RISK MANAGEMENT POLICY
PETRORECONCAVO S.A.

SUMMARY

RISK MANAGEMENT POLICY

1. PURPOSES

The purpose of the present Risk Management Policy of PetroRecôncavo S.A. its subsidiaries. ("**Policy**" and "**Company**", respectively) is to establish principles, guidelines, and responsibilities to be observed in the Company's risk management process, in a way that enables the appropriate identification, assessment, treatment, monitoring, and communication to management in adequate time for decision making, minimizing its impact through its internal controls and appropriate risk governance.

2. APPLICATION

This Policy applies to the Company, its subsidiaries and to all its employees.

3. DEFINITIONS

For purposes of interpretation of this Policy, the terms and expressions listed below, in the singular or plural, shall have the meanings set forth below.

Management: Board of Directors, Executive Board, and Board Advisory Committees ("**Committees**") and their respective members.

Risk Appetite: is the amount of Risk, in the broadest sense, that the Company is willing to accept in its quest to add value. The Risk Appetite reflects the entire management philosophy of an organization and, in turn, influences its culture and operational style.

Risk Response Strategies: is the set of actions that aim to respond to Risks. Among them, there are:

(i) **Avoiding:** discontinuation of the activities that generate the Risks;

(ii) **Reducing:** measures are taken to reduce the likelihood and/or impact of the Risks;

(iii) **Sharing:** reducing the likelihood or impact of Risks by transferring or sharing a portion of the Risk; and

(iv) **Accepting:** no measures are taken to affect the likelihood or the degree of impact of the Risks.

Risk Management: is the process conducted by the Company's Management, managers and employees, formulated to identify events that may affect the Company's business, and to manage the identified Risks in order to keep them compatible with the Risk Appetite.

Opportunity: is the possibility that an event will occur and favorably influence the achievement of the goals.

Risk: means any and all events arising from uncertainties, to which the Company is exposed and which may adversely affect the achievement of its goals.

Risk Tolerance: represents the acceptable level of variation from the target for the achievement of a specific goal.

4. GUIDELINES AND RESPONSIBILITIES

The risk management process involves all areas of the Company and must follow the Company's ethical principles, values, and culture.

The Company understands that to achieve its goals it is exposed to countless Risks, which must be managed by each area, under the command of its respective leader, as follows:

BOARD OF DIRECTORS:(a) define the Company's strategy to meet its business objectives; (b) define and periodically review the Risk Appetite in the conduct of the Company's business; (c) approve the acceptance of the Risks classified as "High"; (d) approve this Policy, as well as its revisions; (e) approve the internal controls, compliance and corporate risk reports; (f) to oversee, with the support of the statutory committees, the effectiveness of the risk management structure and process; (g) evaluate, at least annually, whether the structure and budget of the Internal Audit Area are sufficient for the performance of its functions; e (h) ensure operational autonomy for the Statutory Audit Committee, approving its own budget to cover its operating expenses.

STATUTORY AUDIT COMMITTEE: (a) evaluate the quarterly information, interim statements, and financial statements; (b) monitor the activities of the Internal Audit Area and the Compliance, Internal Controls and Corporate Risk Management Area; (c) evaluate and monitor the Company's risk exposures; (d) assessing, monitoring, and recommending to management the correction or improvement of the Company's internal policies, including the Related-Party Transactions Policy; (e) to have means for receiving and processing information about non-compliance with legal provisions and norms applicable to the Company, in addition to internal regulations and codes, including specific procedures to protect the provider and the confidentiality of information; (f) monitor the quality and integrity of the internal control, Risk management and compliance mechanisms; (g) assess and discuss the annual work plan of the independent auditors and forward it to the Board of Directors; (h) monitor and supervise the internal control activities, of internal audit and the preparation of the Company's financial statements, including proposing to the Board of Directors the need to revise this Policy; (i) monitor quality and integrity: (1) of internal control mechanisms, (2) of the Company's quarterly information, interim statements and financial statements and (3) of the information and measurements disclosed based on adjusted accounting data and on non-accounting data that add elements not provided for in the usual financial statement reporting structure; (j) assess, at least annually, whether the structure and budget of the Audit Area are sufficient for the performance of its functions; and (k) report the activities reported by the Internal Audit Area to the Board of Directors.

