

BK BRASIL OPERAÇÃO E ASSESSORIA A RESTAURANTES S.A.
Report on the Brazilian Code of Corporate Governance - 2019



Reference: 31/12/2019

Principle	Recommended Practice	Compliant?	Explanation / Guidelines
1. Shareholders			
1.1 Shareholding Structure	1.1.1 The Company's share capital should only comprise common shares.	Yes	-
1.2 Shareholders' Agreements	1.2.1 Shareholders' agreements should not be binding on the exercise of voting rights of any officers or members of the supervisory and control bodies.	Not applicable	-
1.3 General Meetings	1.3.1 The executive board should use the shareholders' meetings to communicate the manner in which the Company's business is being conducted, as such, Company management should publish a manual to facilitate and encourage participation in general shareholders' meetings.	Yes	-
	1.3.2 The shareholders' meeting minutes should allow full understanding of the discussions at the meeting, even if drawn up in the form of a summary of the facts occurred, and bring the identification of the votes cast by the shareholders.	Yes	-
1.4 Protective Measures	1.4.1 The board of directors should critically analyze the advantages and disadvantages of the protective measure and its characteristics and, above all, the factors triggering adoption thereof and price parameters, if applicable, and also explain them.	Not applicable	-
	1.4.2 There should not be use of clauses that render removal of the measure from the bylaws unfeasible, the so-called 'indelible clauses'.	Not applicable	-
	1.4.3 If the bylaws provide for the need of making a public offering for the purchase of shares (POPS) whenever a shareholder or group of shareholders reaches, directly or indirectly, material interest in voting share capital, the offer price determination rule should not impose addition of premiums substantially above the economic or market value of the shares.	Not applicable	-
1.5 Change of Shareholding Control	1.5.1 The Company's bylaws should establish that: (i) transactions entailing direct or indirect sale of shareholding control should involve public offering for the purchase of shares (POPS) to all shareholders, for the same price and under the same conditions obtained by the selling shareholder; (ii) the board of directors' members should express their position about the terms and conditions of corporate reorganizations, capital increases and other transactions resulting in change in shareholding control, and on whether they ensure fair and equitable treatment to the Company's shareholders.	Partially	The Company fully applies the practice provided for in item (i). Regarding item (ii), although there is no statutory provision requiring the Board of Directors to express its position, the board members, in fulfilling their statutory duties, in proposing and analyzing the terms and conditions of the corporate reorganizations and capital increases for recommendation of approval by the shareholders in General Shareholders' Meetings, may, at their sole discretion, express their opinion on fair and equitable treatment of the Company's shareholders within the scope of such transactions.
1.6 Board of Directors' Position about Public Offerings for the Purchase of Shares (POPSs)	1.6.1 The bylaws should establish that the board of directors provide its opinion on any POPS for shares or securities convertible or exchangeable for shares issued by the Company, which should contain, among other material information, Company management's opinion on adventitious acceptance of the POPS and on the Company's economic value.	Yes	-
1.7 Profit Allocation Policy	1.7.1 The Company should prepare and disclose the profit allocation policy defined by the board of directors. Among other things, such policy should provide for the periodicity of dividend payments and the benchmark to be used for determining the respective amount (percentages of adjusted net income and free cash flow, among others).	No	The Company does not have any formally approved profit allocation policy. However, the Company understands that the purpose of this practice is essentially attained, since its bylaws already provide the minimum content that would be expected from the Profit Allocation Policy, namely, the periodicity of payment of dividends (on an annual basis, with the possibility, by resolution of the Board of Directors, to distribute interim dividends) and the benchmark to be used to define the respective amount (in this case, adjusted net income). This matter is addressed in further details in item 3.4 – Profit Allocation Policy of the Reference Form (version 10 of 07/23/2019).
