



The Board of Directors of Cielo S.A. (“Company”), in a meeting held on December 12, 2018, approved the present internal regulations (“Regulations”) as follows:

1. Purpose and mission

1.1. Purpose. These Regulations determine the composition, functioning and competencies of the Board of Directors (“Board”), as well as the relationship between the Board and other corporate bodies, in compliance with the Company’s bylaws (“Corporate Bylaws”), the Company’s shareholder agreement (“Shareholder Agreement”) and the applicable law.

1.2. Mission. The mission of the Board is to protect and value the Company’s equity and promote systematic value creation for all shareholders, taking into account the interests of all stakeholders of the organization, in addition to protecting the corporate purposes and values in accordance with the basic principles of corporate governance: transparency, equity, accountability and corporate responsibility.

1.3. The Board is a collegiate body that aims to guide and oversee the executives and decide on matters related to the business, including strategic, investment and financing decisions, among other competencies attributed to them in the Corporate Bylaws and Shareholder Agreement.

2. General Rules of the Board

2.1. Scope of Operation and Objectives. The Board shall determine the general direction of the Company’s business and decide on strategic matters, aiming to comply with the following guidelines:

- (i) promote the achievement of the corporate purpose of the Company and its subsidiaries, as well as guarantee compliance with their limitations;
- (ii) protect the interests of shareholders and the Company, without disregarding other stakeholders;
- (iii) protect the Company’s perpetuity, from a long-term and sustainable standpoint, incorporating economic, social, environmental and corporate governance considerations when determining its business and operations;
- (iv) adopt an agile management structure, with qualified and reputable professionals;
- (v) create guidelines for the management of the Company and its subsidiaries, to be reflected in the annual budget;
- (vi) make sure the Company’s strategies and guidelines are effectively implemented by the Board of Executive Officers, though not intervening in operational matters;
- (vii) prevent and manage situations of conflict of interests or difference of opinion, so that the Company’s interests will prevail;
- (viii) promote topics related to Sustainability in the Company’s business processes, considering social, economic, good corporate governance and environmental issues, including matters related to climate change.

2.2. Composition. The Board shall comprise no less than seven (7) and no more than eleven (11) members, all shareholders, elected by the Shareholders’ Meeting, with a single tenure of two (2) years and possibility of reelection.

2.2.1. At least two (2) or twenty per cent (20%), whichever is higher, of the members of the Board must be Independent Directors, as defined by the Novo Mercado Regulations, whereas directors elected in accordance with Article 141, Paragraphs 4 and 5, and Article 239 of Law no. 6,404/76, shall also be considered independent. When compliance with this percentage results in a fractional number of Directors, the number must be rounded up to the next higher number.

2.2.2. Directors shall be appointed in accordance with the Shareholder Agreement and the various fields of knowledge, offering opportunities to professionals who are trained and efficient, on a meritocratic basis, and also considering diversity aspects such as, but not limited to gender, age, ethnicity, nationality, religion, and academic education.

2.2.3. The Board shall have a chairman and a vice-chairman elected by the Board itself.

2.3. Investiture. Directors shall take office by signing an instrument of investiture within thirty (30) days after their election is confirmed by the Central Bank of Brazil, in accordance with Circular Letter no. 3,885 of March 26, 2018, and such instrument of investiture shall be duly filed at the Company's registered office.

2.4. Competencies. In addition to other competencies attributed by the Shareholder Agreement, the Company's Corporate Bylaws and the Law, the Board is responsible for the following:

- (i) determining general guidance for the Company's business, including approval and revision of its annual budget, approving the multi-annual strategic plan, and establishing business goals and strategies, also overseeing their implementations;
- (ii) electing and dismissing executive officers and giving them attributions and powers to represent the Company in accordance with the Corporate Bylaws;
- (iii) overseeing the management of officers, examining the Company's books and documents at any time, as well as requesting information about contracts signed or to be signed and any other acts carried out;
- (iv) calling a Shareholders' Meeting when necessary or as established in Article 132 of Law 6,404/76;
- (v) submitting the Management Report to the Shareholders' Meeting, containing its opinion, the accounts of the Board of Executive Officers, and the financial statements for the fiscal year;
- (vi) presenting to the Shareholders' Meeting a proposal of allocation of net income for the year and creation of accounting reserves;
- (vii) discussing and voting on the issue of subscription bonus, debentures and commercial promissory notes, in accordance with the law in force;
- (viii) authorizing the sale of fixed assets, the constitution of security interest, and the provision of guarantees and obligations to third parties whenever such transactions individually or jointly account for more than zero point five per cent (0.5%) of the Company's net revenue posted in the last approved balance sheet;
- (ix) choosing and dismissing independent auditors;
- (x) authorizing and engaging an independent auditor to provide services to the Company other than financial statement auditing;
- (xi) presenting to the Shareholders' Meeting a proposal for a global compensation amount for Directors and Officers, as well as paying Directors and Officers their portion of the global annual management compensation established by the Shareholders' Meeting;



