BB SEGURIDADE PARTICIPAÇÕES S.A.

REPORT ON THE BRAZILIAN CODE OF CORPORATE GOVERNANCE - OPEN COMPANIES - 2018

BB Seguridade Participações S.A.
10/31/2018

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SUPERINTENDENCY OF CORPORATE MANAGEMENT

REPORT ON THE BRAZILIAN CODE OF CORPORATE GOVERNANCE - OPEN COMPANIES
BASE DATE OF THE INFORMATION – 10/31/2018

BRASÍLIA

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Summary

TOC

Principle 1.1: Each share entitles one vote.

a - inform if the issuer follows the following recommended practice: "the capital of the company must be only comprised by common shares.

Yes

Principle 1.2: Shareholders' agreements shall not transfer to the signatory shareholders the decisions on matters of competence of the board of directors, executive board or audit committee.

1.2.1 - state whether the shareholders' agreements filed at the issuer's headquarters or of which the controlling shareholder is a party, governing the exercise of voting rights or the transfer of shares issued by the issuer, follow the following recommended practice: "shareholders' agreements shall not bind the exercise of voting rights of any director or member of the supervisory and control bodies

Not applicable.

Principle 1.3: The management shall seek the engagement of the shareholders, favor attendance at a shareholders' meeting and the correct understanding of the matters to be resolved, as well as facilitate the nomination and election of candidates to the board of directors and audit committee.

Inform if the issuer follows the following practices:

1.3.1 - the board should use the meeting to communicate the conduct of the company's business, and, therefore, the directors should publish a manual to facilitate and stimulate attendance in general meetings.

No.

1.3.2 - the minutes must allow the full understanding of the discussions held at the meeting, even if drafted in the form of a summary of events, and provide the identification of the votes cast by the shareholders.

Yes.

In case of lack of adoption of the recommended practices or their partial adoption, present the issuer's justification on the subject.

The Company does not use the meeting to communicate the conduct of business since it offers wide disclosure of information to shareholders on its website: http://www.bbseguridaderi.com.br/.

BB Seguridade's Directors encourage attendance in general meetings by disclosing to the Company's Investor Relations website guidelines to shareholders regarding: i) admission to the Meeting; ii) instruments of proxy and representation; iii) instructions for requesting the adoption of multiple vote process in the election of the members of the Board of Directors ("CA"); iv) the appointment of members of the CA; v) option for distance voting. In addition, it discloses, on the same website, the Directors Proposal with the comments of the Officers. The mechanisms used by the Company bring the necessary clarification to the investor so that they can make their decisions at the meetings or in the distance voting process.

Principle 1.4: "Defense measures, if adopted by the company, should aim to prevent opportunistic acquisitions of significant portions of the company's capital at unfavorable market times, preserving liquidity or maximizing the value of the shares, for the benefit of all shareholders

Inform, if there are mechanisms to protect the ownership of shares provided in the issuer's by-laws:

1.4.1 - if the issuer followed the following recommended practice: "the board of directors shall make a critical analysis of the advantages and disadvantages of the defense measure and its characteristics, and in particular of the triggers and price parameters, if applicable, explaining them.

No.

1.4.2 - clauses that prevent the removal of the measure of the by-laws, so-called 'eternity clause', shall not be used.

Yes.

1.4.3 - if the bylaws determine the public offering for the acquisition of shares (OPA), whenever a shareholder or group of shareholders reaches, directly or indirectly, a relevant share in the voting capital, the rule determining the price of the offer should not impose premium additions substantially above the economic or market value of the shares.

No.

In case of lack of adoption of the recommended practices or their partial adoption, present, in line with the guidelines of the Code, the issuer's justification on the subject.

BB Seguridade is a joint-stock company controlled by a mixed-capital company (Banco do Brasil S.A.), which qualifies it as a state-owned company, and therefore dispersion of the shareholding base or diluted ownership is not applicable.

Accordingly, the Company is subject to mandatory orders (mandatory compliance) in its various hierarchical levels, which subject it to strict rules of governance and control, as well as the ministerial supervision and/or inspection of government agencies or entities, such as the Ministry of Finance, the Brazilian Securities and Exchange Commission (CVM) and the Department for Coordination and Governance of State-Owned Companies (SEST).

Under the Federal Constitution of 1988 (CF88), art. 37, item XX, legislative authorization is required for the creation of a subsidiary of the entities mentioned in item XIX (self-governing para-state entities, public company, mixed-capital company and function), as well as for the participation of any of them in private companies.

This requirement was materialized in Law No. 11.908/2009, which authorized Banco do Brasil S.A. to establish a subsidiary and acquire ownership interest in companies in the insurance, pension fund and capitalization branches.

In this line of reasoning, there is a thesis stating that the sale of shares of public companies, mixed capital companies or their subsidiaries or affiliated companies requires prior legislative authorization, whenever disposing the shareholding, as well as the waiver of bidding, provided for in art. 29, XVIII, of Law 13.303/2016, can only be applied to the sale of shares that do not lead to the loss of control of public companies, mixed-capital companies or their subsidiaries or affiliated companies. The decisions handed down by the Federal Supreme Court were in this sense, within the scope of the following judgments ADI 1.703-SC and ADI 234-RJ.

In line with the argument that CF88 would not authorize the direct disposal of shareholding control of state-owned companies, it should be remembered that Law No. 9.491/1997, which provides for the National Privatization Program (PND), governs the cases that may be subject to privatization, under the terms of this Law:

Art 2 it may be subject to privatization, in accordance with this Law

I - companies, including financial institutions, directly or indirectly controlled by the Federal Government, established by law or by the Executive Branch; (...)