1.8 Mixed Capital Companies	1.8.1 The bylaws should clearly and accurately identify the public interest that justified creation of the mixed capital company, in a specific chapter.	Not applicable	-
	1.8.2 The board of directors should monitor the Company's activities and establish internal policies, mechanisms and controls to determine the possible costs of meeting the public interest and any compensation of the Company or other shareholders and investors by the controlling shareholder.	Not applicable	-

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2. Board of Directors			
2.1 Attributions	<p>2.1.1. The board of directors should, without prejudice to its other legal and statutory attributions and of other practices provided for by the Brazilian Corporate Governance Code (CBGC): (i) define the business strategies, considering the impacts of the Company's activities on society and the environment, aiming at the Company's continuity and long-term value creation; (ii) periodically assess the Company's exposure to risks and the effectiveness of its risk management systems, internal controls and the integrity/compliance system and approve a risk management policy consistent with the business strategies; (iii) define the Company's values and ethical principles and ensure issuer's transparency in its relationships with all stakeholders; (iv) annually review the corporate governance system, with a view to improving it.</p>	Partially	<p>Regarding item (i), the Company, in defining its business strategies, aiming at its continuity and value creation, adopts several initiatives related to the main direct and indirect environmental impacts from its activities, as explained in item 7.5, b, of the Reference Form (version 10 of 07/23/2019). The Company is in the process of assessing its strategies, including those relating to sustainability. (item 7.8 of the Reference Form - version 10, of 07/23/2019).</p> <p>Regarding item (ii), despite the lack of a Risk Management Policy, as described in item 5.1 of the Reference Form (version 10, of 07/23/2019), the Board of Directors, through an Audit Committee, is responsible for overseeing the following activities: (a) quality and integrity of the financial statements; (b) compliance with legal and regulatory requirements; (c) performance, independence, objectivity and quality of services provided by independent auditors; (d) performance, independence and quality of internal auditors' work; and (e) quality and effectiveness of internal control and risk management systems. It is worth reiterating that, by 2021, the Company will approve and disclose its Risk Management Policy, thereby complying with the "Novo Mercado" Rules.</p> <p>Regarding compliance-related practices, the Company has areas responsible for monitoring efficiency of integrity-related internal procedures and mechanisms (the areas of risks, internal controls, compliance and</p> <p>Regarding item (iii), the Board of Directors approved a Code of Ethics, which was last revised in 2017, establishing the Company's values and ethical principles, guiding the Company's internal and external relations. There is also a Code of Ethics for Suppliers whose non-compliance may lead to the suppliers' disqualification or the initiation of judicial or out-of-court proceedings against them.</p> <p>Regarding item (iv), the Company reviews its governance system based on a planning or a demand made by the Board of Directors and the Executive Board, with the participation of the Audit, Finance and Compensation Committees, as well as other internal areas. In addition, the Company reassesses the risks and adapts its policies whenever there are new demands from the organizational structures involved or relevant changes in the Company as per item 5.4 of the Reference Form (version 10, of 07/23/2019). All mechanisms count on the support from senior management (tone at the top), thereby ensuring ongoing improvement of the Company's governance system.</p>
2.2 Board of Directors' Composition	<p>2.2.1 The bylaws should establish that: (i) the board of directors be mainly composed of external members, with at least one third of its members being independent members; (ii) the board of directors should assess and disclose annually its independent members, as well as indicate and justify any circumstances that may impair their independence.</p>	Partially	<p>Regarding item (i), there is no provision in the bylaws for a minimum number of external members, but article 15 of the bylaws states that the board of directors must be composed of at least 20% of independent members, according to the previous version of the "Novo Mercado" Rules.