

Half-Yearly Report of the Audit Committee

2020.1

Audit Committee

August/2020

Version 1.0

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1. Information

The Audit Committee (Coaud) of BB Tecnologia e Serviços is a permanent statutory body whose purpose is to advise the Board of Directors (Conad) the exercise of its auditing, supervision and oversight functions.

The board is made up of three members elected by the Board of Directors. Its duties are formalized in the respective internal regulations, approved by Conad on 29/06/2018. It also complies with the provisions of Law 13.303/2016, Decree 8.945/2016 and BBTS's Bylaws.

The Committee is responsible for, among other assignments, monitoring the hiring, dismissal and performance work by the external audit firm; supervising the activities of the Internal Audit area; monitoring the quality of internal control mechanisms and activities; supervising the preparation of the Company's financial statements; and assessing and monitoring the Company's exposure to risks. The Committee meets ordinarily twice a month. The Coaud has a channel for receiving complaints, including confidential ones, both internal and external to the company, on matters related to the scope of its activities.

2. Activities

During the first half of 2020, the Audit Committee held 14 meetings with the participation of executives from BBTS's main business and support areas, Internal Audit and the external audit firm.

The Committee also took part in meetings with the Supervisory Board and the Board of Directors. These meetings covered, in particular, issues related to the corporate governance system, external and internal auditing, risk management, internal controls, compliance, ombudsman, financial management, controllership and accounting, supervision of the statements and contract monitoring. The specific actions are described below, and the situations that gave rise to the need for improvement actions were the subject of indications to those responsible.

The Committee also adopted actions aimed at the organization and functioning of the collegiate body itself:

- a) Approval of the Audit Committee Report for the second half of 2019;
- b) Corporate Risk Management course held at the IBGC by the Committee's Coordinator;
- c) Suggested improvements to the Coaud Complaints Channel;
- d) Adjustments to the Work Plan for 2020.

2.1 Governance corporate

- a) Review, discussion and recommendation for approval by the Board of Directors and publicity of the following policies:
 - I) Business Continuity Management Policy;
 - II) Information Security Policy;
 - III) Services Outsourcing Policy;
 - IV) Supplier Relationship Policy;
 - V) Risk Management Policy and Operational Risk Management Policy.
- b) Assessment of the adjustments to the Company's bylaws, regarding the changes required due to the capitalization of the reserve for expansion.
- c) Evaluation of the proposals for the Global Remuneration of Directors (RGA) for the period April/2020 to March/2021, the payment of the Variable Remuneration of Directors (RVA) and the payment of Profit Sharing (PLR) to employees.
- d) Monitoring strategic planning targets and indicators.
- e) Monitoring the company's Digital Transformation.
- f) To accompany BBTS' commercial positioning, considering its Massive Transformative Purpose and long-term sustainability.

2.2 Independent Audit

- a) Supervision of the activities carried out by the external audit firm, with a view to assessing its independence, the quality of the services provided and the suitability of these services for the company's needs.
- b) Discussion of the planning, scope and main conclusions reached in the reviews of the annual financial statements for the previous year and the quarterly financial statements for the year just ended.
- c) Analysis of Independent Audit opinions.
- d) Evaluation of the Notes to the Financial Statements.

2.3 Internal Audit

- a) Evaluation of the Annual Internal Audit Report for 2019.
- b) Supervision of Internal Audit activities, including monitoring the conclusions of the evaluation of business processes, weaknesses identified and recommendations issued to improve the system governance, risk management

and controls.

- c) Monitoring compliance with the work schedule for the first half of 2020 and the implementation of actions by the business areas to minimize risks and correct deficiencies.
- d) Accompanying audit work on Strategy Management and Organizational Architecture, Organizational Structure Management, Marketing Management for Structuring and Conducting Business, Supply Management and Assets.

