integrated basis;
- (d) monitor the risk appetite levels set out in the statement of risk appetite and tolerance and its management strategies, considering risks on an individual and integrated basis, as well as the Board of Executive Officer's compliance with these guidelines;
- (e) oversee the Officer's performance to whom the responsibility for Risk Management, Internal Controls, and Compliance has been assigned;
- (f) analyze and monitor the works executed by internal and external audits relating to the minimum equity requirements applicable to payment institutions and respective results;
- (g) analyze and issue recommendations, at least, yearly, on the stress test program, pursuant to prevailing laws, as well as the liquidity contingency plan to the Board of Directors;
- (h) analyze and issue recommendations, at least, yearly, on the equity adequacy plan to the Board of Directors;



- (i) use at its discretion, the work of experts on issues referring to this Committee's competencies, without exempting from its responsibilities;
- (j) support the Board of Directors to promote and improve the risk culture;
- (k) position and report on a quarterly basis to the Board of Directors the evaluation of results relating to the risk management process, business continuity, internal controls, compliance and equity minimum requirements, as well as the level of adhesion of risk management structure to the applicable ruling instruments, enabling to the joint committee a broad and integrated overview of risk and its impacts;
- (l) comply with other responsibilities assigned by the Board of Directors, as long as these refer to the competencies outlined in this article.

**2.3. Composition.** The Committee shall consist of, at least, three (3) sitting members, elected by the Board of Directors, pursuant to Article 2.4 – “Election and Term of Office” hereof, at least, one of its members shall be an independent board member of the Company.

- 2.3.1** The Company shall have only sitting members, forbidding the participation of Fiscal Council's members, when installed.
- 2.3.2** The Committee shall be composed of members with proven expertise and experience in this Committee's field of action.
- 2.3.3** Members of this Committee over the past six months shall neither have served as an employee or a member of the Company's Board of Executive Officers nor participated therein so that to preserve their autonomy and independence.
- 2.3.4** Members of this Committee shall not be a spouse, or lineal, collateral relative or by affinity up to second degree of persons mentioned in item 2.3.4.
- 2.3.5** No hierarchy shall occur amongst members of this Committee, who shall neither have, jointly nor severally any attribution in the Company's staff.
- 2.3.6** Members shall act with maximum independence and objectivity, aiming the Company's best interests so that the Committee may achieve its purpose, also shall observe and comply with the Code of Ethical Conduct and other Company's Codes and Policies.
- 2.3.7** The position of Committee member cannot be delegated.
- 2.3.8** At the first meeting to be held after the Board of Directors electing members of this Committee, referred members shall elect their Coordinator and Vice Coordinator, whose terms of office shall coincide with Committee's members' terms of office. Mandatorily, this Committee's Coordinator shall be an independent board member.
- 2.3.9** When necessary, the Committee's members will nominate one of its members to represent the Committee at meetings of any other Company's body.

**2.4. Election and term of office.** The Committee's members shall be elected during the Board of Directors' meeting, with a two-(2) year combined term of office, coinciding with the term of office of members of the Board of Directors, and reelection is authorized.



**2.5. Investiture.** Members of the Committee shall be vested in office by signing the instrument of investiture within thirty (30) days following their nomination, which shall be duly filed at the Company's headquarters.

**2.6. Compensation.** Members of the Committee can be remunerated or not, at the discretion of the Board of Directors, as well as allow the reimbursement of expenses incurred to attend the meetings.

**2.7. Coordinator's duties.**

**2.7.1.** The Coordinator's main duties, assisted by the Secretary of the Board of Directors ("the Corporate Governance Secretary") shall be the following:

- (a) convene and chair this Committee's meetings;
- (b) coordinate and define the agenda of the meetings;
- (c) ensure that the Committee's members receive complete and appropriate information about the items of the meetings' agenda;
- (d) ensure the efficacy and good performance of the Committee;
- (e) comply with and cause the compliance herewith;
- (f) eventually, propose an invitation to experts to attend the meetings;
- (g) represent the Committee in his relations with the Company's Board of Directors and the Statutory Executive Board ("Board of Executive Officers");
- (h) report the issues discussed at Committee's meetings to the Board of Directors on a quarterly basis.

**2.8. Coordinator's Absence.** In the assumption of absence or temporary impediment of the Committee's Coordinator, the Vice Coordinator shall assume his duties during such period, or in the assumption of absence or temporary impediment of the Vice Coordinator, the Vice Coordinator's duties shall be performed by another member appointed by a majority of Committee's members attending referred meeting.