</p> <p>Anyhow, of the 7 sitting members of the Board of Directors, 2 are independent (28.5%) (complying with the current "Novo Mercado" Rules that require 20% or 2, whichever is higher) and all are external (100%). In relation to item (ii), the Board of Directors assesses the independent members whenever a General Meeting is convened to elect Board of Directors' members (with term of office of 2 years). According to item 12.5 of the Reference Form (version 10, of 07/23/2019), the Company discloses, annually, who its independent board of directors' members are. It is worth noting that, as from 2021, upon full implementation of the new "Novo Mercado" Rules, the Board of Directors' statement regarding the independence of the candidates will follow a more structured procedure, as it will be based on a self-declaration by candidates to independent board member positions, to be included in the Management's Proposal to the general shareholders' meeting electing them (Article 17 of the "Novo Mercado" Rules). Finally, the Company makes use of the current definition of independent board member provided by the "Novo Mercado" Rules, which it considers to be more objective than that provided by the "Brazilian Corporate Governance Code (CBGC)" thus mitigating any uncertainty.</p>
	<p>2.2.2 The board of directors should approve a nomination policy establishing: (i) the process for nominating board of directors' members, including the participation of other bodies of the Company in this process; (ii) that the board of directors should include members with available time to perform their duties, as well as diversified knowledge, experience, attitudes, cultural backgrounds, age brackets and genders.</p>	No	<p>The Company does not have a Nomination Policy, but will introduce it by 2021, when it will become mandatory under the "Novo Mercado" Rules.</p>
2.3 Chairman of the Board of Directors	<p>2.3.1 The CEO should not accumulate his/her position with that of chairman of the board of directors.</p>	Yes	-

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2.4 Evaluation of the Board of Directors and its Members	2.4.1 The Company should implement an annual performance evaluation process for the board of directors and its committees, as collegiate bodies, the chairman of the board of directors, the individually considered board members, and the governance secretary, if any.	No	The Company does not have a formal performance evaluation process for the Board of Directors, but will implement this practice until 2021.
2.5 Succession Planning	2.5.1 The board of directors should approve and keep up to date a succession plan of the chief executive officer, the preparation of which should be coordinated by the chairman of the board of directors.	Yes	The People and Management Board is responsible for management and governance (preparation, review and monitoring) of the succession plan of all members of the Executive Board, including the CEO. Such plan is approved annually by the Compensation Committee, which is composed of two members of the Board of Directors. The succession plan is presented at a meeting of the Board of Directors, and was approved at the May 2019 meeting. The Company will also approve an individual training plan for the executives identified as potential successors in the Succession Plan.
2.6 Integration of New Board of Directors' Members	2.6.1 The Company should have a pre-structured program of integration of new members of the board of directors so that these members are introduced to the key people of the Company and its facilities, addressing issues essential to understanding the business of the Company.	No	The Company does not have a formalized integration program for the new members of the Board of Directors, but its practice is to integrate them with key people and present the Company's history and strategy. In addition, the board members have access to the Company's main executives. Given the small number of board members, the Company does not see the need to implement a formal integration program in the short or medium term. However, with the admission of Mrs. Paula to the Company's Board of Directors, a pilot program for integration of new board members was carried out.
2.7 Compensation of Board of Directors' Members	2.7.1 Compensation of board of directors' members should be commensurate with their duties, responsibilities and time demands. There should be no compensation based on attendance at meetings, and variable compensation of board members, if any, should not be linked to short-term results.	Yes	Compensation of the Board of Directors' members follows market practices, especially those of similar companies, also taking into consideration the duties and responsibilities of such board members.
2.8 Board of Directors' Bylaws	2.8.1 The board of directors should have bylaws setting out its responsibilities, duties and operating rules, including: (i) the duties of the chairman of the board of directors; (ii) the rules for replacing the chairman in his absence or vacancy; (iii) the measures to be taken in situations of conflict of interest; and (iv) the definition of sufficient time in advance to receive materials for discussion at meetings, on a proper in-depth basis.	No	There are no bylaws for the Board of Directors. However, the Company's bylaws establish a series of responsibilities to the Board of Directors, including those mentioned in items (ii) and (iv). The Company will approve the bylaws for the board of directors and disclose them by 2021.