2.4 Risk management, internal controls, compliance and ombudsman

- a) Assessment and monitoring of the Company's risk exposures, including classification according to the Company's relevant risk matrix, with emphasis on monitoring the actions taken by BBTS to mitigate the risks related to the *Covid-19* pandemic.
- b) Discussion and evaluation of risk factors and other elements of the labor risk matrix.
- c) Assessment of operational risk management.
- d) Monitoring operational losses.
- e) Supervision of the activities carried out in the area of internal controls, with evaluation of the reports on risk activities, internal controls and compliance.
- f) Follow-up on the deficiencies and recommendations for improvement pointed out in the internal controls report, as well as the respective action plans of the internal areas for correction or improvement.
- g) Monitoring of the *Compliance* Matrix, containing the demands of the external audit and external inspection and control bodies, including the measures implemented and the quality of the responses sent by Management.
- h) Follow-up of actions taken by the legal department before the Federal Court of Auditors.
- i) Supervision of the integrity program.
- j) Monitoring of ombudsman activities, with an analysis of the incidents recorded and the actions taken by Management, including the content of the complaints submitted when they affect the activities of the Audit Committee.
- k) Monitoring the company's actions to comply with the General Personal Data Protection Act.
- l) Monitoring of the BBTS x BASA arbitration process, including the analyses

carried out by BBTS's Legal Management and the Justen, Pereira, Oliveira & Talamini law firm, with an assessment of scenarios and expectations of results.

- m) Follow-up on the recommendations made by Banco do Brasil at the end of the ELBB Assessment Cycle, especially with regard to the processes assessed as having a maturity level below the desirable level.

2.5 Financial management, controlling and accounting

- a) Monitoring the preparation and assessment of the Management Report, financial statements and explanatory notes, including the adequacy of transactions with related parties.
- b) Monitoring information relating to the budget and cash flow.
- c) Discussion and monitoring of credit and liquidity risks.
- d) Appreciation of the accounting information, including the use of assets and expenses incurred by the Company.
- e) Discussion and monitoring of the volume of legal and administrative claims, main actions and outcome forecasts, including impacts on contingency provisions.
- f) Discussion and monitoring of the procedures adopted for reviewing the annual *impairment* and recoverability tests of deferred tax assets.
- g) Opinion for approval by the Board of Directors of the quarterly and annual financial statements - financial year 2019 and 1st quarter 2020.
- h) Opinion for approval by the Board of Directors of the Collective Bargaining Agreement 2019/2020.
- i) Monitoring the process of settling outstanding invoices with suppliers.
- j) Accompanying and supervising the process of relinquishing the Mamanguape land.
- k) Follow-up of actions to centralize the entry of invoices at the Shared Services Centre.
- l) Recommendation and monitoring of the cascade certification process for both financial statements;
- m) Improved control of the circularization of outstanding debts with the company's suppliers.
- n) Assessment of the allocation of profits and capitalization of reserves - 2019 financial year.
- o) Opinion for approval by the Board of Directors of the 2020 Budget

Reprogramming.

- p) Monitoring and evaluating the process of cross-compensation of taxes with the Internal Revenue Service.

3. Conclusions and recommendations

Based on the activities carried out and bearing in mind the attributions and limitations inherent to the scope of its work, the Audit Committee of BB Tecnologia e Serviços, in the use of its legal and statutory attributions, presents the conclusions of its evaluations.

The independent audit of BBTS's financial statements for the 2019 financial year was carried out by Russell Bedford Brasil Auditores Independentes S/S, and no occurrences were identified that could compromise the company's independence. Regarding the work carried out during the period, the Audit Committee highlighted the importance of timely reporting and the quality of the services provided.

Based on the examinations carried out, the information and clarifications received during the year and the report of the Independent Auditors - Russell Bedford S/S, with no reservations, the Committee opines that the financial statements for the year ended 12/31/2019 and for the first quarter of 2020 were prepared in accordance with the legal rules and accounting practices adopted in Brazil and reflect the equity and financial situation on those dates.

The internal control structure is well-instrumented and meets the size and complexity of the company's business. It is the subject of constant attention by management and is compatible with the company's risk exposure.

The Internal Audit is effective and has fulfilled its annual planning. The work methodology is compatible with meeting its objectives, in line with the guidelines of the controller's Internal Audit area.

Coaud considered the report assessing the reasonableness of the parameters on which the calculations relating to the supplementary pension plan sponsored by BBTS were based, for the months of January/2019 to December/2019, which is backed by the provisions of CGPAR Resolution No. 9 and SEST Ordinance No. 36. In due course, it requested that information on risk metrics be included in future work.

In compliance with the powers set out in article 24, paragraph 1, of Law 13.303/2016, the requests, guidelines and suggestions presented to the company's areas and governance bodies are included in the respective meeting minutes.