In this sense, the PND, governed by Law No. 9.491/1997, provides the legal authorization necessary for the disposal, by the Federal Government, of rights that directly or through other subsidiaries, guarantee it a preponderance in corporate resolutions and the power to elect the majority of the directors of the company.

Therefore, although there is a Direct Action of Unconstitutionality (ADI) No. 5.624-DF, under review in the Supreme Federal Court, discussing, among other matters, the possibility of selling the shareholding control of a state-owned company and the need or not of legislative authorization to do so, it can be argued that the aforementioned authorization came through Law 9.491/1997, allowing the disposal, by the Federal Government, of rights that directly or through other subsidiaries ensure the preponderance on corporate resolutions and the power to elect the majority of the company's directors.

Lastly, it should be remembered that the Company operates in accordance with art. 173, paragraph 1, of CF88, that is, direct exploitation of economic activity based on imperatives of national security or relevant collective interest, similar to private sector companies, but must obey the principles of public administration provided in art . 37 of CF88.

Principle 1.5: "Regardless of the legal form and terms and conditions negotiated for the transaction giving rise to the change of control, all shareholders of the company subject to the transaction shall be treated fairly and equitably

1.5.1 - inform if the issuer follows the following recommended practice: "the company's by-laws must establish that: (i) transactions in which the direct or indirect disposal of the shareholding control must be accompanied by a public offering for the acquisition of shares ("OPA") addressed to all shareholders for the same price and conditions obtained by the selling shareholder; (ii) managers must express their views on the terms and conditions of corporate reorganizations, capital increases and other transactions that give rise to a change of control, and determine whether they ensure fair and equitable treatment to the company's shareholders.

Yes

Principle 1.6: "The board of directors must advise the shareholders regarding the IPOs addressed to them

1.6.1- inform if the issuer follows the following practice: "the bylaws shall provide that the board of directors must give its opinion regarding any OPA for shares or securities convertible or exchangeable to shares issued by the company, which shall contain, among other relevant information, the opinion of the directors on the possible acceptance of the OPA and on the economic value of the company

Yes.

Principle 1.7: "The company's policy on allocation of income shall respect the economic and financial characteristics of the business - cash generation and the need for investments - and be known by all stakeholders, shareholders and investors

1.7.1 - inform if the issuer follows the following practice: "the company shall prepare and disclose the allocation of income policy defined by the board of directors. Among other aspects, such policy should provide for the frequency of dividend payments and the benchmark to be used to define the respective amount (percentages of adjusted net income and free cash flow, among others).

Yes.

Principle 1.8: "The guidance of the company's activities by the controlling shareholder, so that it serves the public interest that justified the creation of the mixed-capital company, should be reconciled with the interests of other shareholders and investors in the company's securities

Not applicable

Principle 2.1: "The board of directors must exercise its powers considering the long-term interests of the company, the impacts arising from its activities in society and the environment and the fiduciary duties of its members, acting as guardian of the principles, values, corporate purpose and governance system of the company

2.1.1 - inform if the issuer follows the following recommended practice: "the Board of Directors shall, without prejudice to other legal, statutory and other duties provided for in the Code: (i) define business strategies, considering the impacts of the company's activities on society and the environment, aiming at the company's continuity and the creation of value in the long term; (ii) periodically evaluate the company's exposure to the risks and effectiveness of 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 ethical values and principles and ensure the transparency of the issuer in the relationship with all stakeholders; (iv) annually review the corporate governance system to improve it.

Yes.

In case of indication of the adoption of practices, inform, in line with the guidelines of the Code, how the entity acts in relation to each recommended practice.

BB Seguridade supports the social and environmental responsibility policies provided in the public commitments of its controller, Banco do Brasil, as Agenda 21, the UN Global Compact, Equator Principles, the Green Protocol and the National Pact for the Eradication of Slave Labor, proposed by Ethos Institute.
In addition, our Strategic Map demonstrates the declared mission of "Protecting assets, achievements and projects" and with the values of respect for the client, simplicity, reliability, innovation and ownership, the consideration in the definition of the strategy with the impacts of the company's activities in the society and in the environment, aiming at the continuity of the company and the creation of value in the long term. In addition, our Manifest declares as attributes through which we want to be recognized in society, Innovation, Optimism and Education.

The Company has a Risk Management Policy, Internal Controls and Compliance approved by the Board of Directors and reviewed annually.

The Board of Directors evaluates the Company's exposure to risks and the effectiveness of the risk management systems of internal controls on a semi-annual basis through the Integrated Risk Management Report. The Report, which is produced by the Superintendency of Risks and Controls, contains the following sections and information that support the Board's assessment: i) Risk Appetite Monitoring - accurate position of the indicators approved in the Company's Risk Appetite Statement, with limits and respective consumption of the limit; ii) Regulatory capital to cover risks - solvency and regulatory liquidity status of each related company and their respective risk appetite; iii) Breakdown by related company - last 12 months' view of the solvency and regulatory liquidity indicators, as well as information on the financial risks of each related company; iv) Financial risks of BB Seguridade and Subsidiaries - risk exposure of the investment portfolio of BB Seguridade and its subsidiaries; v) Operating losses and lawsuits - follow-up of lawsuits, balance of provisions and payments made by BB Seguridade and subsidiaries; and vi) Communication to COAF - monitoring of the reporting of money laundering indications to COAF.