- (xii) authorizing the issue of Company shares, within the limits authorized in Article 8 of the Corporate Bylaws, defining conditions for the issue including price and payment term;
- (xiii) approving the acquisition, by the Company, of its own shares to be held in treasury and/or for subsequent cancellation or disposal;
- (xiv) granting stock options and/or Company share subscriptions in accordance with the plan approved in the Shareholders' Meeting;
- (xv) defining the three-name list of corporations specializing in business economic valuation to prepare a valuation report of the Company's shares, in case the Company is delisted or withdraws from the Novo Mercado segment, as established in Paragraph 1, Article 34 of the Corporate Bylaws;
- (xvi) authorizing all acts, documents and other agreements establishing the obligations, responsibilities or disbursements of the Company effectively or possibly exceeding, per transaction, at any twelve (12)-month period, the amount corresponding to zero point five per cent (0.5%) of the Company's net revenue, as determined in the last approved balance sheet, excluding payment of taxes in the regular course of business and contracts for affiliation of commercial establishments to the Company's system;
- (xvii) establishing, for every fiscal year, the competence of the Board of Executive Officers for contracting loans, financing and/or any funding operation and/or issue of credit bonds in the regular course of business;
- (xviii) authorizing the licensing of the Company's trademark;
- (xix) presenting to the Shareholders' Meeting proposals of spin-off, consolidation, merger, merger of shares and dissolution, as well as conversion into another corporate type, bankruptcy, in and out-of-court reorganization and liquidation of the Company;
- (xx) presenting to the Shareholders' Meeting a proposal for a profit sharing program for the Company's management;
- (xxi) authorizing the execution of agreements between the Company and Subsidiaries or Joint Ventures, their management, Controlling Shareholder and, also, between the Company and Subsidiaries and Joint Ventures of members of the management and the Controlling Shareholder, as well as other corporations which, together with any of these persons, comprise a group de facto or de jure, whenever a single agreement or successive agreements, with or without the same purpose, at any time of the year, amounts to zero point twenty-five per cent (0.25%) or more of the Company's net revenue posted in the last approved balance sheet;
- (xxii) discussing and voting on any matter submitted by the Board of Executive Officers;
- (xxiii) approving and amending the internal regulations of the Board of Directors and the Board of Executive Officers;
- (xxiv) expressing a favorable or contrary opinion regarding any tender offer of Company shares, through a substantiated preliminary report published within fifteen (15) days from the publication of the call notice for the tender offer, which should address, at least, (xxiv.1) the convenience and opportunity of the tender offer for the interests of the Company and its shareholders, including in terms of price and potential impact on share liquidity; (xxiv.2) the strategic plans disclosed by the offeror relative to the Company; (xxiv.3) alternatives to the acceptance of the tender offer available in the market; and (xxiv.4) other aspects deemed pertinent by the Board, as well as information required by the applicable CVM rules;
- (xxv) assembling advisory committees with specific attributions, approving their respective internal regulations and appointing their respective members;
- (xxvi) analyzing and discussing, on a bi-annual basis, the evolution of the business and the performance of its subsidiaries and Investees;

- (xxvii) authorizing the increase of the capital stock of wholly-owned subsidiaries and/or Investees (wholly-owned subsidiaries, affiliates or subsidiaries of the Company in which it holds direct or indirect interest) of the Company, in amounts higher than those periodically established by the Board;
- (xxviii) authorizing the acquisition, sale, incorporation, spin-off, consolidation, conversion or liquidation of wholly-owned subsidiaries and/or Investees of the Company;
- (xxix) deciding on the vote to be cast by Company representatives in the capacity of shareholders or quotaholders of the Investees;
- (xxx) formally evaluating, at the end of each year, their own performance and the performances of the CEO, corporate governance secretary, and its related committees, as well as accessing the CEO's evaluation of the performance of other officers;
- (xxxi) approving and frequently updating a succession plan for the CEO and all key persons of the Company;
- (xxxii) discussing and voting on the Company's institutional policies and code of ethical conduct;
- (xxxiii) other matters of the Board's interest.

2.5. Chairman of the Board. The chairman of the Board has the following attributions, without prejudice to others established in the Shareholder Agreement, Corporate Bylaws or by Law: **(i)** guaranteeing the efficiency and good performance of the Board; **(ii)** guaranteeing efficiency of the oversight and evaluation system, by the Board, the Company, the Company's Board of Executive Officers, the Corporate Governance Secretary, the Board's Advisory Committees and, individually, the members of each of these bodies; **(iii)** making the activities of the Board consistent with the interests of the Company, its shareholders and other stakeholders; **(iv)** organizing and coordinating, with the help of the Corporate Governance Secretary, the agenda of Board meetings, after consulting with the other directors and, when applicable, the CEO and other executive officers; **(v)** coordinating the activities of other directors; **(vi)** making sure that the directors are given thorough and timely information on the items included in the agenda of meetings; **(vii)** submitting to the Board a proposal for compensation of directors, prepared with the support of the People Committee; **(viii)** presiding over meetings of the Board and the Shareholders' Meeting; **(ix)** organizing, with the help of the CEO and the Corporate Governance Secretary, when electing a new member, an onboarding and training program for the new director, allowing them to become familiar with the activities and obtain information about the organization; **(x)** proposing to the Board, after consulting with the Committees and with the help of the Corporate Governance Secretary, the annual budget for the Board of Directors, including for the outsourcing of professionals; **(xi)** complying with and enforcing these Regulations; **(xii)** proposing, when necessary, that experts be invited to participate in the meetings; **(xiii)** representing the Board in its relationship with the Company's Board of Executive Officers ("Board of Executive Officers").

