RISK MANAGEMENT POLICY OF
LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

1. PURPOSE

1.1. This Risk Management Policy of LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A. ("Company" or "LOG"), approved at a meeting of the Board of Directors held on November 16, 2018 (“Policy”), seeks to set out the guidelines to make sure that all decisions, particularly those involving the management of risks inherent to the Company's business activities are made through a transparent process, in order to reduce the levels of exposure to losses by the Company.

2. APPLICATION

2.1. This Policy is applicable to all organizational levels of the Company that make up its risk management process, directly or indirectly.

2.2. All the professionals (including, but not limited to, employees and managers) that are part of the Company, which fail to comply with the rules set forth in this Policy are subject to a liability proceeding, subject to the provisions of item 9 of this Policy.

3. GUIDELINES AND PRINCIPLES

3.1. The Company is committed to a risk management dynamics, which helps preserve and develop the Company's values, assets and reputation, while keeping risks at acceptable levels. LOG's approach is to integrate risk management into your day-to-day business activities, by adopting the following precepts:

- Aligning the risk management process with the Company's strategy, corroborating the effort to build sustainable pillars for your business;
- Adopting assumptions set in good market practices, expressed in Brazilian and international regulations;
- To implement a structured risk management process, to ensure that risks and their impacts are taken into account in the decision-making process;
- To manage in an proactive and comprehensive manner the risks associated to business, management and support processes, keeping them at an exposure level in line with the Company's risk profile;
- To align corporate risk management actions among all areas and corporate bodies of the Company, covering all managers and professionals;

- To ensure autonomy in the risk management process and segregation of functions among risk takers, those responsible for the implementation of risk mitigation controls and those responsible for their monitoring; and

- To value transparency and accountability to all LOG stakeholders, on key risks and their initiatives to address them.

3.2. Definition of risk: Risk is an effect of uncertainty that can affect the achievement of objectives, which may lead to a positive deviation from the expected, representing an opportunity, or a negative deviation, representing a threat. Risks may represent uncertainties regarding the achievement of business objectives at different levels of the Company, whether at strategic or operational level.

3.3. Types of risk: Company risks identified so far are classified as follows:

- **Strategic Risks:** Comprehensive risks that affect the Company in a systemic manner, and its occurrence can drastically affect its performance before the market and shareholders. Those risks are divided into the following categories:

    - *Conjuncture:* Risk arising from losses and changes in the political, cultural, social and economic or financial conditions in Brazil;

    - *Liquidity:* Risk of lack of resources to honor commitments taken due to the mismatch between assets and liabilities, which may result in loss due to the inability to perform a transaction within a reasonable time (cash);

    - *Interest rate:* Risk of fluctuations in the market interest rate may affect the value of the Company's liabilities, affecting its results and impacting its overall liquidity;

    - *Market:* Risk arising from the possibility of pressure for changes in the prices of LOG products and costs of consumables for the operation;

    - *Credit*: Risk of loss resulting from the uncertainty with regard to receipt by customers, financial institutions and guarantees of financial investments;

    - *Image*: Risk of loss resulting from the LOG brand being “worn out" in the market and/or the authorities, due to possible negative publicity, true or not;

    - *Legal*: Risk of loss resulting from fines, penalties or indemnities resulting from actions of supervisory and control bodies, as well as losses arising from unfavorable decision in legal or administrative proceedings;

- *Operational*: Risk of loss due to failure, deficiency or ineffectiveness of internal processes, people and systems, or external events (ex.: weather factors).

- **Inherent Risks:** Risks related to the Company's core activity, including construction, leasing, sale and real estate development;

- **Operational Risks:** Less comprehensive risks, typically isolated in a department and/or process, not affecting LOG's performance before the market and shareholders.

- **Compliance Risks**: Risks related to the integrity of the Company and that may generate negative effects on its reputation, as well as affect compliance with external and / or internal laws and regulations to which the Company is subject. The degree of impact and probability may vary according to the risk. Compliance risks can also be classified as strategic or operational risks, depending on the case.

3.4. Risk management process: The Company is formally implementing risk matrix comprising its main corporate and compliance risks, based on their probability of occurrence and the magnitude of their impact on the Company's business, for which risk and performance indicators were selected for monitoring thereof. These indicators will be periodically evaluated by the Audit Committee and reported to the Board of Directors whenever they show signs of a threat to LOG's strategy and business. This risk matrix will be reviewed at least once a year by the Company, or at any time, considering the circumstances and the change in its magnitude of impact.

4. RESPONSIBILITIES

The Company's risk management structure has the structure described below:

4.1. The Board of Directors

- Sets forth the risk guidelines for the Company;

- Approves the Company's Risk Management Policy and its future revisions;

- Expresses its opinion on suggestions for change(s) to the operational structure of risk management, and approves any suggestions for changes, if deemed necessary;

- Supervises the Company's risk management and compliance activities;

- Operates and interacts with the Audit Committee, in order to ensure compliance with the set risk guidelines; and

- Periodically approves the risk matrix and its indicators.

4.2. The Executive Board

- Supports the decisions of the Board of Directors and of the Audit Committee with regard to risk mitigation;

- Implements the strategies and guidelines of the Company, approved by the Board of Directors, observing and making all other professionals observe their definitions;

- Provides resources for the implementation of effective internal controls and risk mitigation strategies;

- Assures a periodic schedule of training on conduct and ethics for Company's management and employees, together with the compliance area; and

- Maintains an environment of effective internal controls and compliance.