In addition, BB Seguridade's Board of Directors, to affirm its commitment to the development of a corporate culture based on ethics and a set of mechanisms capable of preventing, detecting and remedying acts of corruption and fraud, approved in 2016 the Integrity Program of the Company. The Program is implemented and supervised by the Superintendency of Risks and Controls, which reports to the Board, quarterly, the results of the Program monitoring and, every six months, presents an Evaluation containing the analysis on the presence and operation of the Program requirements.

The Company has a Code of Ethics and Conduct approved by the Board of Directors. The Code declares the values of BB Seguridade and guides the top management members and of the governing bodies, employees and third parties regarding the behavior expected by the Company. The Document defines how the Company wants to be, what ethical conducts and integrity are expected of the members and the conviction that the conduct is based on an individual responsibility. The Document can be consulted at www.bbseguridaderi.com.br

BB Seguridade has a fairly complete corporate governance system regarding its corporate purpose. The Company has a Board of Directors with a majority of external members, Executive Board, Finance Committee with permanent operation, Statutory Audit Committee, Related Party Transactions Committee and Eligibility Committee. The system also has Internal Audit linked to the Board of Directors and Area of Risk Management and Internal Controls led by the Statutory Officer.

The Company has Policies such as Governance, Indication and Succession, Related Party Transactions, Risk Management, Internal Controls and Compliance, as well as Integrity Program and Code of Ethics and Conduct. All these documents are reviewed periodically, aiming at the improvement of BB Seguridade's governance system.

Principle 2.2: "The board of directors must have members with a diversified profile, adequate number of independent directors, and size that allows for the creation of committees, effective debate of ideas and technical, exempt and reasoned decision making

Inform if the issuer follows the following best practices:

2.2.1 - the by-laws shall establish that: (i) the board of directors is comprised mostly by external members, having at least one third of independent members; (ii) the board of directors shall evaluate and annually disclose who the independent directors are, as well as indicate and justify any circumstances that might compromise their independence.

No.

2.2.2 - the board of directors must approve an indication policy stating: (i) the process for the appointment of the members of the board of directors, including an indication of the participation of other company bodies in said process; and (ii) that the board of directors should be comprised in view of the availability of time for its members to perform their duties and the diversity of knowledge, experiences, behaviors, cultural aspects, age group and gender.

Yes.

In case of lack of adoption of the recommended practices or their partial adoption, present, in line with the guidelines of the Code, the issuer's justification on the subject, stating:

i - reason why the company does not have a formalized appointment policy, indicating if there are other documents of the issuer, such as the bylaws, that regulate the process of appointment of the members of the board of directors; ii - reason why the policy does not cover all recommended practices; and iii - reason why the issuer's evaluation of the independence of the directors differs from the guidelines set forth in the Code.

The Board of Directors is comprised by 7 members, most of them external. The Board has one third of independent members, considering the Code's rounding guidelines.
The Company has a Governance Policy that addresses the process for the appointment of members of the board of directors, including the appointment of the participation of other company bodies in said process.
The Policy is approved by the Board of Directors and governs the appointment process for the Board of Directors and Finance and Audit Committees. Prior to the appointments or elections, the Eligibility Committee decides, in order to assist the shareholders in the appointment of directors and Audit Committee Members, regarding the fulfillment of the requirements and absence of prohibitions.
The members of the Board of Directors meet the technical requirements deemed necessary for the adequate performance in said board according to the Bylaws Art. 11, § 2.
BB Seguridade will adopt, as of December 2018, the independence assessment by the independent counselors.

Principle 2.3: "The chairman of the board shall coordinate the activities of the board of directors seeking the effectiveness and good performance of the board and of each of its members, serving as a link between the board of directors and the CEO

2.3.1 - inform if the issuer: "the CEO should not accumulate the position of chairman of the board of directors

Yes.

Principle 2.4: "The board of directors shall establish periodic performance evaluation mechanisms that contribute to its effectiveness and to the improvement of the company's governance

2.4.1 - inform if the issuer follows the following recommended practice: "The company shall implement an annual process for evaluating the performance of the board of directors and its committees, such as collegiate bodies, the chairman of the board of directors, the counselors individually considered, and the governance secretariat, if any.

Yes.

In case of indication of the adoption of the practice, inform, in line with the guidelines of the Code, the criteria considered in the evaluation, if there is participation of external experts, and at what intervals, if the process considers attendance in the examination and discussion of the matters, active participation in the decision-making process and commitment to the exercise of functions, main points identified for the improvement of the body and corrective actions implemented.

Pursuant to Article 21, section "bb" of the Bylaws, the Board of Directors is responsible for formally evaluating, at the end of each year, its own performance and that of the Company's Executive Board, as well as Audit Committees and Technical Committees. The annual evaluation process of the managers is carried out individually and collectively.

As provided in art. 24 of the Internal Rules of Procedure of the Board of Directors, the instrument used by the Board to support the evaluation process is comprised by the following blocks: i) evaluation of the performance of the collegiate by each counselor; ii) self-assessment of each counselor; iii) evaluation of the performance of the Company's President; iv) evaluation of the performance of the Executive Board; v) evaluation of the Advisory Committees to the Board; vi) evaluation of the Governance Secretariat.

In the case of directors, the evaluation process shall comply with the following minimum requirements: i) statement of the management acts practiced regarding the lawfulness and effectiveness of the administrative action; ii) contribution to income for the year; iii) achievement of the objectives established in the business plan and fulfillment of the long-term strategy. The evaluation instrument considers attendance, active contribution in the decision-making process and commitment to the exercise of the functions, besides making available field for suggestions for improvement. The process is carried out annually, without the participation of experts.

