

## **RISKS AND CAPITAL COMMITTEE INTERNAL REGULATION**

### **Chapter I -Object**

Art. 1 -This Internal Regulation rules the operation of the Committee of Risks and Capital (Committee) in compliance with decisions of the Board of Directors, Banco do Brasil's Bylaws and applicable laws.

### **Chapter II – Concepts, Composition and Duties**

Art. 2 -The Committee is a collegiate body that reports to the Board of Directors and is intended to assist that Board regarding the exercise of its duties related to management of risks and capital, in a unified manner, for the institutions that are part of the Prudential Conglomerate of Banco do Brasil.

Art. 3 -The Committee is permanent, and is composed by four effective members holding 2-year term of office, being allowed up to three consecutive reelections.

Paragraph 1 -The Committee members will be elected and dismissed by the Board of Directors in compliance with the following rules, in addition to the applicable laws and the Banco do Brasil's Bylaws:

I. three members will be selected by the Board of Directors' members appointed by the Federal Government;

II. one member will be selected by the Board of Directors' members elected by the minority shareholders;

III. two members will be external to the Bank.

Paragraph 2 – The Committee shall be composed, for the most part, of members who meet the following requirements, in addition to those provided in Banco do Brasil' Appointment and Succession Policy and in the applicable laws and regulations:

- a. Hold university degree;
- b. Have proven knowledge and experience in the Committee's field of action;
- c. Be not a member of the Executive Board of Banco do Brasil or of any of its Affiliated Companies;
- d. Be not an employee of Banco do Brasil;
- e. Have not been a Banco do Brasil's employee for the last six months;
- f. Be not a spouse or relative in direct line, collateral line and by affinity, until second kindred, of the individuals mentioned in subparagraphs "d" and "e" above;
- g. be not part of judicial procedure against Banco do Brasil or any of its Affiliated Companies;
- h. do not earn from Banco do Brasil any compensation other than that for the office as member of the Committee or of the Board of Directors.

Paragraph 3 -The role of Committee member is not delegable.

Art. 4 -The situations provided in art. 13 of Banco do Brasil's Bylaws constitute impediments to the performance of the roles of Committee's member, as well as be, or have been in the last 6 (six months), Risks Officer, Vice-President of Internal Controls and Risks Management, or member of the Banco do Brasil's Audit Committee.

Art. 5 -Following are the duties of the Committee:

I. define the operational rules for its activities and submit them for approval by the Board of Directors;

II. advise the Board of Directors regarding management of risks and capital, providing the Board with a broad and integrated view on the risks and their likely impacts;

III. advise the Board of Directors identifying and regarding management of risks related to its relevant Affiliated Companies;

IV. evaluate proposals to review the Risk Appetite Statement and the Capital Plan;

V. evaluate the levels of appetite for risks fixed in the Risk Appetite Statement and the respective management strategies, considering risks individually and in an integrated way;

VI. supervise the compliance by the Bank's Executive Board with the terms of the Risk Appetite Statement;

VII. evaluate the proposals on creation and review of policies and strategies related to the management of risks and capital;

VIII. supervise the compliance with policies and strategies related to management of risks and capital;

IX. evaluate the degree of compliance of the risks management structure's processes with the policies related to management of risks and capital;

X. supervise the work and performance of the Vice-President of Internal Controls and Risks Management;

XI. evaluate and submit to the Board of Directors reports dealing with processes of management of risks and capital.

XII. at least on an annual basis, make recommendations to the Board of Directors about:

- a. policies, strategies and limits of risks management;
- b. policies and strategies of capital management that set procedures aimed to maintain the Reference Equity (RE), Level 1 and the Core Capital object of Resolution # 4.192 of March 1, 2013, at levels compatible with the incurred risks;
- c. the stress tests program, according to the rule in force;
- d. policies and strategies to manage the businesses continuity;
- e. Liquidity Contingence Plan;
- f. Capital Plan and Capital Contingence Plan.

XIII. get acquainted to the works carried out by the internal and external audits regarding management of risks and capital and the respective results;

XIV. keep records of deliberations and decisions;

XV. regularly inform the Board of Directors about the activities performed by the Committee;

XVI. comply with other duties established by the Board of Directors.

Sole paragraph. The Committee's members are fully independent to perform their duties and should keep the confidentiality of the information received.