2.9 Board of Directors' Meetings	2.9.1 The board of directors should establish an annual calendar with the dates of the ordinary meetings, which should not be less than six or more than twelve, and should convene extraordinary meetings whenever necessary. This calendar should provide for a thematic annual agenda with relevant subjects and discussion dates.	Yes	-
	2.9.2 Board of directors' meetings should provide for periodic exclusive sessions for external members, without the presence of executives and other guests, to keep external members apprised of and discuss sensitive issues.	No	The Company does not strictly provide for exclusive meetings. However, at the request of any member, external members may meet in exclusive sessions. The Company will provide, in the bylaws of the Board of Directors, for exclusive sessions of external members of the Board of Directors. However, in practice, the Company has been holding such exclusive sessions, as applicable.
	2.9.3 Board of directors' meeting minutes should be clearly written and record decisions made, persons present, dissenting votes and abstentions.	No	The Company does not have bylaws for the Board of Directors that expressly provide that the minutes of the Board of Directors' meetings should be clearly written, record the decisions made, the people present, the dissenting votes and abstentions. However, the Company understands that this is the best practice and applies it regardless of the lack of such provision in the bylaws or internal regulations, especially given the provision in CVM Instruction No. 480, requiring that dissenting votes, if any, must be reported in the minutes.

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3. Execute Board			
3.1 Attributions	3.1.1 The executive board should, without prejudice to its legal and statutory attributions and other practices provided for in the Brazilian Corporate Governance Code (CBGC): (i) enforce the risk management policy and, whenever necessary, propose to the board of directors any needs for revising this policy, due to changes in the risks to which the Company is exposed; (ii) implement and maintain effective mechanisms, processes and programs for monitoring and disclosing financial and operating performance and the impacts of the Company's activities on society and the environment.	Partially	Regarding item (i), although the Company does not have a formalized Risk Management Policy, the Executive Board, together with the Board of Directors, advised by the Audit Committee, monitors the risks, reassessing them and adjusting its practices whenever necessary. More details can be found in item 5.1 of the Reference Form (version 10 of 07/23/2019). It is worth noting that the Company must prepare a Risk Management Policy by 2021, when it will become mandatory by the "Novo Mercado" Rules. In relation to item (ii), the Company has operating and financial indicators to monitor its performance, which is also one of the components of the Executive Board's compensation, whose variable portion is based on: (a) the Company's EBITDA; and (b) individual goals related to achievement of results and previously agreed-upon targets. In relation to monitoring the impacts of the Company's activities on society and the environment, the Executive Board monitors initiatives related to the main direct and indirect environmental impacts from its activities (see items 7.5, b, and 7.8 of the Reference Form - version 10, of 07/23/2019), as described in item 2.1.1 herein. The Company will fully implement this practice by 2021.
	3.1.2 The executive board should have its own bylaws establishing its structure, activities and roles and responsibilities.	No	The Company does not have bylaws for the Executive Board, however, adoption of this practice is being seen to.
3.2 Nomination of Executive Board Members	3.2.1 There should be no reservation of executive board positions or managerial positions for direct nomination by shareholders.	Yes	-
3.3 Evaluation of the Chief Executive Officer and the Executive Board	3.3.1 The CEO should be evaluated annually in a formal process conducted by the board of directors, based on confirmation of attainment of the financial and non-financial performance targets set by the board of directors for the Company.	Yes	Information on the executive officers' evaluation based on the attainment of previously established targets is provided in item 13.1 of the Reference Form (version 10 of 07/23/2019). The evaluations take place annually, the last of which took place at the Board of Directors' Meeting held on December 20, 2018.
	3.3.2 The results of the evaluation of the executive officers, including the CEO's proposals regarding the targets to be agreed-upon and the permanence, promotion or removal of officers from their positions, should be presented, analyzed, discussed and approved at a board of directors' meeting.	Yes	Information on the executive officers' assessment based on the attainment of previously established targets is provided in item 13.1 of the Reference Form (version 10 of 07/23/2019). The evaluations take place annually, the last of which took place at the Board of Directors' Meeting held on December 20, 2018.