This report should be published on the company's website, after evaluation by the Board of Directors, in compliance with §3 and §4 of article 38 of Decree 8.945, which deal with the disclosure of extracts from the minutes of the Statutory Audit Committee.

Brasília (DF), 08/26/2020

Audit Committee of BB Tecnologia e Serviços S.A.

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Annex 1 - Coaud meetings and participants

- (1) Benilton Couto de Cunha, coordinator from 05/17/2019
- (2) Ilton Luís Schwaab
- (3) Antônio Gustavo Rodrigues

Seq.	Date of meeting	Type	Participant		
			1	2	3
001/2020	01/28/2020	Ordinary	X	X	X
002/2020	01/29/2020	Ordinary	X	X	X
003/2020	02/26/2020	Ordinary	X	X	X
004/2020	02/27/2020	Ordinary	X	X	X
005/2020	03/17/2020	Extraordinary	X	X	X
006/2020	03/24/2020	Ordinary	X	X	X
007/2020	03/25/2020	Ordinary	X	X	X
008/2020	03/26/2020	Extraordinary	X	X	X
009/2020	04/22/2020	Ordinary	X	X	X
010/2020	04/23/2020	Ordinary	X	X	X
011/2020	05/26/2020	Ordinary	X	X	X
012/2020	05/27/2020	Ordinary	X	X	X
013/2020	06/23/2020	Ordinary	X	X	X
014/2020	06/24/2020	Ordinary	X	X	X

Annex 2 - Agenda for meetings**Technical notes**

Meeting	Number and Subject
002/2020	Technical Note 2020/016 Presi - Review of the Business Continuity Policy
002/2020	Technical Note 2020/017 Gepes/Gesup - Collective Bargaining Agreement 2019/2020
002/2020	Technical Note 2019/907 Gesog - Information security policy
003/2020	Technical Note 2020/067 Presi - Service Outsourcing Policy
004/2020	Technical Note 2020/056 Diafi - Allocation of 2019 Results and Capitalization of the Expansion Reserve
004/2020	Technical Note 2020/068 Diafi - Financial Statements 2019
004/2020	Technical Note 2020/032 Audit - Annual Internal Audit Report - RAINTE 2019
005/2020	Technical Note 2020/087 Presi - RGA 2020/2021

007/2020	Technical Note 2020/105 Diafi - CGPAR Resolution No. 09/2016 AND 25/2018
008/2020	Technical Note 2020/121 - Geric - Global Directors' Remuneration 2020_2021
009/2020	Technical Note 2020/130 - Gepes- CGPAR Resolutions No. 09_2016 AND 25_2018
009/2020	Technical Note 2020/124 - Gesuc - Supplier Relationship Policy
011/2020	Technical Note 2020/143 Diafi - Financial Statements - 1st Quarter/2020
011/2020	Technical Note 2020/188 - Geric - Annual Variable Remuneration Program for BB Tecnologia e Serviços Directors
011/2020	Technical Note 2020/182 Presi - Risk Management Policy
011/2020	Technical Note 2020/184 Presi - Operational Risk Management Policy
013/2020	Technical Note 2020/143 Diafi - Financial Statements - 1st Quarter/2020
013/2020	Technical Note 2020/232 - 2020 Budget Reprogramming

Reports

Theme	JAN	FEB	MAR	APR	MAY	JUN
Internal Audit Reports	X	X	X	X	X	X
Corporate Assessment Report	X	X	X	X	X	X
Monitoring the management of Coaud report	X	X	X	X	X	X
Relevant Risks	X	X	X	X	X	X
Follow-up of the LGPD timetable, including the updating of actions for the how BBBTS complies with the law	X	X	X	X	X	X
Monitoring the regularization process of open invoices with telephone operators	X	X	X	X		
Operational losses	X	X	X	X	X	X

Follow-up of the Mamanguape terrain	X		X			
Accompanying the digital transformation of BBTS (recommendation from Conad to Coaud)		X		X		X
Monitoring BASA's arbitration process, with a focus mitigating risks during the course of the arbitration (Conad recommendation to Coaud)			X			X
Executive Summary of Contracts Above R\$ 100.000,00			X			X
Evaluate and monitor the implementation of the Corporate Strategy (by means of an Indicator Panel), including a perception of the adequacy of the established targets and indicators, digital evolution and the quarterly MR2 result)	X			X		
Monitoring the preparation of the Statements Financial	X			X		

