



# Half-Yearly Report of the Audit Committee 2020.2

## Summary

1. Information.....	3
2. Activities .....	3
2.1 Corporate Governance .....	4
2.2 Independent Auditing .....	4
2.3 Internal Audit .....	5
2.4 Risk management, internal controls, compliance and ombudsman.....	5
2.5 Financial management, controlling and accounting.....	6
3. Conclusions and recommendations .....	6
Attachment 1 - Coaud meetings and participants.....	8
Attachment 2 - Agenda for meetings.....	9
Technical notes.....	9

## 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 by three members elected by the Board of Directors. Its duties are formalized in the respective internal regulations, approved by Conad on 06/29/2018. In addition, the provisions of Law 13.303/2016, Decree 8.945/2016 and the BBTS Bylaws are observed.

The Committee is responsible, among other assignments, for 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 second 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 Audit 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 preparation of financial 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 first half of 2020;
- b) Approval of the Coaud Work Plan for 2021;
- c) Mr. Benilton Cunha, Coordinator of the Committee, took part in the Audit, Supervision and Controls Committee course at the IBGC and participated in the 21st IBGC Congress;
- d) Mr. Ilton Luis Schwaab, Full Member, took the Financial Statements Auditing course at FGV and obtained certification from the Institute for Institutional Certification of Social Security Professionals and participated in the ABRAPP congress;
- e) Adjustments to the Work Plan for the second half of 2020;
- f) Meetings with the Audit Committee, Internal Audit and the Governance Board of Banco do Brasil's Related Entities.

## 2.1 Corporate Governance

- a) Evaluation, discussion and recommendation for approval by the Board of Directors of the company's Policies, the definitions of advertising on the external website, including the review of those listed below:
  - I) People Management Policy;
  - II) Internal Controls and Compliance Policy;
  - III) Reputation Risk Policy;
  - IV) Client Identification Policy;
  - V) Customer and Product and Service User Relationship Policy;
  - VI) Related Party Transactions Policy;
  - VII) Credit and Market Risk Policy;
- b) Evaluation of the adjustments to the Annual Letter on Public Policy and Corporate Governance;
- c) Review of updates to the BBTS Code of Ethics and Standards of Conduct;
- d) Approval of the Corporate Governance Secretariat's Performance Evaluation model;
- e) Monitoring strategic planning targets and indicators;
- f) Monitoring the company's Digital Transformation;
- g) Monitoring BBTS's commercial positioning, considering its Massive Transformative Purpose and long-term sustainability, as well as the Go To Market strategy;
- h) Evaluation of the proposal for the Global Management Remuneration (RGA) and Profit Sharing (PLR) programs for employees for 2021;
- i) Assessment of the accountability for the amounts paid as Directors' Global Remuneration for the period April/2019 to March/2020.

## 2.2 Independent Auditing

- a) Meeting with the Independent Auditor and the Finance, Controllershship and Accounting Department to assess the planning of the audit work for the end of the year;
- b) Discussion of the planning, scope and main conclusions reached in the reviews of the quarterly financial statements;
- c) Analysis of Independent Audit opinions;
- d) Follow-up on the recommendations of the Independent Audit;
- e) Evaluation of the Notes to the Financial Statements;
- f) Assessment of the timetable for preparing the financial statements for the year ending 12/31/2020;
- g) Evaluation of the review of the contracting process, renegotiation, amendment, extension and cancellation of contracts with Independent Auditors;
- h) Evaluation of the quality of the Independent Audit's work.

### 2.3 Internal Audit

- a) Evaluation of the proposal for the Internal Audit Internal Regulations;
- b) Consent to the extension of the Internal Auditor's term of office;
- c) 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;
- d) Monitoring compliance with the work schedule for the second half of 2020 and the implementation of actions by the business areas to minimize risks and deficiencies correction;
- e) Accompanying audit work on Strategy Management and Organizational Architecture, Organizational Structure Management, Marketing Management for Structuring and Conducting Business, Supply Management and Assets;
- f) Follow-up of specific work related to arbitration awards.