**2.8.1** In the event of resignation, unjustified absence exceeding two consecutive meetings or the definitive impediment of the Committee's Coordinator, the Vice Coordinator shall assume the Coordinator position until the next meeting, when a new Coordinator shall be elected for the remaining term of Committee's members term of office, is in charge of calling for referred meeting within ninety (90) days as of referred resignation, unjustified absence or impediment. If the Vice Coordinator is also impeded, any member of the Committee may call the meeting to elect a new Coordinator.

**2.9. Vacancy.** In the event of a definitive vacancy at the Committee, the Board of Directors shall be summoned to elect the deputy, who shall remain in office until the expiration of replaced member's term of office, so that to comply with the combined term of office of the Committee's members.



**2.10. Resignation.** The resignation to the position of member of the Committee shall occur by means of a written notice to the Board of Directors, becoming effective with the Company, as soon as the Board of Directors receives referred notice.

### 3. Duties and responsibilities

**3.1. Members' duties and responsibilities.** Members of the Committee shall: **(a)** perform their duties observing the same duties and responsibilities assigned to the Company's Management, contained in Articles 153 to 159 of Law No. 6.404/76 ("LSA"), pursuant to provisions contained in Article 160 of the Brazilian Corporation Law; **(b)** comply with and cause the compliance with Committee's Charter; **(c)** not disclose to third parties the Company's documents or information to which they have access, and they shall keep the secrecy and confidentiality, using this information only to carry out their duties as member of this Committee, as well as require the same confidential treatment from advisory service providers, under the penalty of being held liable for the act contributing to its improper disclosure; **(d)** abstain from severally or jointly intervening with third party in any transaction between the Company and its Related Parties (as defined in the Policy for Related Party Transactions); **(e)** act with maximum independence and objectivity, aiming the Company's best interest, also shall observe and comply with the Company's codes and policies to which they are subject.

### 4. Meetings

**4.1. Frequency.** The Committee shall hold ordinary meetings and extraordinarily whenever necessary, according to the call rules indicated in 4.2 and 4.3.

**4.2. Call notice.** Committee's meetings shall be called by the Corporate Governance Secretary, advised by person in charge of calling the Committee's meetings, in compliance with the terms hereof, by means of the Company's Corporate Governance Portal or, alternatively, via e-mail and shall include the date, time, place of the meeting, the items of the agenda accompanied by related supporting materials.

**4.2.1.** Notwithstanding the call formalities provided for herein, regular meetings shall be **(a)** those attended by all members of the Committee or **(b)** called in shorter periods than those foreseen above due to urgency.

**4.3. Term for call, agenda, and material.** The call, agenda and supporting material referring to the meetings shall be made and sent jointly, at least, five (5) days in advance to the date scheduled for the meeting.

**4.3.1.** If Committee's members do not receive on time the documents referred to by *caput* of this Article, any member may request that said item to be excluded from the agenda and discussed in the next meeting's agenda. The decision of discussing or not said item in the agenda shall rely on the approval of a majority of members attending the meeting, as long as the delay does not impair the analysis of the matter.



**4.3.2.** In the assumption of an extraordinary meeting, due to the urgency of the call, the person in charge shall call for the Committee's meeting, observing the terms hereof, define the minimum term to send the meeting's agenda and related material, assisted by Corporate Governance Secretary.

**4.4. Place.** The Committee's meetings shall be preferably held at the Company's headquarters.

**4.5. Quorum for installation.** The Committee's meetings only shall be installed on first call with the attendance of a majority of acting members. In the lack of minimum quorum set forth above and in compliance with provisions of Article 4.3.2 above, a new meeting shall be called with the urgency required for the matter to be discussed, which shall occur with any quorum.

**4.6. Composition of the presiding board.** The Committee's meetings shall be chaired by the Coordinator, or during his absence or temporary impediment, pursuant to Article 2.8 – "Coordinator's Absence" hereof.

**4.7. Quorum of resolutions.** As a general rule, the Committee's resolutions shall be taken by a simple majority of votes, excluding the votes of any member with interests conflicting with the Company's interests.

**4.7.1.** That member, regardless of the matter under discussion, shall timely express his/her conflict of interest or private interest, another person may manifest it, if that member does not manifest himself/herself. In this assumption, such member can neither vote nor participate in discussions, and shall be absent from the meeting room while the matter is being discussed.