Supervising the activities of the auditors Independent		X		X		
Evaluate and monitor the Liquidity Analysis Report		X			X	
Evaluate and monitor the Accounting Analysis Report (Including transactions with related parties)			X			X
Evaluate the Demand Handling Report of Ombudsman			X			X
Evaluate the Canal Treatment Report Coaud complaints	X			X		
Supervising the Controls Activity Report Internal (including monitoring the integrity program)		X		X		
Monitoring the Compliance Matrix				X		
Judicial and administrative contingencies (including provisions and risk matrix) labor)		X			X	
Monitoring BBTS's commercial positioning, considering its PTM and long-term sustainability deadline (Conad recommendation to Coaud)		X			X	
Monitor investments made and to be made, as well as the return on these investments, taking into account the Corporate Strategy (recommendation from Conad to Coaud)	X			X		
Attend the Supervisory Board meeting					X	
Drawing up the Audit Committee's Half-Yearly Report	X					
To express its opinion on the RAIINT before Conad			X			
To express its opinion, prior to the AGM and Conad, on the RGA		X				
To express its opinion, prior to the AGM and Conad, on the Result for the Year		X				
To express its opinion, prior to the AGM and Conad, on allocation of profits		X				

To express its opinion, prior to the AGM and Conad, on o Capital Budget		X				
To express its opinion, prior to the AGM and Conad, on Capitalization of the Expansion Reserve		X				
Presentation - BBTS Lines of Business and Products and Type of Labor (according to minutes 022/2019 of 22/10/2019)	X					
Evaluate the report on the implementation of the new organizational design, including the CSC (according to minute 026 of 11/12/2019)	X					
Evaluate the status and results of the action plan for mitigating labor risks in labor contracts, especially with regard to the PEE and the Call Centers (according to minute 026, of 11/12/2019)	X					

Monitoring the sufficiency of provisions/accounting treatment related to outstanding invoices from telephone operators, as well as any need for reinforcement (in accordance with minute 026, of 11/12/2019)		X				
Analyze the Internal Audit report on the facts and information already ascertained in relation to ACE 2019/010 (according to minutes 026 of 11/12/2019)		X				

Occasional follow-ups

Theme	JAN	FEB	MAR	APR	MAY	JUN
Report on how establishments have adapted comply with the Federal Accessibility Law	X					
Report on the verification, with the other areas of the company, of any outstanding charges	X					
Regarding the notification from the Pirai City Hall, on the cause of the untimely payment of the tax and what actions are being taken to mitigate the risk of new occurrences	X					
CSC Presentation - Timetable	X					
Presentation - New Business	X					
Report on the commercial positioning of BBTS, considering its PTM and sustainability (recommendation from Conad to Coaud) - Report		X				
BB Technology Tax Report 2nd Quarter		X				
Quality Management and Improvement Program (QMIP) Report - Base Year: 2019		X				

Theme	JAN	FEB	MAR	APR	MAY	JUN
Report on the verification, with the other areas of the company, of any outstanding charges - updating of the topic, including: standardization of the circulation process periodically and the development of new cases identified			X			
Report on the status of the review of regulations			X			
Report on the implementation of actions for the centralization of incoming invoices at the CSC				X		
Covid-19 - Executive Summary of Impact				X		
Words from the BBTS President				X		
Presentation of the BBTS go-to-Market project - AGR Company					X	
Presentation - Open discussions with suppliers and Cascade Certification					X	

Report on the status of the implementation of the Workplace Management action plan					X	
Report on AUDIT's assessment of the authorized versus realized amounts of Directors' Global Remuneration for the 2019 period					X	
Presentation on the status of the implementation plan for the Go To Market project as a result of AGR's consultancy services						X
BBTS President's report						X
Compliance monitoring (including verification of compliance with actions related to the Covid-19 pandemic that have been required by legislation, recommendations and technical guidelines from the authorities, as well as best practices).						X
ELBB Annual Supervision Cycle						X
Report on the advisability of having the Operational Contingency Plans approved by the director of each area, prior to consideration by the Risk Committee						X
Revenue trends						X