Principle 2.5: "The board of directors must ensure the continuity of the company's management, preventing the succession of its main leaders from affecting the company's performance and causing a destruction of its value

2.5.1 - inform if the issuer follows the following recommended practice: "The board of directors shall approve and keep up to date a succession plan for the CEO, and its preparation shall be coordinated by the chairman of the board of directors

No

In case of lack of adoption of the recommended practice or its partial adoption, present, in line with the guidelines of the Code, the issuer's justification on the subject.

The officers of the Company, including the CEO, shall be elected among the employees of Banco do Brasil S.A., and there shall be no interference by BB Seguridade's directors on the choice of its CEO.

However, we have requirements for the position. According to art. 11, § 2, of the Bylaws of BB Seguridade, the Company's management bodies will be comprised by Brazilians, with well-known knowledge, including on best practices of corporate governance, corporate compliance, integrity and accountability, experience, good character, irreproachable conduct and technical capacity compatible with the position, subject to the requirements imposed by Law No. 6.404/76, Law No. 13.303/16 and its respective regulatory Decree, other applicable standards, and by the Governance Policy of BB Seguridade.

Principle 2.6: "To perform its duties properly, the board member must understand the company's business

2.6.1 - inform if the issuer follows the following recommended practice: "The company must have an integration program of new members of the board of directors, previously structured, so that said members are presented to the key people of the company and its facilities and which address subjects essential for the understanding of the company business

No.

In case of lack of adoption of the recommended practice or its partial adoption, present, in line with the guidelines of the Code, the issuer's justification on the subject, and may indicate any alternative procedures adopted by the issuer

For the directors to perform their duties well, in addition to the topics submitted for their evaluation, they have contact with all the Statutory Officers of BB Seguridade at meetings of the Board, being held at the Company's headquarters.
The counselors have free access to the Company's employees.

Principle 2.7: "The compensation of the members of the board of directors shall be aligned with the strategic objectives of the company, focusing on its continued existence and creation of value in the long term

2.7.1 - inform if the issuer follows the following recommended practice: "the compensation of the members of the board of directors must be proportional to the duties, responsibilities and time demand. There shall be no compensation based on participation in meetings, and the variable compensation of the counselors, if any, shall not be linked to short-term results

Yes.

Principle 2.8: "The performance of the board of directors shall be guided by a document containing rules that regulate its structure and form of acting

2.8.1 - inform if the issuer follows the following recommended practice: "the board of directors must have internal rules of procedure that govern its responsibilities, attributions and rules of operation, including: (i) the duties of the chairman of the board of directors; (ii) the rules of substitution of the chairman of the board in his absence or vacancy; (iii) the measures to be taken in situations of conflict of interest;

and (iv) the definition of a sufficient advance period for receiving the materials for discussion at the meetings, with adequate depth

Yes.

Principle 2.9: "The board of directors must adopt a set of actions that will facilitate the effectiveness of its meetings, facilitate the performance of external counselors and give transparency to its activities"

Inform if the issuer follows the following best practices:

2.9.1 - the board of directors shall establish an annual calendar with the dates of ordinary meetings, which shall not be less than six nor more than twelve, and convene special meetings whenever necessary. This calendar shall provide for an annual thematic agenda with relevant subjects and discussion dates

Yes.

2.9.2 - the board meetings shall regularly provide for exclusive sessions for external counselors, without the presence of executives and other guests, to align external counselors and discuss issues that may create embarrassment.

No.

iii - the minutes of the meeting of the board shall be clearly written and record the decisions taken, the persons present, the dissenting votes and voting abstention.

Yes.

In case of lack of adoption of the recommended practices or their partial adoption, present the issuer's justification on the subject, stating: (i) if the calendar does not provide for the number of meetings greater than six and less than twelve, the reasons for that fact; (ii) if the calendar does not indicate the dates of discussion of the most relevant issues, the justification for it, informing if it is a recurrent practice or an exceptional situation influenced by a particular context; (iii) why the calendar does not provide for exclusive meetings between external counselors, or why these meetings, even if foreseen, did not occur.

The Board of Directors annually approve the Calendar of ordinary meetings, being one ordinary meeting per month, as well as a Work Plan containing the relevant matters and in which meetings they will be discussed.

The decisions taken by the Board, persons present, dissenting votes and abstentions shall be recorded in the minutes of the meetings.

The strategic themes of the Company are adequately addressed, independently, by exclusive meetings of the External Counselors. The Bylaws provides that the approval of the Annual Plan of Internal Audit Activities - PAINT and of the Annual Report of Internal Audit Activities - RAINT, will occur without the presence of the President of the company, according to art. 21, item "kk".

Principle 3.1: "The board of directors must manage the company's business, observing the risk limits and the guidelines approved by the board of directors

Inform if the issuer follows the following best practices:

3.1.1 - the board of directors shall, without prejudice to its legal, statutory and other duties provided for in the Code: (i) implement the risk management policy and, whenever necessary, propose to the board any need to revise this policy, due to changes in the risks to which the company is exposed; (ii) implement and maintain effective mechanisms, processes and programs to monitor and disclose the financial and operational performance and impacts of the company's activities in society and the environment.

Yes.

3.1.2 - the board must have its own internal rules of procedure that establishes its structure, its operation and its roles and responsibilities

Yes.

Principle 3.2: "The process of appointment and filling positions of the executive board and management shall aim at the creation of a group aligned with the principles and ethical values of the company with a view to diversity, including gender, aiming at its occupation by people with complementary competences and qualified to meet the company's challenges

3.2.1 - inform if the issuer follows the following recommended practice: "There shall be no reserve of positions of the board of directors or management for direct appointment by shareholders

Yes.

