

Report on the
**Brazilian
Corporate
Governance Code
2024** 



INTRODUCTION

The Report on the Brazilian Corporate Governance Code - Publicly Traded Companies (Report), regulated by the Brazilian Securities and Exchange Commission - CVM Resolution No. 80/2022, aims to disclose information to the market regarding the adoption of the recommended practices by the Brazilian Corporate Governance Code - Publicly Traded Companies (Code).

The structure of the Report follows the "Practice or Explain" model, wherein companies must inform whether they apply the recommended principles and practices and disclose how they have done so. If they decide not to comply with any of these practices, they must explain the reason when necessary. This model is widely accepted and internationally recognized as best suited for corporate governance codes. Thus, it is evident that governance practices are an ongoing journey and should not be interpreted as a rigid and pragmatic model applicable to all companies. Its essence is, therefore, principles-based and flexible, granting companies the freedom to explain any non-implementation of practices.

The content is organized into five chapters: 1. Shareholders; 2. Administrative Council; 3. Board of Executive Members; 4. Supervision and Control Entities; 5. Ethics and Conflict of Interest. It is founded on the basic principles of Transparency, Equity, Accountability, and Corporate Responsibility.

BRB - Banco de Brasília S.A. has, as one of its strategic pillars, the strengthening and continuous evolution of Corporate Governance, seeking greater alignment with the best market practices. In this regard, the Bank presents its Report on the Brazilian Corporate Governance Code - Publicly Traded Companies, detailing the principles and practices implemented, taking into account its nature as a mixed economy company, and following the guidelines of the Code and the applicable legislation.

Dario Oswaldo Garcia Júnior

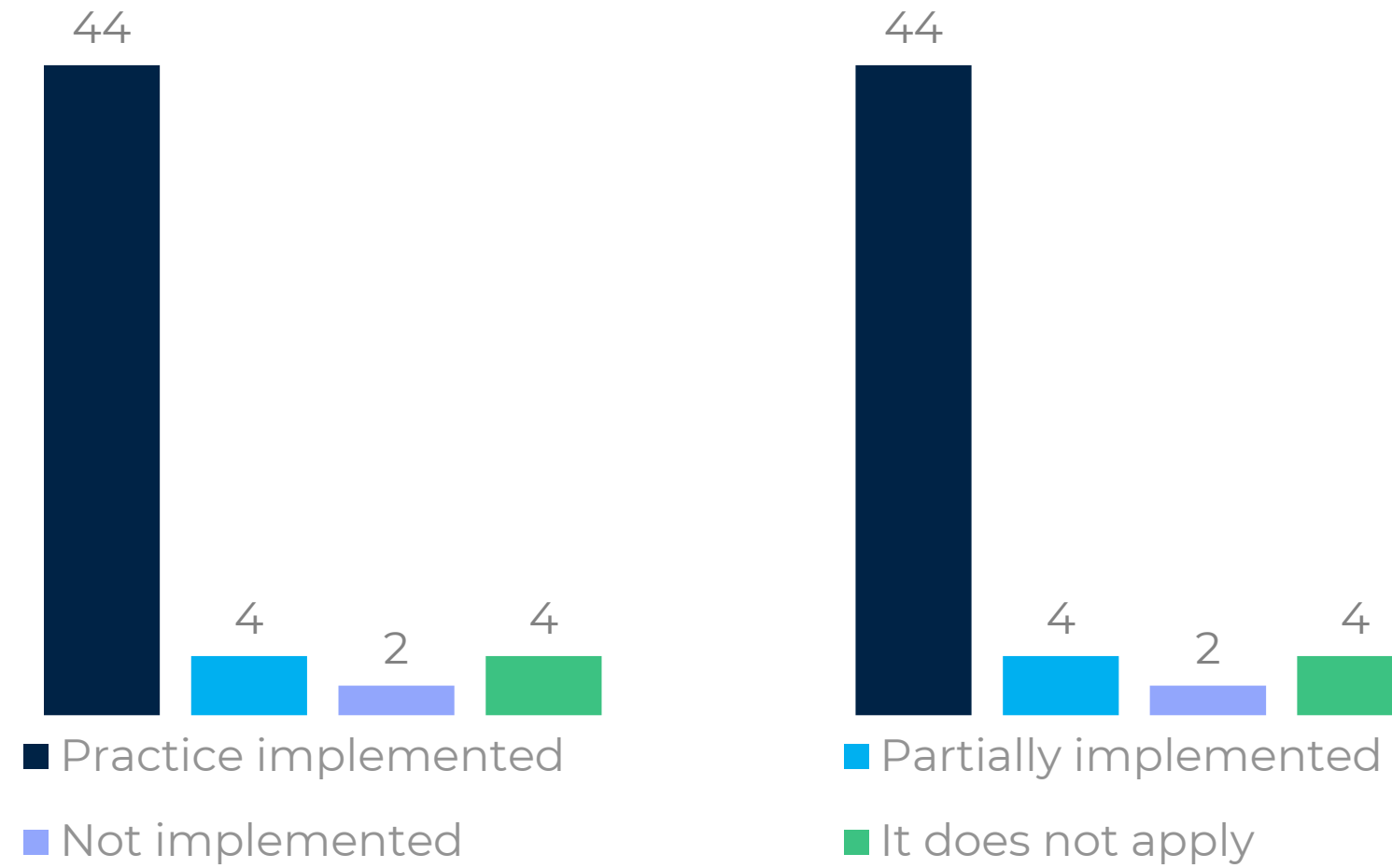
Chief Financial Officer and Controller– CFO



COMPARATIVE

2023

2024





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01

Shareholders





1. Shareholders

Recommended Practice

Explanation and Reasoning

1.1.1. The company's share capital must be comprised solely of common shares.

Not implemented

BRB's share capital is composed of registered common shares with voting rights and registered preferred shares without voting rights, all with no par value, as outlined in Chapter VI of the Articles of Incorporation. It is worth noting that the rights and privileges of its shareholders are upheld, taking into account each type of share.

- Articles of Incorporation: <https://ri.brb.com.br/en/rules-and-policies/>

1.2.1. Shareholders' agreements must not bind the exercise of voting rights of any administrator or member of supervision and control entities.

Implemented practice

1.3.1. The Board of Executive Members must use the general meeting to communicate the company's business operations, so the administration must publish a manual to facilitate and encourage participation in general meetings.

Implemented practice

1.3.2. The minutes must enable a thorough understanding of the general meeting's discussions, even if they are recorded as a summary of events, and must include shareholders' votes identification.

Implemented practice

1.4.1. The Administrative Council must conduct a critical analysis of the advantages and disadvantages of the defense measure and its characteristics, with a especial focus on the triggers for activation and price parameters, if applicable, explaining them.

It does not apply

1.4.2. Provisions that prevent the removal of the measure from the Articles of Incorporation, known as 'entrenched clauses,' must not be used.

It does not apply



1. Shareholders

Recommended Practice

1.4.3. If the articles of incorporation stipulates the conduction of a public tender offer (OPA) whenever a shareholder or a group of shareholders reaches a substantial stake in the voting capital, the pricing rule for the offer must not impose premiums significantly higher than the shares' economic or market value.

Explanation and Reasoning

It does not apply

1.5.1. The articles of incorporation must establish that:
 (i) transactions resulting in the direct or indirect transfer of majority ownership must be accompanied by a public tender offer (OPA) directed to all shareholders at the same price and conditions obtained by the selling shareholder;
 (ii) the administrators must express their opinions on the terms and conditions of corporate reorganizations, capital increases, and other transactions leading to a change of control, and state whether they ensure fair and equitable treatment for the company's shareholders.