3.4 Executive Board Compensation	3.4.1 Executive Board compensation should be set through a compensation policy approved by the board of directors following a formal and transparent procedure that considers the costs and risks involved.	Yes	The Company has a compensation policy formally approved by the Board of Directors that considers the costs and business risks involved. In addition, the Company uses salary surveys conducted by external consultants, which consider companies of the same size in the segment as well as other competing segments for the purposes of hiring executives.
	3.4.2 Executive Board compensation should be linked to results, with medium and long-term targets clearly and objectively related to the generation of long-term economic value for the Company.	Yes	According to item 13.1 of the Reference Form (version 10, of 07/23/2019), the Company's compensation strategy seeks to encourage greater profitability of the projects developed by the Company, reconciling the interests of its officers with those of the Company. The Company also adopts long-term retention plans for key executives, always linked to the basic pillars of meritocracy and "owner vision", representing an incentive to grow, generate long-term results and retain talents.
	3.4.3 The incentive structure should be in line with the risk limits set by the board of directors and prevent the same person from controlling the decision making process and its supervision. No one should decide about their own compensation.	Yes	Pursuant to item 13.1 of the Reference Form (version 10, of 07/23/2019), the overall key-management personnel compensation should be determined by the shareholders' meeting. The Board of Directors, advised by the Compensation Committee, is responsible for determining the proportion of each compensation component, as well as approving the compensation reviews of the Executive Board, and also of the Chief Executive Officer. In addition, the Company may engage specialized compensation consulting firms to structure a competitive compensation framework.

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4. Supervisory and Control Bodies			
4.1 Audit Committee	4.1.1 The statutory audit committee should:(i) have among its duties to assist the board of directors in the monitoring and quality control of the financial statements, internal controls, risk management and compliance;(ii) mostly be composed of independent members and coordinated by an independent board of directors' member;(iii) have at least one of its independent members with proven experience in the accounting, internal control, financial and auditing areas cumulatively; and(iv) have its own budget for hiring consultants for accounting, legal or other matters, when the opinion of an external expert is required.	Partially	The Company has a non-statutory Audit Committee, whose duties, which already comply with the requirements of the "Novo Mercado" Rules, include, among others, advisory services to the Board of Directors. The Audit Committee is responsible for: (a) the quality and integrity of the financial statements; (b) compliance with legal and regulatory requirements; (c) the performance, independence, objectivity and quality of services provided by independent auditors; (d) the performance, independence and quality of work of internal auditors; and (e) the quality and effectiveness of the internal control and risk management systems. For more information, see item 12.1 of the Reference Form (version 10, of 07/23/2019). The Audit Committee has its own budget linked to the Company's general budget assumptions and is currently composed of 3 members, with 1 independent member. However, the body is not mainly composed of independent members and is not coordinated by an independent board of directors' member.
4.2 Supervisory Board	4.2.1 The supervisory board should have its own bylaws describing its structure, operation, work program, roles and responsibilities, without impairing the individual performance of its members.	Not applicable	-
	4.2.2 The minutes of the supervisory board meetings should observe the same disclosure rules as those applicable to minutes of the board of directors' meetings.	Not applicable	-
4.3 Independent Audit	4.3.1 The Company should establish a policy on the rendering of services other than audit services by its independent auditors, approved by the board of directors, prohibiting the engagement of non-audit services that may impair independence of auditors. The Company should not hire independent auditors that have provided internal audit services to the Company less than three years ago.	Yes	-
	4.3.2 The independent audit team should report to the board of directors, through the audit committee, if any. The audit committee should monitor the effectiveness of the work of the independent auditors, as well as their independence. It should also evaluate and discuss the independent auditors' annual work plan and submit it to the Board of Directors for consideration.	Yes	-
4.4 Internal Audit	4.4.1 The Company should have an internal audit area directly linked to the board of directors.	Yes	Since 2017, the Company has had an Internal Audit and Compliance Department, reporting to the Company's Audit Committee. For more information about the internal audit area, see item 5.1 of the Reference Form (version 10, of 07/23/2019).