Principle 3.3: "The chief executive officer and the executive board should be evaluated based on the financial and non-financial performance targets (including environmental, social and governance aspects), in line with the company's ethical values and principles

Inform if the issuer follows the following best practices:

3.3.1 - the CEO must be evaluated annually in a formal process conducted by the board of directors, based on the verification of the achievement of the financial and non-financial performance goals established by the board of directors for the company.

Yes.

3.3.2 - the results of the evaluation of the other officers, including the CEO's proposals regarding the goals to be agreed and the permanence, promotion or dismissal of executives in their respective positions, shall be presented, analyzed, discussed and approved in meeting of the board of directors.

Yes.

In case of indication of the adoption of practices, inform, in line with the guidelines of the Code, how the entity acts in relation to each recommended practice.

The CA assesses the Company's Executive Board annually, when the achievement of the financial performance targets that are monitored monthly is verified.

Principle 3.4: "The compensation of executive board members shall be aligned with the strategic objectives of the company, focusing on its continued existence and creation of value in the long term:

Inform if the issuer follows the following recommended practices

3.4.1 - the compensation of the board of directors must be determined through a compensation policy approved by the board of directors through a formal and transparent procedure that considers the costs and risks involved.

No.

3.4.2 - the compensation of the executive board shall be linked to results, with medium and long-term goals clearly and objectively related to generating long-term economic value for the company.

Yes.

3.4.3 - the incentive structure must be in line with the risk limits defined by the board of directors and prohibit a same person from controlling the decision-making process and its respective supervision. No one shall decide on its own compensation.

Yes.

In case of lack of adoption of the recommended practices or their partial adoption, present, in line with the guidelines of the Code, the issuer's justification on the subject.

We have no compensation policy.

The global and individual compensation of the management bodies is established annually by the General Meeting, subject to the provisions of Law No. 6.404/76, Law No. 13.303/166, its regulatory Decree and other applicable regulations. Notwithstanding said regulation, as provided in art. 41, item VI, sub-item 'i' and item XII of Annex I of Decree No. 9.035/2017, in art. 27, paragraphs 1 and 2 of Decree No. 8.945/2016 and art. 4, paragraph 1 of the Resolution of the Interministerial Committee on Corporate Governance and Administration of the Federal Government's Shareholdings ("CGPAR") No. 12/2016, the Department for Coordination and Governance of State-Owned Companies ("SEST") shall determine the compensation of the directors, tax advisors and members of the audit committee of federal state-owned companies. SEST shall also express its views on the participation of managers in the profits or results of federal state-owned companies.
The compensation composition granted to the members of the Executive Board is in line with the legal provisions regarding state-owned companies and corporations and aims to reward them for the degree of responsibility of their functions and the trust inherent to them, as well as the value of each professional in the market, considering the Company's risk management policy, its results and the economic environment in which it is inserted.

The Directors' Variable Compensation Program, whose amounts for payment are included in the global amount annually approved by the General Meeting, is intended to recognize the efforts of the managers in the construction of the results achieved, based on the performance of indicators related to the Company's strategic planning. Part of the compensation, 50% (fifty percent), is expected to be paid in shares of the Company (20% at sight and 80% deferred for four years). Thus, managers are encouraged to maintain and increase results, generate returns to shareholders and receive roles that are always valued.

Principle 4.1: "The company must have a statutory, independent and qualified audit committee

4.1.1 - inform if the issuer has a statutory audit committee and if it follows the following recommended practice: "The statutory audit committee shall: (i) have among its assignments to advise the board of directors in the monitoring and control of the quality of financial statements, internal controls, risk management and compliance; (ii) be mostly comprised by independent members and coordinated by an independent counselor[82]; (iii) have at least one of its independent members with proven experience in the accounting-corporate, internal control, financial and audit 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 necessary.

Yes.

In case of indication of adoption of the practice, inform, in line with the guidelines of the Code, the reason why the issuer understands that the operation of the statutory committee adheres to the recommended practices.

According to art. 2 of the Internal Rules of Procedure of the Audit Committee, the Committee is a statutory body that advises the Board of Directors and has the primary purpose of evaluating and expressing: i) the quality and integrity of the financial statements; ii) the effectiveness of the internal control systems; iii) the effectiveness of the internal audit; iv) the evaluation and monitoring of the work of the external auditor; v) the Company's risk exposure; and vi) the adequacy of transactions with related parties and their respective disclosures.

The Company's Audit Committee is comprised only by independent members.

The Committee has a member with proven experience in the areas described.

The Audit Committee has its own budget approved by the Board of Directors.

Principle 4.2: "The audit committee, if installed, must have the necessary administrative resources and support for its members to carry out their individual independent inspection duties effectively

Inform if the issuer follows the following best practices:

4.2.1 - the audit committee must have its own internal rules of procedure that describe its structure, its operation, work program, its roles and responsibilities, without obstructing the individual performance of its members

Yes.

4.2.2 - the minutes of the meetings of the audit committee shall follow the same rules for disclosure of the minutes of the board of directors:

Yes.

Principle 4.3: "The independent auditors shall report to the board of directors. This shall ensure the independence of the independent auditors in their performance

Inform if the issuer follows the following best practices:

4.3.1 - the company must establish a policy for hiring extra-audit services from its independent auditors, approved by the board of directors, prohibiting the contracting of extra-audit services that could compromise the independence of auditors. The company shall not hire as an independent auditor who has performed internal audit services for the company for less than three years.

No.

4.3.2 - the independent audit team shall report to the board of directors, through the audit committee, if any. The audit committee shall monitor the effectiveness of the work of the independent auditors, as well as their independence. It shall also evaluate and discuss the annual work plan of the independent auditor and submit it to the board of directors for consideration.