Implemented practice

1.6.1. The articles of incorporation must stipulate that the administrative council provides its opinion regarding any OPA involving shares or securities convertible into or exchangeable for shares issued by the company and must include, among other relevant information, the administration's view on potential acceptance of the OPA and the company's economic value.

Implemented practice

1.7.1. The company must develop and disclose a dividend allocation policy determined by the administrative council. Among other aspects, this policy must outline the frequency of dividend payments and the benchmark for determining the respective amount (percentages of adjusted net profit and free cash flow, among others).

Implemented practice



1. Shareholders

Recommended Practice

1.8.1. The articles of incorporation must clearly and precisely identify the public interest that justified the creation of the mixed economy company in a specific chapter.

1.8.2. The administrative council must oversee the company's activities and establish policies, mechanisms, and internal controls to determine any costs related to addressing public interest matters and potential reimbursement for the company or other shareholders and investors by the majority shareholder.

Explanation and Reasoning

Implemented practice

BRB's Articles of Incorporation, in its Chapters II. Corporate Purpose, III. Financial Agent of the Federal District, and V. Social Role, clearly state the social role of the Bank as a development agent focusing on collective welfare. As exemplified in Chapter V, Article 12:

The BRB's social function is expressed by the shared interest explicitly stated in the legal authorization for its establishment.

Paragraph 1. The pursuit of this collective interest outlined in this article should be guided by the aim of achieving economic well-being and socially efficient resources' allocation managed by BRB, as well as the following:

- (I) economically sustainable expansion of consumer access to BRB's products and services;*
- (ii) development or utilization of Brazilian technology for the production and provision of BRB's products and services, always in an economically justified manner.*

- Articles of Incorporation:

<https://ri.brb.com.br/en/rules-and-policies/>

Implemented practice

(i) Article 29, Section I of the Articles of Incorporation confers authority upon BRB's Administrative Council, in addition to other responsibilities regulated by law, to establish the General Business Guide - GBG of Conglomerado BRB. The GBG formulated by the Shareholders is of a long-term nature, based on legal principles and good corporate governance practices, and with the aim of ensuring Conglomerado BRB's longevity.

Moreover, Article 8 of the Articles of Incorporation stipulates that the BRB may, under the law, finance companies engaged in public works in the Federal District of productive nature or of significant social interest, always adhering to the technical viability of the project, the security of credit repayment, and legal and regulatory norms.

Furthermore, Article 10 stipulates that all transactions with Public Entities require mandatory prior formal allocation of corresponding resources, defining risk assumption, and ensuring adequate compensation for resources always exceeding the costs of the services to be provided.



1. Shareholders

Recommended Practice

1.8.2. The administrative council must oversee the company's activities and establish policies, mechanisms, and internal controls to determine any costs related to addressing public interest matters and potential reimbursement for the company or other shareholders and investors by the majority shareholder.

Explanation and Reasoning

These provisions represent Bank mechanisms to establish criteria for addressing public interest matters, particularly concerning dealings with public entities. They set the terms and conditions for negotiations with the aim of ensuring proper reimbursement of the company and other shareholders and investors by the majority shareholder.

Additionally, the Administrative Council monitors the issuer's activities by analyzing regularly submitted documents for the Council's consideration and deliberation. Some of these documents include the Management Report, Annual Governance and Public Policy Letter, Consolidated Risk Report, Strategic Planning Monitoring Report, Quarterly Audit Activities Report, Performance Report, Performance Evaluation, and Annual Budget.

Lastly, Article 29, sections VI and VII, stipulates:

Article 29 grants BRB's Administrative Council the authority, in addition to other responsibilities regulated by law (...) VI - to oversee the management of BRB's Board of Executive Members and its wholly-owned subsidiaries, review the books and documents of these entities at any time, request information about contracts entered into or under consideration, and any other actions; VII - to formally express its opinion on the management report, the accounts of the Board of Executive Members, and the Financial Statements of BRB and its wholly-owned subsidiaries, to be submitted to the General Meeting.

(ii) BRB's Articles of Incorporation stipulate in Article 10 that "All transactions with Public Entities require mandatory prior and formal allocation of corresponding resources, definition of assumption of risks, and appropriate remuneration of resources, always exceeding the costs of the services to be provided."

(iii) In the past year, BRB Bank made agreements with the Federal District Government to execute general welfare programs. In accordance with statutory and legal directives, the proposals encompassed a prior analysis of all inherent technical aspects, along with demonstrated economic viability through estimated revenues and expenses for each project. The following table presents the anticipated values for the year of 2023 implemented programs:



1. Shareholders

Recommended Practice

1.8.2. The administrative council must oversee the company's activities and establish policies, mechanisms, and internal controls to determine any costs related to addressing public interest matters and potential reimbursement for the company or other shareholders and investors by the majority shareholder.

Explanation and Reasoning

PROGRAM	REVENUE	EXPENSE/COST
INAS	23,405,303.32 BRL	14,101,791.00 BRL
PRATO CHEIO	9,566,534.67 BRL	6,581,439.54 BRL
NA HORA	4,165,660.02 BRL	2,715,191.61 BRL
CARTÃO GÁS	3,306,595.32 BRL	2,230,378.67 BRL
DF SOCIAL	1,262,404.01 BRL	823,295.59 BRL
CARTÃO MATERIAL ESCOLAR - CME	1,019,094.54 BRL	775,134.05 BRL
RENOVA DF	640,775.91 BRL	497,731.67 BRL
CARTÃO CRECHE - PBES	570,310.26 BRL	24,322.62 BRL
FUNGER	501,161.68 BRL	427,124.84 BRL
BENEFÍCIOS EVENTUAIS - SEDES	195,736.22 BRL	130,967.84 BRL
FDR	110,242.58 BRL	69,504.30 BRL
FABRICA SOCIAL	57,818.75 BRL	43,708.84 BRL
PDAF	40,500.00 BRL	29,128.26 BRL
BOLSA ATLETA	9,910.85 BRL	8,486.71 BRL
EDUCADOR ESPORTIVO VOLUNTÁRIO	6,277.50 BRL	5,773.17 BRL
UNDF	3,781.06 BRL	3,183.20 BRL
Total	44,862,106.69 BRL	28,467,161.89 BRL

- Articles of Incorporation:

<https://ri.brb.com.br/en/rules-and-policies/>

02

Administrative Council





2. Administrative Council

Recommended Practice

2.1.1. The administrative council must, without prejudice to other legal, statutory, and other practices outlined in the Code:

- (i) define business strategies, considering the impacts of the company's activities on society and the environment, aiming for the company's sustainability and long-term value creation;
- (ii) periodically assess the company's risk exposure and the effectiveness of risk management systems, internal controls, and the integrity/compliance system, and approve a risk management policy consistent with business strategies;
- (iii) define the company's ethical values and principles and ensure the maintenance of issuer transparency in its relationships with all stakeholders;
- (iv) conduct an annual review of the corporate governance system to enhance it.

Explanation and Reasoning

Implemented practice

The Administrative Council is a permanent, strategic, independent and decision-making statutory body. The Council is responsible for establishing BRB's General Business Guidelines, Policies and Strategy, in accordance with the best Corporate Governance practices.

Its competencies are outlined in the Articles of Incorporation (Art. 29) and in its Internal Regulations (item 7 - Of Competencies).