### 2.4 Risk management, internal controls, compliance and ombudsman

- a) Evaluation 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 risks related to the Innovation Hub;
- k) Monitoring of ombudsman activities, with analysis of recorded incidents and management's handling of them, including the content of complaints submitted when they affect the activities of the Audit Committee;
- l) Monitoring the company's actions to comply with the General Personal Data Protection Act;

- m) Monitoring the arbitration process in which BBTS is involved, including the award of the Arbitral Tribunal and the assessment of scenarios, prospects and expectations of results;
- n) Follow-up on the recommendations made by Banco do Brasil at the end of the ELBB Assessment Cycle and the actions underway, especially with regard to the processes assessed as having a maturity level below the desirable level;
- o) Encouraging the company to draw up a Strategic Risk Matrix.

## **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) Monitoring investments made and to be made, as well as the return on these investments, taking into account the Corporate Strategy;
- g) Opinion for approval by the Board of Directors of the quarterly financial statements - 2nd quarter and 3rd quarter of 2020;
- h) Accompanying and supervising the process of relinquishing the Mamanguape land;
- i) Monitoring the implementation of actions to centralize the entry of invoices at the Shared Services Centre;
- j) Monitoring contracts with clients, suppliers, amendments and renegotiations;
- k) Follow-up of the analysis regarding the non-payment of the CIDE - Contribution for Intervention in the Economic Domain on the acquisition of Microsoft licenses;
- l) Improved control of the circularization of outstanding debts with the company's suppliers;
- m) Follow-up work to reduce the company's minority shareholder base;
- n) Opinion for approval by the Board of Directors of the 2020 Budget Reprogramming;
- o) 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.

To date, no occurrences have been identified that could compromise the independence of the external audit relation to BBTS's financial statements for 2020, which are being carried out by the Independent Auditors - Russell Bedford S/S.

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/2020 to September/2020, which is backed by the provisions of CGPAR Resolution No. 9 and SEST Ordinance No. 36.

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), 01/27/2021

Audit Committee of BB Tecnologia e Serviços S.A.

**Benilton  
Couto da  
Cunha**  
Benilton Couto da Cunha  
Coordinator

Digitally signed by  
Benilton  
Couto da Cunha  
Data: 2021.01.27  
15:36:04 -03'00'

**Antonio  
Gustavo  
Rodrigues**  
Antônio Gustavo Rodrigues  
Full member

Digitally signed by  
Antonio  
Gustavo Rodrigues  
Data: 2021.01.27  
15:12:16 -03'00'

**ILTON LUIS  
SCHWAAB:532599980  
04**  
Ilton Luis Schwaab  
Full member

Digitally signed by  
ILTON LUIS  
SCHWAAB:53259998004  
Data: 2021.01.27 15:17:04 -03'00'

**Attachment 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
015/2020	01/07/2020	Extraordinary	X	X	X
016/2020	07/28/2020	Ordinary	X	X	X
017/2020	07/30/2020	Ordinary	X	X	X
018/2020	06/08/2020	Extraordinary	X	X	X
019/2020	08/25/2020	Ordinary	X	X	X
020/2020	08/26/2020	Ordinary	X	X	X
021/2020	09/22/2020	Ordinary	X	X	X
022/2020	09/24/2020	Ordinary	X	X	X
023/2020	09/27/2020	Ordinary	X	X	X
024/2020	09/29/2020	Ordinary	X	X	X
025/2020	11/24/2020	Ordinary	X	X	X
026/2020	11/26/2020	Ordinary	X	X	X
027/2020	12/15/2020	Ordinary	X	X	X
028/2020	12/17/2020	Ordinary	X	X	X