Yes.

In case of lack of adoption of the recommended practices or their partial adoption, present, in line with the guidelines of the Code, the issuer's justification on the subject.

The Company does not have a policy for hiring extra audit services.
The statutory Audit Committee has its permanent operation, acting independently in relation to the Company's Executive Board, with the primary purpose of evaluating and expressing itself on (...) the evaluation and monitoring of the works of the external auditor (...).
Among other responsibilities described in the Internal Rules of Procedure of the Committee, it shall: a) to evaluate the effectiveness of the independent and internal audits (...); b) give an opinion on the hiring, removal and replacement of the independent auditor; c) supervise the work of the independent auditors, evaluate their independence, the quality of the services provided and the adequacy to the needs of the Company; d) establish procedures to be observed, within the scope of the Company and related companies, prior to contracting services with the external auditor, aiming to preserve independence and mitigate risks of conflict of interest. In addition, we inform that BB Seguridade does not have any extra audit services contract with the current Independent Auditor. Thus, mitigated means the risk of compromising the independence of the work performed by the Independent Auditor in the Company.

Principle 4.4: "The company shall structure its internal audit in a manner compatible with the size, complexity and risks of its business, and the board of directors is responsible for the qualification and independence of internal audit team professionals in relation to the board of directors

Inform if the issuer follows the following best practices:

4.4.1 - the company must have an internal audit area directly linked to the board of directors.

Yes.

4.4.2 - in case of outsourcing of this activity, the internal audit services shall not be exercised by the same company that provides audit services of the financial statements. The company shall not hire for internal audit anyone who has performed independent audit services for the company for less than three years.

Not applicable.

In the case of indication of the adoption of practices, inform, in line with the guidelines of the Code, the reason why the issuer understands that the operation of internal auditing adheres to the recommended practice, describing how the internal audit is structured and its suitability to the size and the complexity of its activities

The internal audit of BB Seguridade is linked to the Board of Directors of the company, as provided in Art. 11 of the company's Bylaws.

The Audit Superintendence has as main objective to advise the Top Management of BB Seguridade and contribute to the improvement and effectiveness of the management processes. To achieve this goal, the Unit works in a proactive perspective, with a holistic and independent vision.

BB Seguridade's internal audit team is comprised by an audit superintendent and four senior auditors, all of them with experience and from BB's internal audit. The superintendent's audit experience time is 10 years and auditors 7 years on average. The team is formed in a multidisciplinary manner, with specialists in risk management, finance, strategy, accounting, economics, administration, investment analysis, governance, safety products, among others. A team auditor is qualified as an insurance broker.

The practice of internal audit is a set of procedures, technically standardized, that works by monitoring work processes, evaluating results and proposing curative actions for possible deviations of the management.

The audit work shall focus on examining the workflow in an environment of complexity, in order to guide the perception of phenomena (manifest or latent) whose characteristics indicate an imbalance in the interrelationship between objectives, risks and controls associated with business processes.

It is based on the concept of integrated audit, that is, it can deal, internally, with the intrinsic complexity of the company's processes and their interrelationships and, from an external perspective, with the organization's interface with the regulatory environments and with its position in the competitive environment in which it operates.

Principle 4.5: "The company must have an appropriate risk management process and maintain internal controls and integrity/compliance programs appropriate to the size, risk and complexity of its activities

Inform if the issuer follows the following best practices:

4.5.1 - the company must adopt a risk management policy, approved by the board of directors, which includes the definition of the risks for which protection is sought, the instruments used to do so, the organizational structure for risk management, the evaluation of the operational structure adequacy and internal controls in verifying their effectiveness, in addition to defining guidelines for establishing acceptable limits for the company's exposure to these risks.

Yes.

4.5.2 - the board of directors shall ensure that the executive board has internal mechanisms and controls to know, evaluate and control the risks in order to maintain them at levels compatible with the established limits, including integrity/compliance program for compliance with laws, regulations and external and internal rules

Yes.

4.5.3 - the executive board shall evaluate at least annually the effectiveness of risk management and internal control policies and systems as well as the integrity/compliance program and account for the board of directors on such evaluation

Yes.

c - in case of indication of the adoption of the practices, inform, in line with the guidelines of the Code:

How these practices are adopted by the issuer.

The Company adopts the recommended practices, according to information provided in section 5 of the Reference Form 2018 - Fiscal Year 2017 deposited with the Securities Exchange Commission (CVM).
The Board of Directors ensures that the executive board has internal mechanisms and controls to know, evaluate and control the risks in order to maintain them at levels compatible with the established limits, including the integrity program for compliance with laws, regulations and external and internal rules.
The Company's Executive Board evaluates, at least annually, the effectiveness of risk management and internal controls policies and systems, as well as the integrity program, accounting to the Board of Directors as set forth in the Risk Management Policy, Internal Controls and Compliance.

Date of the last review by the board of the evaluation of the executive board on the effectiveness of the risk management policies and systems and the integrity or compliance program.

08.29.2018.

Principle 5.1: "The company must have a code of conduct that promotes its values and ethical principles and reflects the organizational identity and culture and a whistleblowing channel to receive criticisms, doubts, complaints and denunciations

Inform if the issuer follows the following best practices:

5.1.1 - the company must have a committee of conduct, endowed with independence and autonomy and directly linked to the board of directors, responsible for implementation, dissemination, training, revision and updating of the code of conduct and the whistleblowing channel, as well as conducting investigations and proposing corrective measures related to breaches to the code of conduct.

No.