(i) The Administrative Council is responsible for establishing the General Business Guide - GBG, as well as approving the institutional documents that make up the Strategic and Governance structures. The Strategic Plan and the GBG are reviewed annually to guide the institution in its long-term vision, with a focus on monitoring its results and the objectives to be achieved, developing actions that will lead to the fulfillment of strategic goals and objectives in the pursuit of business growth and the company's longevity.

(ii) The Administrative Council periodically assesses the company's exposure to risks and the effectiveness of risk management systems, internal controls and the integrity/compliance system. This is done through reports drawn up by the areas responsible for risk management, capital management, internal controls, compliance, auditing and the Risk Appetite Statement-RAS. Risk management policies are approved by the Council and reviewed annually.

(iii) The Values are part of the Bank's Strategic Identity and are revisited annually in the Strategic Planning.

BRB establishes ethical standards and values through its Code of Ethics, which guides the conduct of employees and managers. Transparency and ethics in relations with all stakeholders are among the values that define our institutional identity.

In addition to the Code, our Institutional Policies are based on principles aligned with BRB's Values, and are approved by the Administrative Council.



2. Administrative Council

Recommended Practice

2.1.1. The administrative council must, without prejudice to other legal, statutory, and other practices outlined in the Code:

- (i) define business strategies, considering the impacts of the company's activities on society and the environment, aiming for the company's sustainability and long-term value creation;
- (ii) periodically assess the company's risk exposure and the effectiveness of risk management systems, internal controls, and the integrity/compliance system, and approve a risk management policy consistent with business strategies;
- (iii) define the company's ethical values and principles and ensure the maintenance of issuer transparency in its relationships with all stakeholders;
- (iv) conduct an annual review of the corporate governance system to enhance it.

2.2.1. The Articles of Incorporation must establish that:

- (i) the administrative council is predominantly composed of external members, with a minimum of one-third being independent members;
- (ii) the administrative council must annually assess and disclose who the independent members are and indicate and provide justification for any circumstances that might compromise their independence.

Explanation and Reasoning

(iv) The bank has Corporate Governance Policy, which aims to establish and consolidate the adopted Corporate governance principles and guidelines. The standard is approved by the Administrative Council and reviewed periodically, and published on the Investor Relations website.

BRB's Governance model is composed of external and internal agents that make up the Organizational Structure and Governance Entities, as well as a framework of Instruments that guarantee mechanisms, tools and procedures that promote the continuous improvement of Corporate Governance.

- Articles of Incorporation, Code of Ethics, Corporate Governance Policy and Internal Regulations of the Administrative Council.:

<https://ri.brb.com.br/en/rules-and-policies/>

Partially implemented

(i) The Administrative Council is mostly comprised of external members. Only 02 council members are internal: BRB's President and the employees' representative.

In accordance with Article 24, par. 4 of BRB's Articles of Incorporation, a minimum of 30% (thirty percent) of members must be independent, or at least 01 (one) in case the minority Shareholders decide to exercise the option of cumulative voting, as stated in the Articles of Incorporation.

(ii) The current composition of the Council comprises eight members, 04 (four) of whom are Independent Members, as disclosed in the Reference Form and on BRB's Investor Relations website.

- Articles of Incorporation:

<https://ri.brb.com.br/en/rules-and-policies/>

- Administrative Council composition:

<https://ri.brb.com.br/en/management>



2. Administrative Council

Recommended Practice

2.2.2. The Administrative Council must approve a nomination policy that establishes:

- (i) the process for nominating members of the Administrative Council, including the involvement of other company departments and agencies in the process;
- (ii) that the Administrative Council should be composed considering the members' availability of time for performing their duties and the diversity of knowledge, experiences, behaviors, cultural aspects, age range, and gender.

2.3.1. The CEO-President must not hold the position of Chairman of the Administrative Council.

Explanation and Reasoning

Implemented practice

The Administrative Council is the body responsible for approving the BRB's Chief Officers Nomination Policy.

(i) The Nomination Policy establishes principles and guidelines, defining rules for the process of appointing members to the Administrative and Fiscal Councils, as well as members of their advisory committees and BRB Board of Executive Members. The standard also aims to ensure that the appointees are qualified professionals, have the knowledge, skills and attitudes needed to achieve the expected results and are aligned with the Bank's mission, vision and values.

(ii) The appointments of members of the administrative and fiscal councils are formalized by the shareholders. The nominations will be evaluated by the Eligibility Committee, which will take into account:

I – conformance with the nomination and eligibility assessment process;

II – applicable requirements and disqualifications for the position; and

III – data identified in the competency and experience verification process besides the nominee's qualifications.

The nominee, if appointed, must carry out their duties in the company's best interest, prioritizing compliance with legislation, policies, Codes of Conduct and Ethics, and procedures adopted by Conglomerado BRB. In addition, they must take part, upon taking office and on an annual basis, in the training courses provided by BRB's Integrity Program.

▪ Articles of Incorporation:

<https://ri.brb.com.br/en/rules-and-policies/>

Implemented practice.



2. Administrative Council

Recommended Practice

2.4.1. The company must implement an annual performance evaluation process of the Administrative Council and its committees as collective entities, the Administrative Council's Chairman, individual members, and the governance secretary, if applicable.

Explanation and Reasoning

Implemented practice.

The assessment of executives is applied collectively and individually for the Administrative Council, its advisory boards, and the Board of Executive Members, besides the respective members of these governance entities, in compliance with the criteria of the State-Owned Enterprises Law and a methodology approved by the Council.

The assessment is conducted annually and overseen by the Bank's Corporate Governance Secretariat and Management.

Among the dimensions considered in the evaluation are:

- Alignment with the Strategic Planning;
- Composition and personal relationships;
- Flow of information;
- Meeting functioning;
- Motivation, involvement, and alignment of interest (conflict of interest);
- Independent stance;
- Decision-making process;
- Interaction with other entities; and
- Monitoring corporate risk management and risk exposure; and
- Matters for which the collegiate body is responsible.

Each of these dimensions encompasses criteria observed in relation to the competence and performance of the assessed board and/or member evaluated, as well as the performance of the Governance Secretariat in the secretariat of the meetings of the Bank's Corporate Governance bodies. The results of the evaluations are consolidated by dimension, making it possible to identify gaps and possible points for improvement.



2. Administrative Council

Recommended Practice

2.5.1. The Administrative Council must approve and keep an updated CEO-President succession plan coordinated by the Administrative Council's Chairman.

Explanation and Reasoning

Implemented practice.

BRB, as a Public Bank, follows the determinations of the Organic Law of the Federal District - LODF, where article 100, item XV provides:

"Art. 100. It is the exclusive responsibility of the Governor of the Federal District:

(...)

XV - appoint and dismiss the president of financial institutions controlled by the Federal District, after approval by the Legislative Chamber"

In this sense, article 29, item IV of BRB's Articles of Incorporation assigns the Administrative Council to elect BRB's President, by appointment of the Governor of the Federal District, after prior approval of the Legislative Chamber and in compliance with the laws, regulations of the National Financial System and the provisions of the Articles of Incorporation.

Article 32, paragraph 2 of the Articles of Incorporation also states: "In the event of a vacancy, the President position shall be held, until his successor takes office, by the Chief Officer appointed on an interim basis by the Governor of the Federal District and approved by the Administrative Council."

In addition, we would like to inform that in 2024 the first version of BRB's Nomination and Succession Policy was published and approved by the Administrative Council. The document establishes guidelines for the appointment and succession of Chief Officers.

