

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Host Countries:	Brazil
Name of Borrower:	NEO Capital III or an affiliated feeder fund incorporated in the United Kingdom (the “Fund”).
Sponsor:	NEO Investimentos (the “General Partner”, “GP”, or “NEO”), incorporated in and based in Sao Paulo, Brazil.
Project Description:	The Fund will invest in six to eight mid-market Brazilian companies through convertible debt investments. The Fund will invest between \$30 million to \$70 million in companies with revenues greater than \$50 million that are cash flow generative. Typically these companies will be family-owned businesses that have successfully grown to a significant size and scale but have constraints on future growth. The Fund will invest through a traditional convertible bond with warrants. Upon conversion, the Fund will seek significant minority stakes in its portfolio companies. This differentiated structured equity strategy is rare in Brazil and is designed to give NEO an advantage with entrepreneurs and family owned mid- market companies. The Fund will invest in goods and services focused on high growth Brazilian sectors.
Total Fund Capitalization:	The Fund has a total capitalization target of \$300 million, including a Brazilian vehicle of \$150 million, and an offshore vehicle incorporated in the United Kingdom of \$150 million, including the amount of the proposed OPIC loan. The Fund has raised \$120 million to date from local investors and expects to achieve a first close within the next few weeks. For the first time, NEO is seeking international investors, and views OPIC’s participation as critical in helping to attract U.S. investment.
Proposed OPIC Loan:	OPIC loan guaranty of up to \$50 million in principal plus accrued and accreted interest thereon.
Term of Fund:	Ten years from first close, with the possibility of two one-year extensions, subject to Advisory Committee approval.
Selection Process:	On October 22, 2013, OPIC announced a Global Engagement Call for Proposals (the “Call”). The purpose of the Call was to finance one or more selected funds to facilitate the investment of risk capital in companies or projects within OPIC-eligible countries, in order to provide for new business development,

	<p>existing company expansion, restructuring, and/or privatization. OPIC’s selection process for the Call has been guided by OPIC’s current policy priorities, asset allocation strategy, market needs, and OPIC’s goal of maintaining a balanced portfolio. The OPIC Evaluation Committee selected the Fund from among 196 respondents to the Call with the assistance of an investment consultant, TorreyCove Capital Partners. Due diligence on the Fund was performed both in Washington D.C. as part of the Evaluation Committee interviews in February and on-site in Sao Paulo, Brazil on March 19th and 20th, 2014.</p>
<p>Policy Review</p>	
<p>Developmental Effects:</p>	<p>The Fund is expected to have a positive developmental impact in Brazil by contributing to the growth of mid-market Brazilian companies. The Fund has a track record of working with management teams to improve the quality of leadership, leveraging the fund manager’s deep entrepreneurial network and local channels to maximize the value of portfolio companies. The Fund will help define each portfolio company’s strategic agenda and key value-creation initiatives. Innovative governance and management practices will also be implemented, leading to growth and gains in efficiency. Each of the Fund’s OPIC-supported investments will be evaluated separately for their potential development impacts.</p>
<p>Environment and Social:</p>	<p>The capitalization of a fund is screened as a Category D activity for the purposes of environmental and social assessment. Although no further assessment is warranted at this stage in the transaction, each of the Fund’s OPIC-supported investments will be screened at and subject to the full scope of OPIC’s environmental and social assessment process, including public disclosure within the host country of Environmental and Social Impact Assessments for Category A projects, conditionality and monitoring, as is warranted by the nature and scope of the downstream investments.</p> <p>Prior to commitment, the Fund will be required to provide OPIC with a Social and Environmental Management System (SEMS) and a community grievance that describes how the Fund will facilitate resolution of concerns and grievances about the Fund’s environmental and social performance and requirements or management of community grievance mechanisms for its Portfolio Companies.</p>
<p>U.S. Economic Impact:</p>	<p>Each of the Fund’s OPIC-supported investments will be evaluated separately for their impact on the U.S. economy.</p>

Worker Rights:	<p>Each of the Fund’s OPIC-supported investments will be evaluated separately with regard to specifics of operation and compliance with OPIC worker rights and human rights approval criteria. Standard and supplemental worker rights language will be applied to each OPIC-supported investment, as appropriate.</p> <p>The Fund will be required to develop and implement a SEMS that addresses labor risk commensurate with the risks associated with the facility and consistent with the IFC Performance Standards.</p>
Human Rights:	OPIC issued a human rights clearance on May 6, 2014.