4.3. The Audit Committee

- Evaluates and monitors the Company's risk exposures;

- Monitors, requires and assures faithful fulfillment of: **(i)** laws and regulations applicable to Company's business and activities; **(ii)** the Code of Conduct; and **(iii)** internal rules, regulations, policies and manuals;

- Ensures the adequacy, strengthening and operation of the Company's internal control systems;

- Safeguards and disseminates the Company's commitment to management based on the pillars of corporate governance, sustainability and business ethics;

- Fights all forms of corruption;

- Issues recommendations regarding situations of potential conflict of interest between related parties of the Company;

- Identifies, evaluates, communicates, monitors and addresses the strategic, inherent and operational and compliance risks;

- Reports to the Board of Directors the results of the risk assessments; and

- Investigates complaints originating or not from the Confidential Channel, in an exempt manner, respecting the integrity of the complainant and of the subject of the complaint, pursuant to the Compliance Policy of the Company.

4.4. Finance Committee

- Evaluates and defines the financial strategies of the Company related to loans and funding, identifying possible financial risks to which the Company may be exposed; and

- Reports to the Board of Directors the results of the risk assessments.

4.5. Investments Committee

- Evaluates and defines the investments' strategies related to properties and other asset acquisitions, identifying any risks that can be related to potential investments of the Company, and

- Reports to the Board of Directors the results of the risk assessments.

4.6. Compliance Committee

- Evaluates issues of ethical dilemmas that may arise within LOG;

- Accompany, demand and monitor, together with the Audit Committee, for the faithful greeting: (i) laws and regulations applicable to the business and activities of LOG; (ii) of the Code of Conduct; and (iii) of the rules, regiments, policies and internal manuals;

- Combat all forms of corruption and/or favoring, together with the Audit Committee;

- Issues recommendations on situations of potential conflict of interest that could create a risk of compliance; and

- Analyzes, together with the compliance area, deviations of conduct and noncompliance with the internal regulations that may be identified/reported, either by the monitoring activities or by reporting from the Confidential Channel, reporting to the Audit Committee.

4.7. Advisory and Management

- It is incumbent upon the managers of Company's areas to ensure the operation of risk management, implementing preventive and corrective actions for the risks identified;

- To be proactive in identifying risks by always communicating them to the Audit Committee;

- They must contribute by providing information that supports the investigations carried out by the Audit Committee; and

- They develop processes and procedures, training and forms of communication that allow the consistent dissemination of risk management in the Company.

5. IDENTIFICATION OF RISKS

5.1. The strategic risks are identified through rounds of discussions with the Audit Committee and designees, as well as a benchmark with companies of similar size and market.

5.2. The operational and inherent risks are identified through the execution of audits in the processes, and the assessment of complaints with identification of fraud.

5.3. Compliance risks are identified through rounds of discussions with the Audit Committee and the Compliance Committee, as well as administrators in the business areas.

6. RISK ASSESSMENT

6.1. Risks are assessed according to the Audit Committee's own methodology. Once assessed, the risks are cataloged and classified according to their type of risk and degree of exposure. Operational risks are classified by degree: high, medium and low, considering two variables: **(i)** whether or not the risk is inherent; and **(ii)** whether or not there are deficiencies in controls that expose the Company to risk. Strategic risks are classified into a vulnerability scale ranging from 1 to 7, from the least to the most vulnerable.

6.2. Once assessed, the risks are cataloged and classified according to their type of risk and degree of exposure. Compliance risks are classified as high, medium and low considering two variables: (i) impact; and (ii) probability. A matrix of compliance risks and an action plan were developed with recommendations that should be revisited periodically.

7. TREATMENT OF RISKS

7.1. Risks may be accepted, as determined by the Board of Directors, not entailing the need to adapt processes and controls. When the risks are not accepted, it is necessary to adjust processes and controls for mitigation of risks.

7.2. For each strategic risk contingency processes are defined, so as to guarantee the continuity of the Company's business in case of exposure, minimizing any damages.

8. RISK REASSESSMENT

8.1. The assessed operational and compliance risks are reassessed, according to their degree classification. High risks are reassessed every 3 (three) months, medium every 6 (six) months, and low every 12 (twelve) months.

8.2. The strategic and inherent risks are reassessed every 6 (six) months, regardless of the vulnerability classification.

9. PENALTIES

9.1. Any breach of this Policy shall be submitted to the Company's Board of Directors, and any relevant penalties shall be applied, without prejudice to the penalties provided for in the current legislation.

10. DOUBTS

10.1. Any doubts or clarifications regarding the application of this Policy shall be sent to the Compliance area, by e-mail compliance@logcp.com.br, or telephone (31) 3615-8341.

11. GENERAL PROVISIONS

11.1. It shall be incumbent upon the Board of Directors to evaluate the adequacy of this Policy and make amendments whenever necessary.

11.2. This Policy is available on the Company's website (www.logcp.com.br/ri), as well as on the website of the Securities and Exchange Commission (www.cvm.gov.br).

11.3. This Policy shall enter into force upon its approval by the Board of Directors, and shall remain in force for an indefinite period, pending a decision to the contrary. Any amendments to this Risk Management Policy shall be approved by the Board of Directors.

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