5.1.2 - the code of conduct, prepared by the executive board, with the support of the conduct committee, and approved by the board of directors, shall: (i) discipline the internal and external relations of the company, expressing the expected commitment of the company, its counselors, officers, shareholders, employees, suppliers and stakeholders to 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, audit committee or conduct committee, if any, in conflict, as the case may be; (iii) clearly define the scope of the actions intended to ascertain the occurrence of situations deemed as carried out with the use of inside information (for example, the use of inside information for commercial purposes or to obtain advantages in the negotiation of securities); (iv) establish that ethical principles serve as basis for the negotiation of contracts, agreements, proposed amendments to the bylaws, as well as policies that guide the whole company, and establish a maximum value of the goods or services of third parties that managers and employees can accept free of charge or favored.

Yes.

5.1.3 - The whistleblowing channel must have independence, autonomy and impartiality, with operating guidelines defined by the executive board and approved by the board of directors. It must be operated independently and impartially, and guarantee the anonymity of its users, in addition to promoting, in a timely manner, the necessary investigations and measures. This service may be provided by a third party with recognized capacity

Yes.

In case of lack of adoption of the recommended practices or their partial adoption, present, in line with the guidelines of the Code, the issuer's justification on the subject.

With regard to item 5.1.1, BB Seguridade's Ethics and Integrity Committee is linked to the collegiate Executive Board.

The attachment of the committee of conduct (internally known as the Ethics and Integrity Committee) to the Collegiate Executive Board considers the approved limits for the determination of occurrences received through the whistleblowing channel (internally known as the Ethics and Integrity Channel). The receipt and verification of reports of breaches of the code of conduct (internally known as the Code of Ethics and Conduct) involving statutory officers and members of statutory governing bodies follow specific flows, with competences that include the Audit Committee, the Board of Directors and the Finance Committee. As an example, whistleblowing involving a member of the Collegiate Executive Board are determined and resolved by the Board of Directors. In matters related to the review and update of the code of conduct, the subject is submitted to the approval of the Board of Directors, which also approves the Company's Integrity Program, which includes internal integrity mechanisms and procedures, which include training and dissemination actions on the code of conduct and the whistleblowing channel.

In the case of indication of the adoption of practices, inform, in line with the guidelines of the Code, the composition and the operating method of the conduct committee and the whistleblowing channel, if the whistleblowing channel is internal or if it is in charge of third parties

Pursuant to articles 2 and 4 of the Internal Rules of Procedure of the Ethics and Integrity Committee, this collegiate body was created with the main purpose of promoting and ensuring the application of the Code of Ethics and Conduct and managing the Ethics and Integrity channel, according to the Company guidelines. The Commission has autonomy and independence to carry out its tasks and its members have institutional protection before possible attempts at retaliation.
BB Seguridade's Code of Ethics and Conduct, approved by the Company's Board of Directors in December 2017, includes, among other matters: work environment, conflict of interests, gifts and favors, assets and resources of the company. These provisions must be observed by BB Seguridade's top management, governing bodies, employees, third parties and suppliers.
Any ethical deviation or irregularity in disagreement with the Code of Ethics and Conduct or situation that could harm BB Seguridade and its subsidiaries or any of its public shall be reported to the Company's Ethics and Integrity Channel. The channel is the reinforcement of BB Seguridade's commitment to the dissemination of ethics and integrity, being a Keystone of the Integrity Program of the Company. It is operated by an outsourced and independent company (Deloitte) and receives anonymous or identified whistleblowing.

Principle 5.2: "The company must establish mechanisms to deal with situations of conflict of interest in the company's management or at general meetings

Inform if the issuer follows the following best practices:

5.2.1 - the company's governance rules shall ensure the separation and clear definition of roles and responsibilities associated with the mandates of all governance agents. The decision-making levels of each instance shall also be defined, in order to minimize potential points of conflicts of interest.

Yes.

5.2.2 - the company's governance rules must be made public and determine that the person who is not independent in relation to the matter under discussion or resolution in the management or supervisory bodies of the company must express, in a timely manner, its conflict of interest or private interest. If it fails to do so, such rules must provide for another person to manifest the conflict if he or she is aware of it and that, as soon as the conflict of interest is identified in relation to a specific subject, the person involved departs, even physically, from the discussions and resolutions. The rules must provide for such temporary removal to be recorded in the minutes.

Yes.

5.2.3 - the company shall have mechanisms for the administration of conflicts of interest in the votes submitted to the general meeting, to receive and process allegations of conflicts of interest, and for annulment of votes cast in conflict, even after the conclave.

Yes.

In case of indication of the adoption of practices, inform, in line with the guidelines of the Code, the mechanisms used by the issuer to implement these practices

The Company has a standardized internal decision-making process, which establishes the competencies and powers to be observed by BB Seguridade. In addition to the competencies and standards, the normative defines the decision-making bodies, the form of decision and the minimum quorum for decision-making. The Bylaws, as well as the Internal Rules of Procedure, define the powers of each statutory body.

The Company discloses the Code of Ethics and Conduct of BB Seguridade on its Investor Relations website. This document states the values of the Company and guides the top management members and of the governing bodies, employees and third parties regarding the behavior expected by BB Seguridade. The Code describes situations of conflict of interest and how the persons involved shall behave.