	4.4.2 In the event that this activity is outsourced, internal audit services should not be performed by the same company that provides financial statement audit services. The Company should not engage internal audit firms that have provided independent audit services to the Company less than three years ago.	Not applicable	-

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<p>4.5 Risk Management, Internal Controls and Integrity/Compliance</p>	<p>4.5.1 The Company should adopt a risk management policy, approved by the board of directors, which includes the definition of risks against which protection is sought, the instruments used for this purpose, the organizational structure for risk management, the assessment of adequacy of the operating structure and internal controls effectiveness, and setting guidelines for establishing acceptable limits for the Company's exposure to these risks.</p>	<p>Partially</p>	<p>The Company does not have a formally approved risk management policy. However, the Company has well-structured risk management practices that involve the preparation and management of a risk matrix and risk assessment and monitoring. For more information on risk management practices, see item 5.1 of the Reference Form (version 10, of 07/23/2019). The Company will fully implement this practice by 2021, when the Risk Management Policy will become mandatory under the "Novo Mercado" Rules.</p>
	<p>4.5.2 It is the responsibility of the board of directors to ensure that the executive board has internal mechanisms and controls to know, assess and control risks, in order to maintain them at levels consistent with the limits set, including the integrity/compliance program to ensure compliance with external and internal laws, regulations and standards.</p>	<p>Partially</p>	<p>The Company does not strictly establish the Board of Directors' responsibility for ensuring that the Executive Board has internal mechanisms and controls to know, assess and control risks, including the integrity/compliance program. However, the Company has a robust risk management and internal control structure, created and monitored by the Board of Directors, through the Audit Committee, as described in item 5.1 of the Reference Form (version 10, of 07/23/2019).), following the methodology widely adopted in the market, called "Coso II - Committee of Sponsoring Organizations of the Treadway Commission". Risk monitoring is hierarchically based on the demands from the Executive Board and the Board of Directors, with the participation of the Audit Committee, the internal audit and compliance departments, the operational audit department and other boards. This overall structure ensures that management, in general, has internal mechanisms and controls to adequately know, assess and respond to risks, in order to maintain them at levels consistent with the limits set and in compliance with applicable laws and regulations. In relation to the integrity program, the Company seeks to prevent, detect and remedy fraud and unlawful acts against management through: (i) adoption of policies anti-corruption, on the receipt of gifts and entertainment, (ii) Code of Ethics for Employees , Code of Business Ethics and Conduct for Suppliers, (iii) Purchasing Policy, which also includes due diligence process for the evaluation of material service hiring, and (iv) adoption of a Tip-off Channel of a confidential nature and independent, to which access is also granted to There is no pre-defined periodicity for risk monitoring, but the Company has been monitoring them at least annually:</p>
	<p>4.5.3 The executive board should assess, at least annually, the effectiveness of risk management and internal control policies and systems, as well as the integrity/ compliance program, and report on this assessment to the board of directors.</p>	<p>Yes</p>	<p>- In 2017, after completing the corporate risk inventory, the internal audit area created the risk matrix; - In 2018, the corporate audit was initiated, which identified the need to improve controls for risks considered more relevant and likely to occur; - The Company established action plans for each of these improvement points and, in 2019, began to monitor their development. In addition, the attempted rotation of risk assessments involves a three-year cycle, with high-level risks being assessed on an annual, mid-level risks on a biennial and low-level risks on a three-year basis. On a more reactive basis, in accordance with items 5.1 and 5.4 of the Reference Form (version 10, of 07/23/2019), in addition to the planning of demands made by the Board of Directors and the Executive Board, with the participation of the Audit Committee and other internal areas, the Company reassesses the risks and adjusts its policies whenever there are new demands from the organizational structures involved or relevant changes in the Company. The guidelines for all mechanisms are provided by senior management (tone at the top), thereby keeping ongoing improvement of its governance system</p>

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5. Ethics and Conflict of Interests			