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

Meeting	Number and Subject
015/2020	Technical Note 2020/232 - Gefic - Budget Reprogramming 2020
016/2020	People Management Policy Technical Note 2020/251
016/2020	Technical Note 2020/263 - Geemp - BBTS Evolution 2024
019/2020	Technical Note 2020/286 Gefic - Financial Statements - 1st Half 2020
019/2020	Technical Note 2020/190 Gesuc - Property renunciation - Mamanguape property
019/2020	Technical Note 2020/292 - Gepes - CGPAR Resolutions No. 09/2016 AND 25/2018
020/2020	Technical Note 2020/259 - Internal Controls and Compliance Policy
022/2020	Technical Note 2020/304 Geemp - Reputation Risk Policy
022/2020	Technical Note 2020/324 Gerel - Customer Identification Policy and Relationship Policy with Customers and Users of Products and Services
022/2020	Technical Note 2020/307 Geric - Related Party Transactions Policy
024/2020	Technical Note 2020/303 Geric - Annual Letter on Public Policy and Corporate Governance
024/2020	Technical Note 2020/389 Audit - Internal Regulations
024/2020	Technical Note 2020/391 Audit - BBTS Internal Auditor Mandate
025/2020	Technical Note 2020/386 Gefic - Credit and Market Risk Policy
025/2020	Technical Note 2020/409 Gefic - Financial Statements - 3rd Quarter 2020
025/2020	Technical Note 2020/404 Geemp Gefic - BBTS Evolution 2025
025/2020	Technical Note 2020/411 Gepes - PLR 2021
025/2020	Technical Note 2020/424 Geric - RVA Program 2021
027/2020	Technical Note 2020/374 - Ethics Committee
027/2020	Technical Note 2020/445 - CGPAR Resolution No. 25/2018 (Supplementary Pension Benefit Plan Assessment Report)
027/2020	Technical Note 2020/217 Geric - Accountability - RGA
027/2020	Technical Note 2020/383 Geric - Policy Publicity
027/2020	Technical Note 2020/465 Geric - Performance Evaluation

## Reports

Theme	JUL	AUG	SET	OUT	NOV	DEZ
Monitoring the management of Coaud reporting	X	X	X	X	X	X
Monitoring the Compliance Matrix				X		
Accompanying the digital transformation of BBTS (recommendation from Conad to Coaud)		x		X		X
Follow up on the LGPD timetable, including the updating of actions to bring BBTS into line with the legislation	X	X	X			
Monitor BBTS's commercial positioning, considering its PTM and long-term sustainability (recommendation from Conad to Coaud)		X		X		
Monitoring the BASA arbitration process	X	X	X	X		X
Monitoring investments made and to be made, as well as the return on these investments, taking into account Corporate Strategy (recommendation from Conad to Coaud)		X		X		
Evaluate and monitor the execution of the Corporate Strategy (by means of an Indicators panel, including a perception of the adequacy of the established targets and indicators, digital evolution and the result of MR2)	X			X		
Evaluate and monitor the Accounting Analysis Report (containing transactions with related parties)			X			X
Evaluate and monitor the Liquidity Analysis Report		X			X	
Evaluate and monitor the Executive Summary Contracts Over R\$ 100,000.00			X			X
Evaluate and monitor Internal Audit reports	X	X	X	X	X	X
Assess and monitor Relevant Risks	X	X	X	X	X	X
Evaluate the Ombudsman Demand Handling Report			X			X
Evaluate the Coaud Complaints Channel Handling Report	X			X		
Judicial and administrative contingencies (including provisions and labor risk matrix)		X			X	

Drawing up the Audit Committee's Half-Yearly Report		X				
To express its opinion on PAINT before Conad						X
Monitoring the preparation of financial statements		X	X	X	X	
Corporate Assessment Report	X	X	X	X	X	X
Supervising the Activities of Independent Auditors		X		X		
Supervising operating losses		X		X		X
Supervising the Internal Controls Activity Report (containing the follow-up of the integrity program)		X		X		
Supplementary Pension Benefit Plan Assessment Report (Contemplated in Technical Note 2020/292 and 2020/0445)		X				X
Mamanguape property relinquishment process	X	X		X		
To express its opinion on Company's Business Plan before Conad					X	
To express its opinion on the Company's Corporate Strategy before Conad					X	