- Articles of Incorporation and Nomination and Succession Policy:

<https://ri.brb.com.br/en/rules-and-policies/>



2. Administrative Council

Recommended Practice

2.6.1. The company must have a structured onboarding program for new members of the Administrative Council, designed to introduce them to key personnel, company facilities, and essential topics related to understanding the company's business.

Explanation and Reasoning

Implemented practice.

BRB has a Onboarding Orientation Program for the Council's new members, encompassing:

- I - Reception and initial meeting to introduce the company and its characteristics, mission, pillars, and beliefs, history, operational segments, key achievements, facilities, organizational structure, socio-environmental, cultural, and sports activities, competition, rights, and responsibilities;
- II - Scheduling meetings with key departments and their executives, prioritizing areas in which the executive will interact;
- III - Conducting the trainings required by Law No. 13.303/2016 and others of interest to the Institution;
- IV - Providing materials with information about the company and other members of Conglomerado BRB, key regulations within the scope of the statutory member's responsibilities;
- V - Providing access to physical facilities; and
- VI - Granting logical access to the internal network and systems.

2.7.1. The Administrative Council members' remuneration must be proportional to their duties, responsibilities, and time commitment. Remuneration must not be based on attendance at meetings. If there is any variable compensation for members must not be linked to short-term results.

Implemented practice.

2.8.1. The Administrative Council must have internal regulations that standardize its responsibilities, functions, and operating rules, including:

- (i) the responsibilities of the Administrative Council's chairman;
- (ii) the rules for the replacement of the chairman in their absence or vacancy;
- (iii) the actions to be taken in situations of conflicts of interest; and
- (iv) the establishment of a sufficient lead time for the receipt of materials for discussion in meetings, with appropriate depth.

Implemented practice.



2. Administrative Council

Recommended Practice

2.9.1. The Administrative Council must establish an annual calendar with the dates of annual general meetings, which must not be less than six nor more than twelve, in addition to convening extraordinary meetings whenever necessary. The calendar must include a thematic annual agenda with relevant topics and discussion dates.

2.9.2. Administrative Council meetings should regularly include exclusive sessions for external members, without the presence of executives and other invitees, to facilitate alignment among external members and discuss topics that may give rise to discomfort.

2.9.3. Administrative Council meeting minutes must be drafted clearly and record the decisions made, individuals present, dissenting votes, and abstentions from voting.

Explanation and Reasoning

Implemented practice.

Implemented practice.

The Administrative Council Internal Regulations establish that the Council Chairman must include in the annual calendar and may include in the summoning of general or extraordinary meetings, executive meetings, or sessions dedicated to management evaluation without the presence of internal council members.

There is also a provision for holding a specific meeting without the presence of the member holding the position of BRB's President for the approval of the Annual Plan of Internal Audit Activities and the Annual Report of Internal Audit Activities.

- Internal Regulations: <https://ri.brb.com.br/en/rules-and-policies/>

Implemented practice.

The internal regulations of BRB's Administrative Council stipulate that minutes shall be drafted clearly, recording all decisions made, dissenting votes, abstentions, responsibilities, and deadlines. The minutes should also include the names of attendees and be signed by all present Council members.

03

Board of Executive Members





3. Board of Executive Members

Recommended Practice

3.1.1. The board must, without prejudice to their legal and statutory responsibilities and other practices outlined in the Code:

- (i) execute the risk management policy and, whenever necessary, propose to the administrative council any potential revisions to this policy based on changes in the risks to which the company is exposed;
- (ii) implement and maintain effective mechanisms, processes, and programs for monitoring and disclosing the financial and operational performance and the impacts of the company's activities on society and the environment.

3.1.2. The board must have internal regulations establishing its structure, functioning, roles, and responsibilities.

3.2.1. There should be no reserved executive or managerial positions for direct appointment by shareholders.

3.3.1. The CEO-President must be evaluated annually through a formal process conducted by the administrative council based on the achievement of financial and non-financial performance goals set by the administrative council for the company.

Explanation and Reasoning

Implemented practice.

Implemented practice.

Partially implemented.

The Federal District Organic Law establishes that the Federal District Government, as the majority shareholder of the Institution, has the exclusive authority to appoint and dismiss the president of financial institutions controlled by the Federal District, following approval by the Legislative Chamber.

As a mitigating measure, Law No. 13.303/2016 (State-Owned Enterprises Law) and the Bank's Articles of Incorporation establish requirements to be met by the occupant of the position, such as evaluating experience, having an impeccable reputation, absence of conflicts of interest, and not falling under the categories of ineligibility specified by law.

- Articles of Incorporation:

<https://ri.brb.com.br/en/rules-and-policies/>

Implemented practice.

The officers of the Board of Executive Members, including BRB's President, undergo an annual evaluation by the Administrative Council through a formal process carried out via Management and Results Contracts.

At the end of the period, the Remuneration Committee assesses whether the targets set out in the contract have been met and submits them to the Administrative Council for approval.



3. Board of Executive Members

Recommended Practice

3.3.1. The CEO-President must be evaluated annually through a formal process conducted by the administrative council based on the achievement of financial and non-financial performance goals set by the administrative council for the company.

3.3.2. The evaluation results of the other executive members, including the proposals from the CEO-President regarding agreed-upon goals and the continuation, promotion, or departure of executives in their respective positions, must be presented, analyzed, discussed, and approved in an administrative council meeting.

3.4.1. A remuneration policy approved by the administrative council via a formal and transparent process taking into account the costs and risks involved must determine the chief officers' remuneration.

Explanation and Reasoning

The evaluation of the President and other members of the Board of Executive Members for the 2023 financial year took place at the meeting of BRB's Administrative Council held on April 10, 2024.

Implemented practice.

The members of the Board of Executive Members are assessed annually by the Administrative Council, in a formal process, through the establishment of indicators and targets consolidated in Management and Results Contracts.

At the end of the period, the Remuneration Committee assesses whether the targets set out in the contract have been met and submits them to the Administrative Council for approval.

The evaluation of the members of the Board of Executive Members for the 2023 financial year took place at the meeting of BRB's Administrative Council held on 10/04/2024.

Implemented practice.

The Remuneration Policy for Chief Officers of Conglomerado BRB is regulated by Law No. 6404/76, CMN Resolution No. 3.921/10, and the BRB's Articles of Incorporation. It is proposed by the Remuneration Committee, with an evaluation of the costs and risks involved, and is submitted for the Administrative Council approval.

The policy establishes the guidelines for the fixed and variable remuneration of chief officers, based on the principles of equality, fair remuneration and sustainability, in order to ensure that the interests of Conglomerado BRB are aligned with the objectives established by the Chief Officers and the risks involved.

The Remuneration Committee is also responsible for drawing up the proposal for the individual remuneration of the members of the Administrative Council and the Board of Executive Members, which submits it to the Administrative Council for approval. Individual remuneration is subject to the overall amount of remuneration approved by the General Shareholders' Meeting.

- Articles of Incorporation and Remuneration Policy: <https://ri.brb.com.br/en/rules-and-policies/>



3. Board of Executive Members

Recommended Practice

3.4.2. Executive Member's compensation must be tied to outcomes, with medium and long-term goals clearly and objectively linked to the generation of long-term economic value for the company.

Explanation and Reasoning

Implemented practice.

In alignment with the Remuneration Policy for Conglomerado BRB's Chief Officers, variable compensation for the Board of Executive Members is linked to results related to medium and long-term goals set in the Management and Results Contracts, derived from the Strategic Planning.

These goals stem from the short-term budget instruments (Annual Budget) and medium and long-term budget instruments (Multi-Year Budget - five-year plan), following the guidance outlined in the Strategic Planning.