**4.8. Off agenda items.** The inclusion of off agenda items shall rely on the unanimous approval of Committee's members attending the meeting.

**4.9. Invitees.** The Coordinator, by his initiative or as requested by any member, may invite, at his own discretion, members of the Company's Board of Directors, officers, employees, independent auditors and/or third parties to provide the clarifications necessary in relation to certain item of the agenda of respective meeting and relating to their field of action.

**4.10. Online meetings and attendance at a distance.** Committee's online meetings are authorized, as well as its members' attendance at a distance.

**4.10.1.** Meetings may be held via conference call, video conference or by any other means of communication allowing the identification of Committee's attending members and the communication with other attendees.

**4.10.2.** In the assumption of online meeting and/or attendance at a distance, the Committee's members shall undertake to prohibit third parties from attending the meeting without the Coordinator's previous approval.

**4.10.3.** The related minutes shall be subsequently signed by all members attending the meeting, within the least term, as possible.

**4.11. Drawing up of the minutes.** Minutes of the Committee's meetings shall be drawn up, which shall be signed by all members, registered in the respective book and filed at the Company's headquarters.

**4.11.1.** The Committee shall register in the minutes the attendances and eventual absences of its members.

**4.11.2.** The draft of the minutes shall be drawn up by the Corporate Governance Secretary and sent to the Committee's members within five (5) business days, as of the date of the meeting.

**4.11.3.** Members shall send to the Corporate Governance Secretary, within three (3) business days, as of receipt of the draft of minutes, any request to amend and/or alter the draft of the minutes. Any requests received by the Corporate Governance Secretary shall be discussed and approved in a later meeting.

**4.12. Corporate Governance Secretary.** The Committee shall have one (1) Secretary, who shall be liable for:

- (a) organizing, under Coordinator's guidance, the matters to be discussed, based on requests of the Board of Directors, members of this Committee and consultations with the Company's Executive Board;
- (b) calling for the Committee's meetings, and members of the Committee and any participant shall take cognizance of the place, date, time and agenda of the meeting;
- (c) serving as secretary of the meetings, recording the time spent in resolutions and draw up the related minutes and other documents in the Company's records, collecting the signatures of members attending the meetings, besides declaring the attendance of any invitee;
- (d) filing at the Company the minutes and resolutions taken by Committee, as well as sending them to the appropriate bodies for registration and publication, where applicable;
- (e) issuing certificates, statements and attest before any third party, for all due purposes, the authenticity of recommendations proposed by this Committee;
- (f) assessing if Committee's recommendations do not conflict with legal, statutory provisions or with previous recommendations.

## **5. Annual Report**

**5.1. Frequency and submission.** Annually, during the preparation of the Management Report, the Committee shall prepare and submit to the Board of Directors a written report, considering, at least, the information below:

- (a) a description of its composition;
- (b) a report on the activities performed at the period ended;
- (c) a description of relevant recommendations issued;
- (d) the main measures adopted to ensure the compliance with policies relating to risk management, internal controls, and compliance;
- (e) description of amendments to the risk management and equity minimum requirements policies made in the period and their implications to the Company; and



**5.1.1** The Committee shall keep the Report available to the Board of Directors for a minimum term of five (5) years as of its elaboration.

**6. General Provisions**

**6.1. Amendment to the Charter.** The Committee may review and assess, whenever necessary, the adequacy of this Charter and propose to the Board of Directors the changes identified as necessary or convenient. Meetings to resolve on the review/amendment to the Charter shall mandatorily rely on the Coordinator's participation.

**6.2. Cases not covered herein.** The cases not covered herein, doubt of interpretation and/or amendments to its terms shall be submitted to the Board of Directors for resolution.

**6.3. Cases of conflict and inconsistency.** In the event of conflict or inconsistency between the provisions of this Charter, the Company's Bylaws or the Shareholders' Agreement filed at the Company's headquarters, the provisions of the following documents shall prevail:

- (a) Shareholders' Agreement;
- (b) Bylaws; and
- (c) This Charter.

**6.4. Effectiveness.** This Charter shall take effect on the date of approval by the Board of Directors.

**6.5. Coverage.** This Charter shall be complied with by the Company, its officers, members of its Board of Directors, members of this Committee, members of other advisory committees, as well as by other areas of the Company.

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