### Occasional follow-ups

Theme	JUL	AUG	SET	OUT	NOV	DEZ
Presentation - Cross-compensation	X					
Presentation on the status of the implementation of the job management action plan (as per item 7 of minutes 012/2020 of 27/05/2020)	X					
Assessment of the compliance of the actions related to the pandemic is not yet duly included in the document, containing the applicable legislation and best practices, vis-à-vis the actions adopted by the company. (according to item 11, of minute 013/2020, of 23/06/2020 and item 05, of minute 014/2020, of 24/06/2020)	X	X		X		
BBTS Economic Study - 1st Half 2020	X					
Draft Agreement - Audit BB	X					

Non-payment of the Contribution for Intervention in the Economic Domain (CIDE) in the acquisition of Microsoft licenses: Report on the result of the legal analysis and the status of the appeal that will be filed with the Federal Revenue Service and on the verification of amounts referring to other years, with the risk of a new assessment (according to item 03, of minutes 011/2020, of 26/05/2020 and item 10, of minutes 016/2020, of 28/07/2020)	X			X		
Report by the Cotin coordinator on the measures adopted by the Committee to support certification of recommendations 2019/096 and 2019/097, which were related to the Peoplesoft system (according to item 09, of minutes 014/2020, of 24/06/2020)	X					
Report on the implementation of actions to centralize the entry of invoices at Cesec (according to item 10, of minute 009/2020, of 22/04/2020)	X					
Report on the adaptation of establishments to comply with the Federal Accessibility Law (according to item 9, of minutes 001/2020, of 28/01/2020)	X					X
Presentation - Shareholding Composition (item 6, of minutes 016/2020, of 07/28/2020 and item 5 of minutes 023/2020, of 10/27/2020)		X				X
Presentation - Internal Audit General Information		X				
Presentation - Cyber Risk Matrix (item 1, of minutes 017/2020, of 30/07/2020)		X				
ELBB evaluation cycle - including the indication of those responsible and deadlines for implementing the opportunities for improvement identified (according to item 06, of minutes 014/2020, of 24/06/2020)		X				
NI and PRO - Methodology and Procedures - Risk Management (as per item 1 of Minute 017/2020, of 30/07/2020)		X				
Audit Opinion on the Global Remuneration of BBTS Directors for 2019. (as per item 11, of Minute 014/2020, of 06/24/2020 and item 13, of Minute 017/2020, of 07/30/2020)	X	X				

Labor Processes - Service Providers (verification/monitoring process to identify and avoid labor risks associated with new service contracts. Item 8 - Minutes 013/2020 of 23/06/20)		X				
Report on the methodology for monitoring cyber risks related to information security, regard to work carried out in the home office (according to item 1, of minutes 017/2020, of 30/07/2020)		X				
Presentation of the plan to carry out the preliminary work of preparing the report with the factual contextualization of the history that led to the Cobra x BASA arbitration process (according to item 14, of minutes 020/2020, of 26/08/2020 and item 5 of minutes 026/2020, of 26/11/2020))			X			X
Assessment of the Independent Audit's deliverables (contracted vs. performed) (as per item 13 of minutes 020/2020, of 26/08/2020)			X			
Evolution of Revenues (item 13 of minutes 014/2020 of 24/06/2020)			X			
Audit Committee budget for 2021. (as per item 3, of minutes 017/2020, of 30/07/2020)			X			
Participation of the Independent Audit: presentation of the planning for the audit of the financial statements for 2020 (According to item 01 of minutes 019/2020 of 25/08/2020); and Report on the inclusion in the Independent Audit's schedule of activities, regarding the 2020 Financial Statements, of the circularization process outsourced lawyers (according to minutes 004/2020, of 27/02/2020)			X			
Report - Audit opinion on the RGA accounts 2019-2020			X			