The tool ensuring this alignment is the payment of Variable Compensation in two blocks: one paid up front in the reference year and the remainder deferred over the following four years. The deferred amount to be received by chief officers will reflect the future effect of the administration's positive or negative impact on the Bank's performance based on the Company's share price variation.

The deferred portion of variable compensation is based on the common shares variation, aiming to foster a long-term perspective and a risk-taking approach and provide fair compensation for the long-term impact of measures taken by the Board of Executive Members. Therefore, linking the payment of the deferred portion of variable compensation to the common share value variation aims to motivate members of the Board of Executive Members to consider the long-term impacts of their decisions and contribute to avoiding short-sighted decisions that disregard the Bank's future.

The Control and Risks Officer variable compensation is set in a distinct manner. Due to its particularities and special responsibilities, it should not solely be subject to rewards based on accounting profit. Rather, it should primarily consider variables under their control that ensure the solidity of credits, the soundness of operations, and compliance with laws and regulations governing banking activities.

- Articles of Incorporation and Remuneration Policy:

<https://ri.brb.com.br/en/rules-and-policies/>

- Reference Form (section 8):

<https://ri.brb.com.br/en/cvm-filings>



3. Board of Executive Members

Recommended Practice

3.4.3. The incentive structure must align with risk limits set by the Administrative Council and prevent the same person from managing the decision-making process and its respective oversight. No one should decide on their own remuneration.

Explanation and Reasoning

Implemented practice.

As stipulated in the Conglomerado BRB Chief Officers Compensation Policy, remuneration composition is based on adherence to technical criteria when determining chief officers' remuneration. It aligns with the best corporate governance practices adopted in the public and private sectors while also considering the Administrator's responsibilities according to the different positions and functions.

Chief Officers are entitled to a fixed monthly remuneration, and Officers to variable compensation, subject to the rules and contracted objectives set by the Administrative Council based on the Remuneration Committee's proposal. This compensation is commensurate with the complexity and responsibilities of each role. The total amount of the various types of remuneration and benefits received by the Chief Officers must comply with the limit of the overall amount of remuneration approved by the General Shareholders' Meeting.

With regard to variable remuneration, there is no exclusive link between financial reward and the achievement of quantitative targets for positive financial results. The Chief Officer responsible for the internal control and risk management areas has a differentiated variable remuneration rule, established in such a way as to be paid independently of the performance of the business areas, with the aim of not generating conflicts of interest and so that not to be rewarded solely on the basis of the accounting record of profit, but mainly on the basis of variables under his control, which ensure the soundness of credits and the health of operations and compliance with laws and regulations. Considering the different attributions in the process of establishing the incentive structure, there is no accumulation of control of the decision-making process and oversight by the same person.

- Reference Form (section 8):

<https://ri.brb.com.br/en/cvm-filings>

- Remuneration Policy:

<https://ri.brb.com.br/en/rules-and-policies/>

04

Supervision and Control Entities





4. SUPERVISION AND CONTROL ENTITIES

Recommended Practice

4.1.1. The statutory audit committee must:

- (i) have among its responsibilities to assist the Administrative Council in monitoring and controlling the quality of financial statements, internal controls, risk management, and compliance;
- (ii) be mainly composed of independent members and chaired by an independent member;
- (iii) have at least one of its independent members with proven experience in accounting, internal controls, finance, and auditing, cumulatively;
- (iv) have a budget for hiring consultants for accounting, legal, or other matters for when the opinion of an external specialist is necessary.

Explanation and Reasoning

Implemented practice.

Since 2011, BRB has maintained a permanent Audit Committee in compliance with the National Monetary Council Resolution No. 3.198/2004, later replaced by Resolution CMN No. 4.910/2021. This committee reports directly to the Administrative Council, as stipulated in Article 47 of the Articles of Incorporation, and is responsible for monitoring and controlling the quality of financial statements, internal controls, risk management, and compliance.

The Audit Committee has one Administrative Council member and two other members, all of whom are independent and possess proven expertise in accounting, corporate matters, internal controls, finance, and auditing.

The committee has its own budget for engaging external experts to conduct consultations, assessments, and investigations.

4.2.1. The fiscal council must have internal regulations that describe its structure, functioning, work program, roles, and responsibilities without hindering the individual actions of its members.

Implemented practice.

4.2.2. The fiscal council meeting's minutes must follow the same disclosure rules as the administrative council's minutes.

Implemented practice.

4.3.1. The company must establish a policy for hiring non-audit services from its independent auditors, approved by the administrative council, which prohibits the engagement of non-audit services that could compromise the auditor's independence. The company should not engage as an independent auditor anyone who has provided internal audit services to the company within the last three years.

Partially implemented.

At BRB, although there is no specific internal policy for hiring extra-audit services from its independent auditors, the normative provisions established in CMN Resolution 4.910/2021, which prohibits financial institutions from hiring and maintaining independent auditors if there are any cases of impediment or incompatibility in providing their services.



4. SUPERVISION AND CONTROL ENTITIES

Recommended Practice

4.3.1. The company must establish a policy for hiring non-audit services from its independent auditors, approved by the administrative council, which prohibits the engagement of non-audit services that could compromise the auditor's independence. The company should not engage as an independent auditor anyone who has provided internal audit services to the company within the last three years.

4.3.2. The independent audit team must report to the administrative council through the audit committee if existent. The audit committee should monitor the independent auditors' work effectiveness and independence. Additionally, the committee must evaluate and discuss the annual work plan of the independent auditor and present it for the administrative council's approval.

4.4.1. The company must have an internal audit department directly linked to the administrative council.

Explanation and Reasoning

In addition, BRB's Audit Committee is responsible for opining on the hiring and dismissal and supervising the activities of the independent auditors, assessing their independence, as provided for in its Internal Regulations:

Item 6.1. The Statutory Audit Committee is responsible for:

- a) To give an opinion on the hiring and dismissal of an independent auditor;*
- b) Supervising the activities of the independent auditors, assessing their independence, the quality of the services provided and the adequacy of such services to the needs of BRB - Banco de Brasília S.A. and its Subsidiaries and Controlled Companies.*

- Internal Regulations:

<https://ri.brb.com.br/en/rules-and-policies/>

Implemented practice.

Implemented practice.

The Internal Audit Superintendence - Suaud is directly linked to the Administrative Council - A.C.. In the pursuit of its activities, the department devises the Annual Internal Audit Plan - PAINT and, following a Decree, submits it for preliminary review to the Federal District General Control Office - CGDF by October 31 of the preceding year. Subsequently, the plan is presented to the A.C. for final approval. Suaud operates under a Policy that establishes Principles and guidelines for the Institution's Internal Audit management. Moreover, the competencies of the Audit department and its affiliated units are outlined in the Basic Organizational Plan - BOP, and the functions and responsibilities of the Unit are regulated by the Audit Manual.



4. SUPERVISION AND CONTROL ENTITIES

Recommended Practice

4.4.1. The company must have an internal audit department directly linked to the administrative council.

4.4.2. In the event of outsourcing this activity, the firm that audits the financial statements must not provide internal audit services. The company should not hire for internal auditing anyone who has provided independent audit services to the company within the last three years.

4.5.1. The company must adopt a risk management policy approved by the administrative council, including the identification of risks for which protection is sought, the instruments used for this purpose, the organizational structure for risk management, the assessment of the adequacy of operational structure and internal controls in verifying their effectiveness, as well as setting guidelines for establishing acceptable limits for the company's exposure to these risks.