EXECUTIVE BOARD: (a) identify Risks preventively and make the necessary management, evaluating the probability of occurrence and adopting measures for their prevention and minimization; (b) propose the acceptance of risks classified as "Medium" to the CEO; (c) approve the acceptance of the Risks classified as "Low"; (d) implement internal controls including policies, standards and limits of authority; (e) to validate the Risks inherent to the Company's operation taking into consideration their relevance and probability of occurrence; (f) contribute to the preparation of the Risk report; (g) communicate, in the shortest possible time, the Internal Audit Area about unidentified risks, whether new or not; e (h) establish the action plans and ensure their implementation.

CEO: (a) implement the Company's strategies and guidelines approved by the Board of Directors; (b) respect corporate governance guidelines and policies, as well as monitoring their observance throughout the Company; (c) identify Risks preventively and manage them accordingly, assessing the probability of occurrence and adopting measures for their prevention and minimization; (d) propose to the Board of Directors the Company's Risk Appetite and Tolerance level; (e) propose the acceptance of the Risks classified as "High" to the Board of Directors; (f) approve the acceptance of the Risks classified as "Moderate"; (g) propose and implement an internal control system including policies and limits of authority, aligned to the level of Risk Appetite and Tolerance; (h) propose sustainability indicators for its operations, considering environmental and social factors in the execution of its activities; (i) sponsor the implementation of risk management in the Company; and (j) validate the corporate Risk and Internal Control reports.

COMPLIANCE, INTERNAL CONTROLS, AND CORPORATE RISK MANAGEMENT AREA: (a) establish a process to be used in the management of internal controls and corporate Risk; (b) coordinate and define the standards to be followed regarding internal control processes and Corporate Risk, the support systems and the ways and timing of their reporting; (c) consolidate the Company's Risk assessment, through periodic reports that must be reported to the Executive Board, the statutory audit committee and the Board of Directors; (d) to support the responsible managers in the definition and execution of action plans and deadlines necessary for the treatment of Risks and to notify non-compliance according to the appropriate levels of authority; and (e) to make responsible managers aware of the importance of risk management and the inherent liability of managers, employees, interns and service providers physically allocated on the Company's premises.

INTERNAL AUDIT AREA: (a) monitor the quality and effectiveness of the Company's risk management and governance processes, as well as internal controls and compliance with the rules and regulations associated with its operations; (b) provide the Board of Directors, the statutory audit committee and the Chief Executive Officer with independent, impartial and timely assessments of the effectiveness of risk management and governance processes, the adequacy of controls, and compliance with rules and regulations associated with the Company's operations; (c) subsidize the Compliance, Internal Controls and Corporate Risk Management Area on the major risks and controls in place identified during its annual reviews by various business processes, in its role as an independent evaluator of the internal control environment and the performance of the business areas; and (d) perform tests on internal controls with the purpose of assessing their effectiveness. The Internal Audit Area must report its activities to the Board of Directors, through the Statutory Audit Committee.

MANAGERS:(a) identify, classify and manage the risks of the respective areas in accordance with the mitigation strategies, with the support of the Compliance, Internal Controls and Corporate Risk Management Area, when necessary; (b) establish controls for the priority risks; (c) implement the plans and follow up on corrective and/or preventive actions in their areas; (d) interface business and functional areas with the Compliance, Internal Controls and Corporate Risk Management Area; (e) define internal controls for the processes in their respective areas, together with the Compliance, Internal Controls and Corporate Risk Management Area.

COLLABORATORS: (a) ensure the operationalization of Risk Management, being part of the identification, assessment and measurement process, implementing preventive and corrective or detective controls; and (b) actively participate in communication and training that allows the conscious dissemination of risk management in the company.

5. RISK RANKING

The Company categorizes its Risks according to the guidelines described below and always considers external and internal factors in each category:

(i) **HUMAN CAPITAL RISKS:** related to the Company's people management, covering the relations with employees and third parties that provide services to the Company.