Report from Gesep and Gepes on the measures adopted by Cotin to support the certification of recommendations 2019/096 and 2019/097, which were related to the peoplesoft system (according to item 4 of minutes 016/2020, of 28/07/2020)			X			
Report on the outcome of the discussions, within the management itself and the collegiate bodies, as to whether what is being monitored in the relevant risk matrix are really strategic risks or whether process risks are being monitored (according to item 09, of minute 020/2020, of 26/08/2020)			X			
Report detailing the entire history of the contracting and contract renewal process with Maciel Auditores/Russel Bedford (including the call for tenders, contracting, contract amendment and the exercise of approval and manifestation powers)			X			
Report of the conclusions regarding the aspect economy, on the suggestion of the Internal Audit on the change of the branch of service of the Independent Audit to Brasilia and present at the meeting of September/2020 (according to item 013, of minutes 020/2020, of 26/08/2020)			X			
Presentation - Budget and Strategy Previews				X		
Presentation - Strategic Reflection				X		
Presentation - SGPS (containing the status of the implementation of the job management action plan, as requested in item 10 of minutes 017/2020, of 30/07/2020 and item 12 of minutes 023/2020, of 27/10/2020)				X		X
COSO Presentation and 3 Lines Model				X		
Labor lawsuits related to sales commissions: report on the verification of the provisions that BBTS has made to , whether they are in line with Gejur's assessment and on the prospects of sentencing, classifying the lawsuits by probability of success (according to item 02, of minutes 020/2020, of 26/08/2020)				X		

Report on the pertinence of creating a permanent Crisis Management committee (according to item 11, of minutes 013/2020, of 23/06/2020)				X		
Gefic Report - Detailed schedule for the preparation of the 2020 Financial Statements (according to item 10, of minute 021/2020, of 09/22/2020)				X		
Gefic Report - Feasibility of Initiating a Process to Reduce the Minority Shareholder Base (as per item 05, of minutes 019/2020, of 25/08/2020)				X		X
Report on the status of the measures taken to comply with the recommendations of the independent audit, which were pointed out in the report for 2019. (as per item 07, of minutes 019/2020, of 25/08/2020)				X		
Meeting with the Independent Auditor				X		
Discussions related to APN Report 2020/008				X		
Discussions related to the APN Report 2020/011				X		
Presentation - Objectives and Controls - Governance and Maturity in IT processes					X	
Performance Evaluations - BBTS Boards and other structures					X	
Contract Management (with the participation of Gesuc, Geric and Audit)					X	
Participation of the Independent Auditors, including the report on the evidence related to the circularization, carried out on the occasion of the work on the Financial Statements for 2019, of information with the law firms hired by BBTS, (as requested in item 07, of minutes 019/2020, of 08/25/2020 and in items 02 and 19 of minutes 024/2020 of 10/29/2020)					X	
Meeting with the Governance Board Entities Linked to Banco do Brasil					X	
Review of the Hiring Process - Independent Audit (according to item 07 of minutes 019/2020, of 08/25/2020)					X	

Follow-up of Actions - ELBB Supervision Cycle (as per item 05 of minutes 020/2020, of 26/08/2020)						X
Performance Evaluations - BBTS Boards and other structures (as per item 12 of minutes 026/2020 of 26/11/2020)						X
Calendar of Meetings 2021						X
Financial Statements Course						X
Impacts of Pix on TAAs (as per item in 05 minutes 021/2020, of 22/09/2020)						X
Coaud Work Plan - Proposal 2021						X
Fire Prevention - BBTS Units (as per item 6 of minutes 023/2020, of 27/10/2020)						X
Document regularization BBTS establishments						X
Meeting with Banco do Brasil Audit						X
Meeting with the Coaud of Banco do Brasil						X