Explanation and Reasoning

In its annual planning, the Audit department includes activities in risk management and internal control areas. Other audits in various areas of the Bank and Group companies entail verifying and analyzing operations, adequacy, and effectiveness of internal control systems within each scope. In addition to fulfilling the regular tasks defined in the PAINT, the Audit addresses requests from Senior Management, internal management units, or external control entities.

According to the rules, the internal audit work covers the entire BRB Group, including subsidiaries, affiliates and their subsidiaries, as well as Regius - Sociedade Civil de Previdências Privadas, Saúde BRB and Instituto BRB. The Internal Audit structure is made up of the Superintendent and two Area Managements.

It does not apply

BRB's Internal Audit is not outsourced, as stated in Article 41 of the Articles of Incorporation and depicted in the Organizational Structure Chart, available on the Investor Relations website.

- Articles of Incorporation:
<https://ri.brb.com.br/en/rules-and-policies/>
- Organizational Structure:
<https://ri.brb.com.br/en/organizational-structure>

Implemented practice.

The bank maintains a risk management structure separate from its business units and internal audit. The Chief Risk Office - DICOR facilitates risk control and capital allocation management. Notably, this structure includes the Corporate Risk Superintendence - SURIS, which employs consistent, transparent, and integrated practices to calculate, monitor, and oversee levels of risk appetite and tolerance for financial risks (such as credit risk, market risk, IRRBB, and liquidity risk). Additionally, the Operational and Cyber Risk Superintendence - SUROC handles the planning and control of non-financial risks (such as operational risk, socio-environmental risk, reputational and image risk, cyber risk, and fraud prevention).



4. SUPERVISION AND CONTROL ENTITIES

Recommended Practice

4.5.1. The company must adopt a risk management policy approved by the administrative council, including the identification of risks for which protection is sought, the instruments used for this purpose, the organizational structure for risk management, the assessment of the adequacy of operational structure and internal controls in verifying their effectiveness, as well as setting guidelines for establishing acceptable limits for the company's exposure to these risks.

4.5.2. It is the responsibility of the administrative council to ensure that the board has mechanisms and internal controls to understand, assess, and control risks to maintain them within established limits, including an integrity/compliance program aimed at fulfilling external and internal laws, regulations, and standards.

Explanation and Reasoning

The Institution has an Integrated Risk and Capital Management Policy, approved by the Administrative Council, which seeks to ensure that the Entity adheres to the precepts of CMN Resolution 4,557/2017, culminating in integrated risk management. In addition, the Organization has a Risk Appetite Statement (RAS), also approved by the Administrative Council, which describes the types of risks and the respective levels that the Institution is willing to undertake. These strategic documents are reviewed, at least, annually.

The organizational structure for risk and capital management is set out in the Pillar III Report, which is available on the website:

<https://ri.brb.com.br/en/risk-management-report>

Implemented practice.

In line with National Monetary Council Resolution No. 4,557/2017, the Administrative Council is responsible for defining BRB's risk and capital management structure. Every year, the Council should review this structure and align the corporate strategy with the Institution's risk appetite. The aim of this management structure is to ensure that risk is understood, managed and communicated as necessary.

The structure includes the mechanisms for identifying and evaluating the relevant risks that have materialized; the management policies and strategies; the processes for tracking and reporting exceptions to the established policies, limits and levels; the information systems, with their routines and procedures, as well as their periodic evaluation; the stress testing program; the ongoing evaluations of the risk mitigation strategies; and the regulatory and timely management reports for the Chief Risk Officer, the Board of Executive Members, the Risk Committee, the Administrative Council, and other stakeholders.

In addition, the Administrative Council is responsible for providing the necessary means for the activities related to the compliance function to be carried out properly, in compliance with CMN Resolution 4,595/2017.

The Internal Controls and Compliance Policy, approved by BRB's Administrative Council, establishes the principles, guidelines and responsibilities for BRB's Internal Controls System in order to mitigate compliance risks, strengthen corporate governance and encourage a culture of internal control in Conglomerado Prudencial.



4. SUPERVISION AND CONTROL ENTITIES

Recommended Practice

4.5.2. It is the responsibility of the administrative council to ensure that the board has mechanisms and internal controls to understand, assess, and control risks to maintain them within established limits, including an integrity/compliance program aimed at fulfilling external and internal laws, regulations, and standards.

Explanation and Reasoning

The Policy establishes the following principles: (i) performance, consisting of constant search for efficiency and effectiveness in the use of resources in the activities carried out; (ii) information, with the voluntary and mandatory disclosure, both internally and externally, of financial, operational and management information that is useful for the decision-making process; and (iii) compliance, with the establishment of adequate controls to comply with legal, regulatory and policy provisions.

In its internal control system, Conglomerado BRB adopts the line model established by the IIA - The Institute of Internal Auditors, based on the adoption of risk management and internal control principles, the definition of roles and responsibilities of structures and processes, and their relationships with each other, to ensure alignment with strategic objectives, value creation and support for corporate governance.

Within the scope of integrated risk management, BRB has an internal regulatory framework that provides instruments and actions to enable the identification and assessment of risks associated with the institution's objectives.

The institution has a Risk Appetite Statement (RAS), which consolidates the types of risk that the institution is willing to accept or avoid in order to achieve its strategic objectives. This statement includes both tolerated and non-tolerated risks, as well as qualitative statements and quantitative measures of the different types of risks, such as credit, market, liquidity, operational, reputation, image, social, environmental and climate risks, in addition to capital management.

BRB adopts a forward-looking stance and establishes strategies in compliance with the limits and procedures aimed at maintaining exposure to risks in accordance with the levels set out in the RAS, as well as establishing effective processes for tracking and reporting exceptions in a timely manner.

The RAS is implemented through the Bank's operational policies and procedures, monitoring metrics, limit systems and internal controls. In this way, the RAS integrates different processes of the institution and impacts its operations in a broad way, contemplating the set of strategic limits, reference values, ranges and qualitative and quantitative drivers that express the risk appetite and tolerance applicable to the entire Conglomerado BRB.



4. SUPERVISION AND CONTROL ENTITIES

Recommended Practice

4.5.2. It is the responsibility of the administrative council to ensure that the board has mechanisms and internal controls to understand, assess, and control risks to maintain them within established limits, including an integrity/compliance program aimed at fulfilling external and internal laws, regulations, and standards.

4.5.3. The Board must evaluate the effectiveness of risk management and internal control policies and systems and the integrity/compliance program at least once a year and report on this assessment to the Administrative Council.

Explanation and Reasoning

BRB also has an Integrity System, approved by the Administrative Council, which presents the actions that the Institution adopts in order to prevent, detect and remedy illegal acts such as corruption and fraud.

- Integrity System: https://novo.brb.com.br/wp-content/uploads/2023/08/Sistema-de-Integridade-BRB_.pdf

Implemented practice.

The Board and the Administrative Council annually review the effectiveness of the Internal Control and Compliance Policies and Systems through the corresponding annual reports. These reports include the consolidation of the activities carried out during the period, as well as the recommendations and conclusions of the areas responsible. During this evaluation, the aim is to identify opportunities for improvement in the institution's control environment.

In addition, the results of the checks and monitoring of risks, controls, compliance and the Integrity System are presented to the Board and the Administrative Council at regular intervals. In this context, the activities of the aforementioned areas are also evaluated, with deliberations related to the acceptance of the recommendations proposed to address the identified shortcomings.

The Annual Report on the Evaluation of the Internal Controls System, base date 2023, was considered at the 844th Meeting of the Administrative Council, held on June 28, 2024.