(ii) **COMPLIANCE AND REGULATORY RISKS:** related to compliance with norms and legislation, considering laws applicable to the Company's business sector and other legislation. Among them, we can mention: activities performed in disagreement with policies, rules and procedures of the Company, failure to monitor the change/creation of laws and regulations, sanctions/fines due to the transmission of incorrect information to regulatory agencies, fraud by substitution or inclusion of payments and/or personal expenses, among others.

(iii) **COMPLIANCE RISK:** arises from legal questions regarding the organization's transactions, which can generate unforeseen losses or contingencies when a business transaction is carried out, such as incorrect transaction documentation, non-compliance with current legislation, new laws, court decisions, process analysis, and inadequate defenses, among others.

(iv) **BUSINESS CONTINUITY RISKS:** are the risks that may arise with the failure in identifying and managing risks, with Cross-default or early maturity due to non-compliance with clauses, marketing actions, market demand, *market share*, customer relationship, by admissions in disagreement with the business profile, due to collective manifestations (strikes/work stoppages)among others.

(v) **STRATEGIC RISKS:** are those associated with the achievement of the intended goals according to the strategy defined by the Company, and are assessed in the development of the organization's strategic planning, such as, for example, the development of technological competencies to increase business performance.

(vi) **FINANCIAL RISKS:** are related to the effective management and controls of the organization's financial means and the effects of external factors such as credit availability, exchange rates, interest rate movements, commodities, equities, derivatives, liquidity, hedge, default, and others. The Financial Risks are composed of:

a. **Market:** stems from the possibility of losses that can be caused by changes in the behavior of interest rates, exchange rates, stock prices and commodity prices;

b. **Credit:** defined as the possibility of loss resulting from the uncertainty of receiving amounts agreed upon with borrowers, contract counterparties, or securities issuers; and

c. **Liquidity:** the possibility of loss arising from the inability to carry out a transaction in a reasonable time and without significant loss of value or the possibility of lack of resources to honor the commitments assumed due to the mismatch between assets and liabilities.

(vii) **MARKET RISKS:** Risks external to the Company's will, which do not depend on how it organizes itself internally and how it implements actions to avoid such risks, such as oscillation of prices of oil and its derivatives, market conditions (supply and demand levels), economic and international market conditions, among others.

(viii) **OPERATIONAL RISK:** is the possibility of loss resulting from inadequate or failed internal processes, people, and systems, or from external events such as equipment failures, poor management, and unqualified employees, of equipment obsolescence, of unintentional error, of fraud, of product and service, systemic, of concentration (operational) of image, of catastrophe.

(ix) **INFORMATION SECURITY RISK:** is associated with the loss or sharing of customer and organizational data such as, data theft, improper data sharing, industrial espionage, phishing, password cracking, ransomware, and others.

(x) **SUSTAINABILITY RISKS:** Risks related to environmental issues and the action of nature, such as water and soil contamination, leaks, explosions, releases of inflammable and/or explosive gases, fires, leaks of toxic inputs, among others.

6. RISK MANAGEMENT

The risk management framework must be able to provide management with reasonable assurance that its objectives will be met.

Risk management should contribute to ensuring effective communication and compliance with laws and regulations, as well as preventing damage to the organization's reputation and its consequences. In short, risk management should help the organization to achieve its goals and avoid the dangers and surprises along the way.

To this end, risk management is made up of interrelated components that are integrated into the management process. These components are as follows:

INTERNAL ENVIRONMENT: the Compliance, Internal Controls, and Corporate Risk Management area must provide actions to provide an internal environment with integrity and in line with the Company's ethical values.

GOAL SETTING: Goals are set at the strategic level, establishing a basis for operational, communication, and compliance goals. Goal setting is a prerequisite to effective event identification, risk assessment and in the development of Risk Response Strategies. The goals must be aligned with the Risk Appetite, which will direct the levels of Risk Tolerance for the organization.

