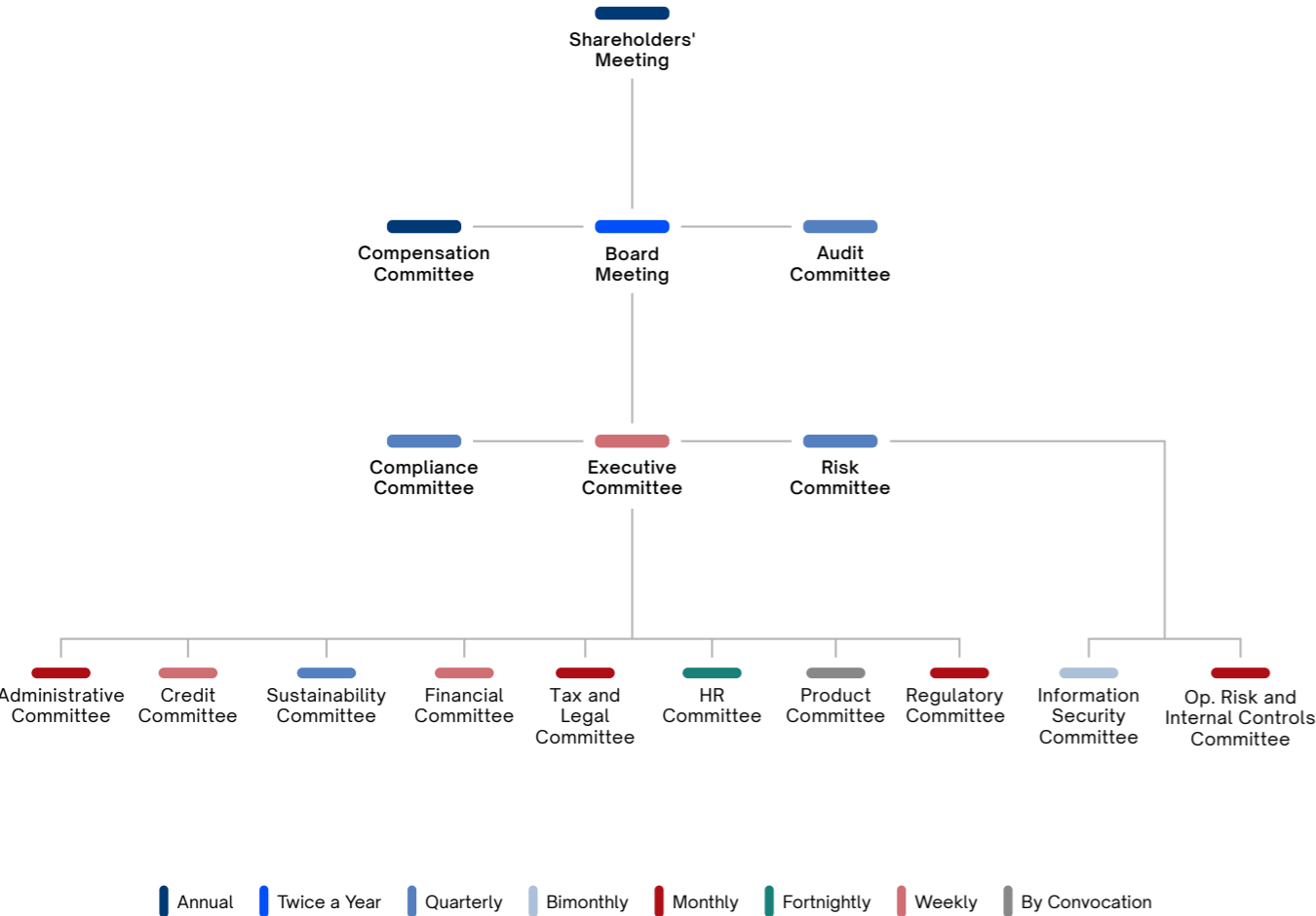


How we decide

Corporate governance

Our governance structure is comprised of the Shareholder Meeting, the Board of Directors, the Executive Committee and 15 specialized committees, including the Women's Engagement (WE) Committee.

The decisions made by these bodies seek to reflect our commitment to our values: transparency, agility, effectiveness and security. Banco BOCOM BBM's guidelines are also constantly updated to ensure they are in line with the best market practices.



Shareholders' Meeting

It consists of the highest decision-making body of Banco BOCOM BBM. It is formed by shareholders who meet to discuss topics of great relevance to the Organization.

Meetings are held at least once a year, but may be called special meetings whenever necessary.

Board of Directors

It is primarily responsible for defining the general guidelines for the Bank's business and strategies. It also supervises the management carried out by administrators, ensuring alignment with the values and objectives established by us.

The Board of Directors is also responsible for analyzing and deciding on the proposals presented by the Executive Committee and, when necessary, forwarding them for final approval by the Shareholders' Meeting.

It is made up of six members appointed by the Bank's controlling shareholder. The members meet at least twice a year, with the possibility of convening additional meetings whenever necessary.