5.1 Code of Conduct and Tip-Off Channel	<p>5.1.1 The Company should have an independent and autonomous conduct committee, directly linked to the board of directors, responsible for implementing, disseminating, carrying training about, reviewing and updating the code of conduct and tip-off channel, as well as conducting investigations and corrective measures relating to violations of the code of conduct.</p>	Partially	<p>The Company does not have a Conduct Committee. However, the Company implements the dissemination, training and implementation practices that should be adopted by the Committee through other areas. Trainings, for example, take place annually or whenever there are changes / updates, including the Company's management and managers of restaurants. The Company also has independent channels for receiving any internal and external tip-offs, managed by a specialized company and the information so collected is reported to the incumbent compliance officer, who follows internal rules for reporting tip-offs, including to the Audit Committee, as applicable. Finally, the internal audit area is responsible for trainings and revising the Code of Conduct, as well as indicating corrective measures to the areas and managers. More information can be found in item 5.4 of the Reference Form (version 10 of 07/23/2019).</p>
	<p>5.1.2 The code of conduct, prepared by the executive board, with the support from the conduct committee, and approved by the board of directors, should:</p> <ul style="list-style-type: none"> (i) discipline the internal and external relations of the Company, expressing the expected commitment of the Company, its board of directors' members, executive board's members, shareholders, employees, suppliers and stakeholders with the adoption of appropriate standards of conduct; (ii) manage conflicts of interest and provide for the abstention of the member of the board of directors, the audit committee or the conduct committee, if any, which, as the case may be, is in conflict; (iii) clearly define the scope and reach of actions aimed at ascertaining the occurrence of situations construed as involving use of insider information (for example, use of insider information for commercial purposes or for obtaining advantages in the trading of securities); (iv) establish the ethical principles underlying the negotiation of contracts, agreements, proposed amendments to the bylaws, as well as the policies that guide the entire Company, and establish a maximum value of the goods or services of third parties that officers and employees may accept free of charge or under favorable conditions. 	Yes	
	<p>5.1.3 The tip-off channel should be independent, autonomous and impartial, and operate following the guidelines defined by the executive board and approved by the board of directors. It should be operated independently and impartially, ensuring non-disclosure of its users, and making, in a timely manner, the necessary investigations and taking the necessary measures. This service may be provided by a qualified third party.</p>	Yes	<p>The Company has independent channels for any internal and external tip-offs, managed by a specialized company through which information is collected and reported to the incumbent compliance officer, who follows internal rules for reporting tip-offs, including to the Audit Committee, as applicable. Tip-offs may or not be identified by their rapporteurs. More information can be found in item 5.4 of the Reference Form (version 10 of 07/23/2019).</p>
5.2 Conflict of Interests	<p>5.2.1 Company governance rules should ensure the segregation and clear definition of duties, roles and responsibilities associated with the mandates of all governance agents. The levels of authority for decision-making purposes should also be defined, with the objective of mitigating possible conflicts of interests.</p>	Yes	<p>The Company's bylaws establish the authority levels of the Executive Board and Board of Directors for decision-making purposes.</p>
	<p>5.2.2 The Company's governance rules should be made public and state that persons who are not independent with respect to matters subject to discussion or resolution by the Company's management or supervisory bodies should promptly state their conflict of interest or personal interest. Should this not be made, these rules should provide for another person to state the conflict, if aware of it, and that as soon as a conflict of interest is identified in relation to a specific matter, the person involved should withdraw, including physically, from discussions and resolutions. The rules should provide that such temporary withdrawal be recorded in the minutes.</p>	No	<p>The Company does not have rules applicable to situations involving conflict of interests. However, it will implement this practice by 2021.</p>