Art. 6 -The Committee shall prepare in annual basis, within ninety days as of the base date of December 31, a document called "Risks and Capital Committee's Report", containing at least the following information:

- I. description of its composition;
- II. report on the activities performed in the period;
- III. main measures adopted to ensure compliance with policies related to management of risks and capital;
- IV. description of the changes to the policies related to management of risks and capital in the period and their implications to the Bank and its stakeholders;

Sole paragraph. The Committee shall make available to the Board of Directors the Report, for at least five years from its elaboration.

Art. 7 -The Committee may, in the scope of the duties assigned to it, use the work of experts.

Sole paragraph. The use of experts' work does not waive the Committee from its responsibilities.

Art. 8 -The Committee will have one Coordinator selected by the Board of Directors.

Paragraph 1 -The Coordinator must comply with the requirements set forth in paragraph 2, article 3 of these Regulation and, for the last 6 (six) months, cannot have been the chair of the Board of Directors or any other advisory committee to the Board of Director of Banco do Brasil or of any of its Associated Companies.

Paragraph 2 -The Committee's coordinator will be in charge of:

- I. calling and heading meetings;
- II. complying with and enforcing the rules of this Regulation;
- III. approving the schedules and agendas of the meetings;
- IV. submitting to the Board of Directors and, whenever applicable, to other body or member of the Administration, the analyses, opinions and reports prepared by the Committee;
- V. inviting, on behalf of the Committee, the representatives of the Supervisory Board, of the Executive Board, of the Audit Committee and other eventual attendants to the meetings;
- VI. recommending complementary rules required for the smooth work of the Committee;
- VII. carrying out other acts of technical or administrative nature necessary to perform its duties.
- VIII. authorizing the examination of subjects not included in the meeting agenda.

### **Chapter III -Meetings and deliberations**

Art. 9 -The Committee will carry out its activities primarily through work meetings convened by its coordinator, to fulfill its duties.

Art. 10 -The Committee will meet:

I. ordinarily, at least twice a month on date, place and time established by the coordinator;

II. bimonthly with the Board of Directors;

III. quarterly with the Executive Board;

IV. with the Supervisory Board, Board of Directors and Audit Committee upon request of these bodies, to discuss policies, practices and procedures identified in their respective jurisdictions;

V. extraordinarily, convened by the coordinator, whenever any of the members deems it necessary, or upon request from Banco do Brasil's management.

Paragraph 1 -The Committee will record in the minutes the attendance and eventual absences of its members.

Paragraph 2 -The participation of the Committee in ordinary meetings of the Board of Directors demands the presence of all members, except for reasoned absences.

Paragraph 3. The minutes of the meetings of the Committee shall be disclosed when requested by one of its members, except when the majority decides that the disclosure could put in risk the legitimate interest of the Bank.

Art. 11. The Committee may ask clarification or information to the administrative bodies required to perform its duties.

Art. 12. Decisions will be made by majority vote of the members of the Committee. Situations where unanimity is not achieved will be reported to the Board of Directors.

#### **Chapter IV -Secretariat and Advisory**

Art. 13. The Committee's administrative, secretariat and advisory support shall be provided by the Advisory Management of the Audit Committee (GEAUD), which is responsible for:

I. advising the Committee in technical aspects in the performance of its duties;

II. preparing and distributing the meetings' agenda, with minimum advance notice established by the coordinator;

III. serving as secretary to the meetings;

IV. preparing the minutes of meetings;

V. organizing and safeguarding the documents related to the activities performed by the Committee;

VI. taking care of other activities required to the smooth work of the Committee.

#### **Chapter V -General Provisions**

Art. 14. The Committee's members should promptly report to the Secretariat of the Board any change to Company shareholding, under the conditions and manner defined by the

Securities Commission (Comissão de Valores Mobiliários), and as provided for in the Policy for Trading Banco do Brasil's Securities.

Art. 15. The compensation for the Committee's member, to be defined by the Board of Directors, will be compatible with the work plan approved by this last, provided that:

I – the remuneration of the Committee's members does not exceed the average fee received by the Officers;

II – in the case of public servants, their remuneration for participation in the Committee will be subject to the provisions established in the pertinent legislation and regulation;

III – the member of the Risks and Capital Committee that is also a member of the Board of Directors must opt for the compensation relating to only one of the posts.

Art. 16. At the end of the term, the former members of the Committee are subject to the impediment set forth in paragraph 6, article 24 of the Bank's Bylaws, pursuant to paragraphs 7 to 12 of the same article.

Art. 17. Omissions relating to this Regulation will be submitted to the Board of Directors.

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