Executive Committee

Its main task is to coordinate and implement the business guidelines established by the Board throughout the Bank, monitoring its performance. It is comprised by the Chairman of the Board, the executive directors, and the heads of Corporate Credit I and II, Capital Markets and Treasury. It meets once a week to analyze and decide on proposals for the specialized committees, which are described below.

Specialized Committees

We have 15 specialized committees that provide support to the Bank's senior management on specific topics or operational activities.

Audit and Compensation Committees

Report directly to the Board of Directors.

Risk and Compliance Committees

Report to the Board of Directors through the Executive Committee.

Other Committees

Report to the Executive Committee, except the Information Security and Operational Risk and Internal Controls committees, which report to the Risk Committee, and the Women's Committee, which reports to the Sustainability Committee.

We adopt the best governance practices to ensure that our committees can act with autonomy, transparency and agility. Its composition includes at least two officers and, eventually, may have the participation of members of the Bank's Board of Directors.

Audit Committee

It aims to independently advise the Board of Directors of BOCOM BBM Conglomerate. Its duties include: evaluating the reliability of the financial statements, verifying compliance with legal and regulatory requirements, monitoring the effectiveness and independence of the work carried out by internal and external audits, in addition to evaluating the effectiveness of internal control systems. It is composed of three members, two independent and one senior manager of the Conglomerate. Meetings are held every three months.

Compensation Committee

Its function is to assist the Board of Directors in matters related to the fixed and variable compensation of administrators. Meetings take place annually.

Risk Committee

It is responsible for monitoring and evaluating any changes and adjustments in the main sources of market, credit, liquidity and operational risks. Its duties also include defining and analyzing stress scenarios to protect the Bank from unexpected fluctuations, conducting tests and validating quantitative models to calculate risk factors and measures, and receiving and resolving issues submitted by the Operational Risk and Internal Controls Committee, as well as the Information Security Committee.

Its members meet quarterly, but the Committee may be called at any time if there are significant changes in the economic scenario with possible impacts on the Bank and its clients.

Compliance Committee

It aims to evaluate and monitor the annual Compliance program, ensure the correct application of the Code of Ethics and Conduct, and periodically analyze the Compliance risks associated with our activities.

It also processes and oversees the responses to requirements from the Central Bank of Brazil, the Securities and Exchange Commission of Brazil (CVM), and self-regulatory agencies, and establishes Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) guidelines. It meets every quarter or on demand.

Information Security Committee

The Information Security Committee is responsible for managing the risks associated with information and communication technology (ICT). It analyzes possible operational incident scenarios, and proposes prevention measures. Its duties also include establishing and renewing contracts with cloud computing and data processing companies. In our structure, it reports to the Risk Committee. Meetings are held every two months.

Operational Risk and Internal Controls Committee

Analyzes, discusses and monitors topics related to operational events and manages risks associated with these events. It also reports to the Risk Committee, executing the action plans defined by its senior managers. The meetings are held monthly.

Administrative Committee

In monthly meetings, the Administrative Committee manages the Bank’s budget and administrative costs.

Credit Committee

Is responsible for defining and approving all credit policies and limits. To this end, it analyzes the financial capacity of potential borrowing companies and the guarantees to be provided for such loans. It is also responsible for monitoring and keeping positive the risk/return ratio indicator of the operations portfolio.

The Committee's decisions are based on qualitative and quantitative data, extracted from a database built during our long history and experience in the credit market. In addition to the weekly committee meetings, biannual meetings are held to assess financial counterparties and define maximum permitted exposures.

Sustainability Committee

Defines and monitors the development of all our socio-environmental initiatives. Reports directly to the Executive Committee and meets quarterly to review strategies, policies, goals, and sponsorships.

Financial Committee

The Financial Committee meets weekly to analyze and discuss the economic and political outlook, and to monitor cash flow operations and allocation of the Bank’s assets and liabilities.

Legal and Tax Committee

It is responsible for monitoring, from a legal perspective, changes in legislation, regulations and jurisprudence, in order to identify the potential impacts on our business and provide subsidies for the group's strategic decision-making. This committee meets monthly.

People Committee

The People Committee meets fortnightly to define, revise and enhance our people management policies. It is also involved in establishing processes of selection, recruitment, training and compensation, as well as topics relating to the well-being of our staff.

Products Committee

The Products Committee analyzes and approves new products, reviews existing ones, and identifies new business opportunities. It also examines various risks as well as business opportunities involving each product and proposes solutions. It meets on demand.

Regulatory Committee

It monitors, from a multidisciplinary perspective, changes in legislation, regulations, case law and best practices in the industry in order to map the impacts on our business and anticipate discussions regarding the group's adaptation to new scenarios.

Women's Engagement Committee

It is responsible for suggesting, implementing and refining policies in order to promote gender equity. The committee is part of our commitment to broaden the participation of women in all areas of BOCOM BBM, including initiatives to propel them into leadership positions. In our structure, it reports directly to the Sustainability Committee. Meetings are held every three months.