05

Ethics and Conflict of Interest





5. ETHICS AND CONFLICT OF INTEREST

Recommended Practice

5.1.1. The company must have a Conduct Committee characterized by its independence and autonomy, directly accountable to the Administrative Council. The committee is responsible for the implementation, dissemination, training, review, and updating of the code of conduct and the whistleblowing channel, as well as conducting investigations and proposing corrective measures concerning violations of the code of conduct.

Explanation and Reasoning

Implemented practice.

In accordance with its Articles of Incorporation, BRB's structure includes an Ethics Committee and a Correction Committee, which are linked to the Administrative Council. The purpose of the Ethics Committee is to guide, advise and act in the management of the professional ethics of the managers and employees of BRB, its subsidiaries and controlled companies, and in dealing with people and public assets. The Correction Committee, in turn, is responsible for issuing an opinion on activities related to the prevention and investigation of disciplinary irregularities, when it involves the President and Chief Officers.

In addition, BRB's organizational structure includes the Internal Affairs Department, whose purpose is to supervise and investigate the functional activities and conduct of employees, managers and directors, acting in a preventive and pedagogical manner, through training and proposing suggestions for improving work activities and processes.

In addition, BRB regulates the issue through the Code of Conduct and the Code of Ethics, which are assessed by the Ethics Committee and forwarded to the Administrative Council for approval and publication. The Code of Ethics establishes the standards, values and ethical principles that must be adopted in the daily execution of activities by members of management, employees, collaborators and those who are acting or providing services on behalf of the Bank, while the Code of Conduct establishes the penalties and gradation of infractions, in a clear and accessible manner, for professional conduct within BRB and its Group companies, it also provides for the Whistleblowing Channel, for receiving internal and external demands, in accordance with Decree No. 36,462/2015.

Complaints, whose complainant may be identified or anonymous, will be received by the Bank's Ombudsman and forwarded for investigation by the Audit Superintendence, in the case of evidence of irregularities in processes, and to the Internal Affairs Department, in the case of evidence of irregularities involving BRB employees. Every six months, the Internal Audit submits a Administrative Council for approval, in accordance with CMN Resolution 4,859/2000.

The dissemination of knowledge about these Codes takes place, in addition to specific actions with the workforce, through mandatory annual certification for all employees and managers, in which the expected and forbidden conduct is addressed.

▪ Articles of Incorporation:

<https://ri.brb.com.br/en/rules-and-policies/>



5. ETHICS AND CONFLICT OF INTEREST

Recommended Practice

5.1.2. The code of conduct, developed by the board with support from the Conduct Committee and approved by the Administrative Council, must:

- (i) regulate the internal and external relations of the company, expressing the expected commitment of the company, its council members, officers, shareholders, employees, suppliers, and stakeholders to adopt appropriate standards of conduct;
- (ii) manage conflicts of interest and specify the abstention of a member of the Administrative Council, the audit committee, or the ethics committee, if applicable, who might be conflicted in a particular situation;
- (iii) clearly define the scope and extent of actions intended to investigate occurrences of situations considered to involve insider trading (for example, using insider information for commercial purposes or for gaining advantages in securities trading);
- (iv) establish that ethical principles underpin the negotiation of contracts, agreements, proposed amendments to the Articles of Incorporation, as well as policies that guide the entire company, and set a maximum value for goods or services from third parties that administrators and employees may accept for free or at preferential terms.

5.1.3. The whistleblowing channel must possess independence, autonomy, and impartiality. It should operate under guidelines set by the Board and approved by the administrative council. It must work independently and impartially, ensuring the anonymity of its users, and promptly initiate investigations and necessary actions. This service can be entrusted to a third party with recognized capabilities.

Explanation and Reasoning

Implemented practice.

Implemented practice.

BRB has a whistleblowing channel to receive internal and external reports, per Central Bank Resolution No. 4,859/2020. To receive these reports, the Bank utilizes the OUV-DF system, available on the Participa DF platform, owned by the Federal District Ombudsman Office. This system is accessible to all citizens and incorporates security mechanisms to ensure the whistleblowers' anonymity.

Currently, the handling of received reports falls under the responsibility of the Internal Audit Department. Upon identifying a report, it evaluates its content and prompts the relevant process management units to respond to the issues raised by the whistleblower. The evaluation results are then entered into the OUV-DF system by the Internal Audit Department within a timeframe of 20 calendar days, as specified in District Decree No. 36,462/2015. On a semi-annual basis, through a report, the Internal Audit Department submits the results of all reports for approval by the Administrative Council, as mandated by CMN No. 4,859/2020.



5. ETHICS AND CONFLICT OF INTEREST

Recommended Practice

5.2.1. The company's governance rules must ensure the separation and clear definition of functions, roles, and responsibilities associated with the mandates of all governance agents. Decision-making authorities of each entity should also be determined to minimize potential conflicts of interest sources.

5.2.2. The company's governance rules must be publicly disclosed and stipulate that any person who is not independent regarding the subject under discussion or deliberation in the company's administrative or supervisory bodies must promptly declare their conflict of interest or personal interest. If they fail to do so, these rules should provide for another person to disclose the conflict if aware of it, and once the conflict of interest related to a specific matter is identified the involved person should step aside, including physically, from the discussions and deliberations. The rules must specify that this temporary withdrawal be recorded in the minutes.

Explanation and Reasoning

Implemented practice.

The BRB's Articles of Incorporation, Basic Organizational Plan, and Policies and Delegated Authority Regimes segregate and define governance agents' functions, roles, and responsibilities.

Additionally, the Corporate Governance Policy establishes as one of its guidelines that all decisions within BRB are made collectively, and decision-making power is exercised through the hierarchical flow defined in the Policy and Delegated Authority Regimes and the Internal Regiments of the respective decision-making bodies.

Implemented practice.

The Bank publishes its governance rules through the Articles of Incorporation, Policies, Codes, and Internal Regulations on its Investor Relations website (<https://ri.brb.com.br/en/rules-and-policies/>).

BRB – Banco de Brasília S.A.'s Code of Conduct establishes rules for identifying and managing conflicts of interest for all employees, including chief officers and board/council members. In the event of a conflict of interest, including in specific and transient situations, the employee must formally report its occurrence to the other members of the board of which they are a part when it involves a collective decision, and refraining from voting or participating in the discussion of the matter.

The Integrity Policy establishes that officers, managers, employees and collaborators are instructed to observe the situations in which they find themselves, reporting those that could be characterized as a conflict of interest, and establishes that the Bank effectively and transparently manages situations involving a conflict of interest, reporting them to management and to the competent channels.

In addition, the internal regulations of BRB's Administrative Council and other Committees have a standard rule that establishes the duty of the members of the collegiate body, in the event of conflicting interests, to declare its existence prior to the deliberation of the matter and to abstain from voting.

The Articles of Incorporation, in turn, establish that the Council member representing the employees will not take part in discussions and deliberations on matters involving trade union relations, remuneration, benefits and advantages, including supplementary pension and assistance matters, as well as in other cases where a conflict of interest is established.



5. ETHICS AND CONFLICT OF INTEREST

Recommended Practice

5.2.2. The company's governance rules must be publicly disclosed and stipulate that any person who is not independent regarding the subject under discussion or deliberation in the company's administrative or supervisory bodies must promptly declare their conflict of interest or personal interest. If they fail to do so, these rules should provide for another person to disclose the conflict if aware of it, and once the conflict of interest related to a specific matter is identified the involved person should step aside, including physically, from the discussions and deliberations. The rules must specify that this temporary withdrawal be recorded in the minutes.