	<p>5.2.3 The Company should have mechanisms for managing conflicts of interest in voting at the general meetings, to receive and process allegations of conflicts of interest and the cancellation of votes cast in conflict, even after the meeting.</p>	No	<p>The Company's internal documents do not provide for specific procedures for managing conflicts of interest in voting at general meetings. Nevertheless, the Company will adopt these rules in the documents related to the General Meeting (Manual or Management Proposal), pursuant to CBGC Code requirements, as from the next general meeting.</p>

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5.3 Transactions with Related Parties	5.3.1 The bylaws should define which related party transactions are to be approved by the board of directors, excluding any members with potentially conflicting interests.	Yes	-
	5.3.2 The board of directors should approve and implement a related party transaction policy that includes the following rules, among others: (i) that prior to approving specific transactions or guidelines for contracting transactions, the board of directors should request from the executive board market alternatives to the related party transaction, adjusted for the risk factors involved; (ii) prohibition of forms of compensation of advisors, consultants or intermediaries that generate conflict of interest with the Company, its officers, shareholders or shareholder classes; (iii) prohibition of loans to the controlling shareholder and officers; (iv) the hypotheses of related party transactions that should be based on independent evaluation reports, prepared without the participation of any party involved in the transaction in question, be it bank, lawyer, specialized consulting firm, among others, based on realistic assumptions and information endorsed by third parties; (v) that corporate restructurings involving related parties should ensure fair and equitable treatment for all shareholders.	No	The Company does not have a formalized Related Party Transaction Policy, but adopts practices that are intended not to generate any unjustifiable benefit or loss to any of its related parties, based on terms and conditions that would apply to similar transactions with unrelated parties. To this end, it uses technological tools for quotations and market surveys in carrying out its business and hiring services, having as a criterion the pursuit for the best technical and price conditions. In addition, the Company has a Purchasing Policy that aims to manage all processes of acquisition of inputs, equipment and materials, and contracting third party services. For more information, see item 16.1 of the Reference Form (version 10, of 07/23/2019). Anyhow, the Company will implement this practice by 2021.
5.4 Securities Trading Policy	5.4.1 The Company should adopt, by resolution of the Board of Directors, a policy on trading of securities issued by it, which, without prejudice to compliance with CVM rules, establishes controls that enable the monitoring of the negotiations carried out, as well as the investigation and punishment of those responsible for any non-compliance with the policy.	Yes	In addition to the trading restrictions provided for in the Policy, in order to ensure the Company's securities trading standards, all trading by the Company and persons required to comply with the terms and conditions of the Trading Policy shall only be conducted through an Accredited Securities Broker. In addition, in the event of breach of the terms and procedures set forth in this Policy, the Board of Directors shall be responsible for taking any disciplinary action within the Company, including removal from the position or dismissal of the violator in the event of a serious violation.
5.5 Contributions and Donations Policy	5.5.1 In order to ensure increased transparency regarding the use of the Company's resources, a policy on its voluntary contributions, including those related to political activities, should be prepared and approved by the board of directors and enforced by the executive board, containing clear and objective principles and rules.	Partially	The Company does not have a Contributions and Donations Policy, however the Code of Ethics prohibits donations or social contributions on behalf of the Company, without obtaining the necessary authorization for this. The Company points out that, to date, it has not made any donations to political activities.
	5.5.2 The policy should provide that the board of directors shall be the body responsible for approving all cash outlays related to political activities.	No	The Company does not have a policy that requires the board of directors to be the body responsible for approving all cash outlays related to political activities. Nevertheless, the Company points out that, to date, it has not made any donations to political activities. The Company understands that there is no need to prepare this policy, considering that, since the 2018 elections, donations by legal entities to electoral campaigns are prohibited (Law 13,165/2015).
	5.5.3 The policy on voluntary contributions by state-owned companies, or those with recurrent material business relationships with government, should prohibit contributions or donations to political parties or their related persons, even if permitted by law.	Not applicable	-