Principle 5.3: "The company shall have governance policies and practices to ensure that any and all related party transactions are always performed in the best interests of the company with full independence and absolute transparency

Inform if the issuer follows the following best practices:

5.3.1 - the by-laws shall define which transactions with related parties must be approved by the board of directors, to the exclusion of any members with potentially conflicting interests

Yes

5.3.2 - the board of directors shall approve and implement a related party transactions policy, including, among other rules: (i) estimate that prior to the approval of specific transactions or guidelines for contracting transactions, the board of directors shall request from the board of directors market alternatives to the transaction with related parties concerned, adjusted by the risk factors involved; (ii) waiver of forms of remuneration of advisors, consultants or intermediaries that generate conflicts of interest with the company, the directors, the shareholders or classes of shareholders; (iii) prohibition of loans in favor of the controller and the directors; (iv) the cases of transactions with related parties that must be based on independent appraisal reports, prepared without the participation of any party involved in the transaction concerned, either a bank, lawyer, specialized consulting firm, among others, based on realistic assumptions and information ratified by third parties; (v) that corporate restructuring involving related parties should ensure equitable treatment for all shareholders.

Yes

In case of indication of the adoption of practices, inform, in line with the guidelines of the Code, how the issuer implements and verifies the adoption of these procedures

BB Seguridade's Bylaws provides as competency of the Board of Directors to establish general conditions and the authorization to enter into contracts of any kind involving related parties that individually or jointly reach a value equal to or greater than 5% on the Company's shareholders' equity, according to the last approved balance sheet.

BB Seguridade's Related Parties Transactions Policy approved by the Board of Directors provides that Related Party Transactions must be prepared in writing, specifying their main characteristics, whether they are carried out at the usual market prices, terms and rates or of previous negotiation that represent commutative conditions and are clearly reflected in the financial statements.

The Policy prohibits the participation of directors and employees in private or personal business that interferes or conflicts with the Company's interests or result from the use of confidential information obtained due to exercising the position or function they hold at the Company. It also prohibits the granting of loans to its controller, directors and other Related Parties.

The Company has a statutory Related Party Transactions Committee, which is responsible for previously approving all transactions with related parties, as defined in the Related Party Transactions Policy, as well as revisions and terminations of contracts between related parties, and such transactions, revisions or terminations shall only be approved upon the affirmative vote of the independent member. The current independent member of the Committee is the board member appointed and elected by the minority shareholders, who monitors all transactions with related parties that reach the index provided in the Bylaws and described in the first paragraph of this question.

Principle 5.4: "The trading of shares or other securities issued by the company itself by shareholders, directors, members of the audit committee and other statutory bodies, and any persons with access to information shall be guided by the principles of transparency, equity and ethics

5.4.1 - inform if the issuer follows the following recommended practice: "the company shall adopt, by resolution of the board of directors, a policy for trading securities issued by it, which, without prejudice to compliance with the rules established by CVM regulations, establish controls that enable the monitoring of the negotiations conducted, as well as the determination and punishment of those responsible in case of non-compliance with the policy

Yes.

In the case of indication of the adoption of the practice, inform, in line with the guidelines of the Code, the controls implemented to monitor the negotiations carried out and form of verification of possible non-compliance

By determination of its Board of Directors, BB Seguridade adopts a Trading Policy of Securities issued by the company ("Trading Policy"), which content is revised at least annually, without prejudice to the rules established by CVM regulation governing this matter.

As established in the Trading Policy, the following are prohibited from trading in securities of BB Seguridade: (i) the controlling shareholders; (ii) the directors, tax advisors and members of statutory committees; (iii) persons indicated by BB Seguridade or its controller to hold positions in statutory bodies of subsidiaries and affiliated companies of BB Seguridade; (iv) the Company's employees; (v) any other person who, by virtue of his/her title, position or temporary employment in the company, its parent company, its subsidiaries or affiliated companies, is aware of inside information; and (vi) any person who has a commercial, professional or trust relationship with the Company, such as independent auditors, securities analysts, consultants, among others, and who has access to Privileged Information. The prohibition also applies to spouses, partners, dependents and companies controlled by the persons listed.

On an exceptional basis, the above mentioned persons wishing to negotiate with BB Seguridade's securities must formalize the Investment Plan six months in advance of the date intended for negotiation, specifying, irrevocably and irreversibly, the dates and amounts or quantities of the business to be carried out. Any change or cancellation of the Investment Plan must also observe the term of six months in advance of the specified trading date.

On a semi-annual basis, as determined in the Trading Policy, the negotiation compliance with the respective Investment Plans is verified. Possible negotiations in disagreement with the Investment Plans are reported to the Board of Directors of BB Seguridade, and the breaching parties shall be subject to the penalties provided for in the company's by-laws.

Principle 5.5: "The management shall ensure that directors and other employees understand, in a clear and objective manner, the principles and rules on contributions and donations of values or assets to philanthropic, cultural, social, environmental projects or political activities

Inform if the issuer follows the following best practices:

5.5.1 - in order to ensure greater transparency regarding the use of company resources, a policy shall be developed on its voluntary contributions, including those related to political activities, to be approved by the board of directors and executed by the board, containing clear and objective principles and rules.

Yes.

5.5.2 - the policy shall provide for the board of directors to be the body responsible for approving all disbursements related to political activities.

Yes.

5.5.3 - the policy on voluntary contributions of State-controlled companies, or having repeated and relevant business relations with the State, shall prohibit contributions or donations to political parties or persons related to them, even if permitted by law.

Yes.

In case of indication of the adoption of the practice, inform the date of approval of the policy and, if the issuer discloses the policy, the locations in the worldwide computer network where the document can be consulted

The Code of Ethics and Conduct of BB Seguridade, a document approved by the Board of Directors on December 20, 2017, prohibits donations or financing to political parties or candidates to public offices, in Brazil or abroad, with funds from the Company. The document can be accessed at the Company's Investor Relations website. http://www.bbseguridaderi.com.br/en/governanca-corporativa/estatuto-politicas-e-codigos