5.2.3. The company must have mechanisms to manage conflicts of interest in votes presented to the annual general meeting, to receive and process allegations of conflicts of interest, and to annul votes cast in conflict, even if it is after the meeting.

5.3.1. The Articles of Incorporation must specify which related-party transactions require approval by the Administrative Council, excluding any members with potentially conflicting interests.

Explanation and Reasoning

It is the Institution's procedure that other members of the collegiate bodies indicate the existence of a conflict of interest on the part of a member, and it is also its procedure not to make the material available to a conflicted member and to remove the conflicted member from the room while the matter is being considered.

Conflicts of interest are recorded in the minutes of the meeting in which they occurred.

- Code of Conduct and Regiments:

<https://ri.brb.com.br/en/rules-and-policies/>

Implemented practice.

As mentioned in the Articles of Incorporation (Art. 1), BRB is subject to the private companies' legal framework, and it is governed by its Articles of Incorporation, Laws No. 4.595/1964, No. 6.404/1976, No. 13.303/2016, and their respective regulatory decrees, as well as other applicable regulations.

If any situation of this nature arises in a BRB General Meeting, the provisions of Art. 115, paragraph 4, of Law No. 6,404/1976 will be observed:

The decision made due to the vote of a shareholder with conflicting interests with the company is voidable; the shareholder will be liable for the damages caused and will be obligated to transfer any benefits obtained to the company.

Implemented practice.

In compliance with Art. 29, XLII, of the Articles of Incorporation, and item 5.1, VII, of the Internal Regulations of BRB's Administrative Council.



5. ETHICS AND CONFLICT OF INTEREST

Recommended Practice

5.3.2. The Administrative Council must approve and implement a related-party transactions policy, which includes, among other rules:

- (i) a provision that prior to approving specific transactions or guidelines for entering into transactions, the Administrative Council requests market alternatives for the related-party transaction adjusted for the involved risk factors from the Board;
- (ii) a prohibition on compensation arrangements for advisors, consultants, or intermediaries that generate conflicts of interest with the company, its administrators, shareholders, or shareholder classes;
- (iii) a ban on loans in favor of the controlling party and administrators;
- (iv) scenarios involving related-party transactions that should be substantiated by independent valuation reports, prepared without involvement of any party engaged in the specific operation, whether they are a bank, lawyer, specialized consulting firm, among others, based on realistic assumptions and third-party endorsed information;
- (v) that corporate restructuring involving related parties ensure equitable treatment for all shareholders.

Explanation and Reasoning

Partially implemented.

(i) There is a provision in the Policy that prohibits transactions with related parties that are not at market conditions or may harm BRB interests when involving unjustifiable or disproportionate compensation. All transactions must adhere to best corporate governance practices and strict compliance with external and internal regulations without omitting risk analysis, responsibilities, overall and unit pricing, and timelines, among other factors.

(ii) The Policy expressly prohibits any form of remuneration to advisors, consultants, or intermediaries that could generate conflicts of interest with BRB and our administrators and majority shareholders.

(iii) With the advent of CMN Resolution No. 4,693/2018, granting credit operations to administrators became permissible. Thus, there is no prohibition for conducting such credit transactions, as long as they are conducted under market conditions and in accordance with institutional responsibilities, decision-making processes, and negotiation, analysis, and approval of operations. BRB adheres to the provisions of the General Credit Policy, the Risk Appetite Statement, and the Transactions with Related Parties Policy.

(iv) We observe the institutional responsibilities, the decision-making process and the powers and authority established for the negotiation, analysis and approval of Transactions with Related Parties. In addition, transactions are reported to external and independent auditors and made available to the public through financial statements.

v) BRB's Articles of Incorporation, in Art. 13, para. 9, establish that equal treatment must be ensured for all shareholders. Likewise, the Policy for Transactions with Related Parties stipulates that transactions carried out by shareholders must be in line with market conditions, avoiding undue favoritism.

- Policy for Transactions with Related Parties:

<https://ri.brb.com.br/en/rules-and-policies/>



5. ETHICS AND CONFLICT OF INTEREST

Recommended Practice

5.4.1. The company must adopt, through a decision of the Administrative Council, a policy for trading its securities, which, without prejudice to complying with rules established by CVM regulation, sets up controls enabling the monitoring of conducted trades, as well as the investigation and punishment of those responsible in case of non-compliance with the policy.

5.5.1. To ensure greater transparency in the use of company resources, a policy regarding its voluntary contributions, including those related to political activities, must be established. This policy must be approved by the Administrative Council and implemented by the Board, containing clear and objective principles and rules.

Explanation and Reasoning

Implemented practice.

BRB - Banco de Brasília S.A. has a Securities Trading Policy, which aims to establish the procedures and guidelines to be adopted by all employees and related persons, in accordance with the rules and/or legislation established by the Regulatory Bodies or statutory provisions. It is also committed to transparency and fair treatment in any and all trading of BRB-issued assets.

This policy seeks to curb practices related to insider trading (improper use of inside information for one's own benefit or for the benefit of third parties) and tipping (tipping of inside information so that third parties can benefit from it). This Policy is approved by the Administrative Council and is the responsibility of the Chief Investor Relations Officer.

Any violation of the provisions of the Policy will subject the offender to disciplinary sanctions, in accordance with internal rules, without prejudice to the applicable administrative, civil and criminal sanctions.

- Securities Trading Policy:

<https://ri.brb.com.br/en/rules-and-policies/>

Implemented practice.

BRB's Integrity Policy contains guidelines and rules related to voluntary donations made by the institution.

Under the terms of this Policy, BRB bank does not make donations to candidates or political parties: "12. Sponsorships and donations [...]. We don't make or encourage donations to candidates or political parties."

This position is also set out in the Bank's Integrity System.

The current versions of the Integrity System and the Integrity Policy were approved by BRB's Administrative Council on 07/31/2023 and 08/31/2023, respectively. Available at:

- Integrity and Anti-Corruption Policy:

<https://ri.brb.com.br/en/rules-and-policies/>

- Integrity System:

https://novo.brb.com.br/wp-content/uploads/2023/08/Sistema-de-Integridade-BRB_.pdf



5. ETHICS AND CONFLICT OF INTEREST

Recommended Practice

5.5.2. The policy must stipulate the Administrative Council as the body responsible for approving all disbursements related to political activities.

5.5.3. The policy regarding voluntary contributions from state-controlled companies or those with repeated and significant commercial relationships with the State must prohibit contributions or donations to political parties or individuals affiliated with them, even if permitted by law.

Explanation and Reasoning

Not implemented

As stipulated in the Integrity and Anti-Corruption Policy and in the Financial Resources Donations Manual, BRB does not engage in contributions related to political activities. Available at:

- Integrity and Anti-Corruption Policy:
<https://ri.brb.com.br/en/rules-and-policies/>
- Integrity System:
https://novo.brb.com.br/wp-content/uploads/2023/08/Sistema-de-Integridade-BRB_.pdf

Implemented practice.

The Integrity and Anti-Corruption Policy, whose latest version was approved on July 29, 2022, and the Financial Resources Donations Manual expressly prohibit contributions to political parties or candidates.

We do not make or encourage donations to candidates or political parties. (Integrity and Anti-Corruption Policy)

5.2. Any form of contribution to political parties and candidates in electoral campaigns by BRB bank is prohibited. (Financial Resources Donations Manual)

- Integrity and Anti-Corruption Policy:
<https://ri.brb.com.br/en/rules-and-policies/>