EVENT IDENTIFICATION: potential events must be identified by the Company's managers, who must determine whether they represent Opportunities or Risks. When identifying events, managers will need to consider a variety of internal and external factors that may give rise to Risks and Opportunities in the context of the entire organization. The identification of Risks must be carried out with the participation of all those involved in the Company's business processes, at its different levels, with the support of the Compliance, Internal Controls, and Corporate Risk Management Area.

RISK ASSESSMENT: allows the Company to consider the extent to which potential events may impact the achievement of the goals, and managers must assess events from the perspectives of likelihood and impact, using both qualitative and quantitative methods. Risks should be assessed based on their inherent and residual characteristics. After managers identify and assess the Risks, the Compliance, Internal Controls, and

Corporate Risk Management Area must review the assessment and its adherence to the methodology and model defined by the Company.

RISK RESPONSE: after the assessment of the relevant Risks has been conducted, managers determine how the Risk Response will be, through alignment with Management, as applicable, considering the effect on the probability of occurrence and the impact of the Risk, as well as the costs and benefits, thus selecting a Risk Response that keeps the residual Risks within the desired Risk Tolerance.

CONTROL ACTIVITY: control activities must occur throughout the organization, at all levels and in all functions, and must be capable of mitigating Risks in line with the Risk Appetite and Tolerance defined by the Board.

COMMUNICATION: during all stages of the risk management process, communication must reach all interested parties, being carried out in a clear and objective manner, respecting the good governance practices required by the market. Relevant information must be identified and collected, encompassing internally produced data, information about external events, activities, and conditions that enable risk management and decision making. Communication should be timely and flow in all directions.

MONITORING: risk management must be monitored, assessing the presence and functioning of its components over time. This task must be accomplished through continuous monitoring activities and independent assessments, whose scope and frequency are defined by the Compliance, Internal Controls, and Corporate Risk Management Area. Deficiencies in risk management must be reported to the statutory audit committee. Ongoing monitoring activities must be carried out by managers and the Compliance, Internal Controls and Corporate Risk Management Area and the independent assessments by the Internal Audit Area, in accordance with their responsibilities.

7. RISK APPETITE AND TOLERANCE

The Board of Directors is responsible for determining the strategic goals and the Company's Risk profile, identifying the degree of Risk Appetite, as well as the acceptable Risk Tolerance ranges.

The fundamental role of implementing a sound risk management and control structure is delegated to the managers, while the Board exercises the supervisory function.

8. LIMITATIONS

The Company understands that risk management is subject to limitations. The limitations stem from the fact that human judgment in the decision making process can be flawed, Risk Response Strategy decisions and the establishment of controls need to take into account the relative costs and benefits. Failures caused by human error or mistake can occur, controls can be overridden by collusion between two or more people, and management has the power to refuse to accept risk management decisions.

9. PENALTIES

Failure to comply with any of the determinations set forth in this Policy will be subject to the sanctions provided for in the Company's Code of Conduct, such as disciplinary measures, including contract termination. In addition, violation of the determinations of this Policy may result in liability in the criminal, civil, and administrative spheres.

10. GENERAL PROVISIONS

This Policy was prepared and should be interpreted, including any omissions, in accordance with the Brazilian Corporations Law, the applicable rules, the CVM regulations, the Novo Mercado Regulation, the Bylaws and other applicable standards, policies and internal rules of the Company.

This Policy may be amended, whenever necessary, by resolution of the majority of the members of the Board of Directors present at the meeting that resolves on the matter.

In the event of conflict between the provisions of this Policy and the Bylaws, the provisions of the Bylaws shall prevail, and in the event of conflict between the provisions of this Policy and current legislation, the provisions of current legislation shall prevail.

Should any provision of this Policy be held invalid, illegal or unenforceable, that provision will be limited to the extent possible so that the validity, legality and enforceability of the remaining provisions of this Policy are not affected or impaired.

This Policy takes effect on the date of its approval by the Board of Directors and will be published on the Company's Investor Relations *website* and disclosed as provided for in the applicable laws and regulations.

Approved in a meeting of the Board of Directors of PetroRecôncavo S.A. held on April 28th, 2021.