2.6. Absence of the Chairman. In case of temporary absence or impediment of the chairman of the Board, their roles shall be performed by the vice-chairman of the Board. In case of temporary absence or impediment of both, their roles shall be performed by another director appointed by the majority of directors present at the meeting.

2.7. Vacancy. In the event of vacancy in the Board, the remaining directors shall appoint a substitute, in accordance with the conditions established in the shareholder agreement filed at the Company's registered office, who will remain in the position until the following Shareholders' Meeting, when a new director shall be elected and remain in the position until the end of the tenure of the replaced director. In case of

vacancy of the majority of positions in the Board, a Shareholders' Meeting shall be called to carry out a new election.

2.7.1. In case of justified absence or temporary impediment of one of the Directors, the Director in question may delegate their powers to an attorney-in-fact, who must be another Director, and the power of attorney shall contain the matter of the object of deliberation and the respective vote of the granting director

2.7.2. Directors who fail to participate in three (3) consecutive meetings with no justification or license granted by the Board shall lose their position, leading to definitive vacancy.

2.8. Resignation. Resignation from the position of director shall be communicated in writing to the Board, effective before the Company upon receipt of the communication by the Board.

3. Duties and responsibilities

3.1. Duties and responsibilities of a Director All directors have the following duties, in addition to those established by Law and applicable regulations, as well as the Company's Bylaws:

- (i) attending the meetings of the Board and previously preparing for them by examining the documents made available by the Company, participating actively and diligently in such meetings;
- (ii) protecting the confidentiality of all and any information regarding the Company to which they have access while exercising their position, as well as demanding the same confidential treatment from professionals who provide them with advisory services, using such information for the sole purpose of exercising their role as director under penalty of responding for any act that contributes to undue disclosure of such information;
- (iii) abstaining from intervening, individually or together with third parties, in any transactions between the Company and its Related Parties (as defined in the Policy for Related Party Transactions and Other Situations Involving Conflict of Interests);
- (iv) declaring, prior to deliberation, that they have a private or conflicting interest, for any reason, in any matter submitted for their appreciation, abstaining from its discussion and vote;
- (v) acting as independently and objectively as possible, protecting the Company's best interest so that the Board can achieve its purposes, including complying with and respecting the Company's codes and policies applicable to them;
- (vi) guaranteeing the adoption of good corporate governance practices by the Company.

3.2. The Directors have joint responsibility for any failure to comply with their duties, from which dissenting directors are exempt when they register their divergence in the minutes of a Board meeting and communicate it to the Company's Management and Shareholders' Meeting.

4. Functioning of the Meetings

4.1. Frequency. The Board shall meet ordinarily on a monthly basis and extraordinarily whenever necessary, in accordance with the call notice rules set forth in Articles 4.3 - "Call Notice" and 4.4 - "Term for Call Notice, Agenda and Material," below.

4.2. Annual Schedule of Meetings At the beginning of each year, the chairman of the Board shall propose, with the help of the Corporate Governance Secretary, an annual schedule of ordinary meetings of the Board.

4.2.1 The chairman of the Board shall include in the annual schedule the meetings or sessions that will focus on evaluating the Company's management (executive sessions), attended by the directors only (without the presence of Company executives).

4.3. Call Notice. Call notices for meetings of the Board shall be made by the Corporate Governance Secretary, as instructed by the chairman or, in their absence or temporary impediment, the vice-chairman of the Board, in compliance with these Regulations, through the Company's Corporate Governance Portal or, alternatively, via electronic mail (e-mail), and shall contain the date, time and venue of the meeting, the agenda, and the respective supporting material.

4.3.1. Meeting agendas shall contain at least the following:

- (i) information about the recommendations of the Advisory Committees and a short report of the activities, which shall be prepared by the coordinating members of each committee when applicable;
- (ii) a report from the CEO about matters that are relevant to the business;
- (iii) deliberative matters;
- (iv) informative matters;
- (v) the opinion of the chairman of the Board about the informative or deliberative matters to be proposed for the following meeting of the Board.

4.3.2 All deliberative matters to be submitted to the Board, in addition to the supporting material to be provided, shall be accompanied by Deliberation Proposals ("DPs"), which shall contain a clear summary of the information regarding matters to be appreciated and voted on by the Board. The DPs shall have a standard format containing:

- (i) a sequential order number, followed by the year;
- (ii) a header mentioning the nature of the subject;
- (iii) previous decisions on the subject (by the Board of Executive Officers, Advisory Committees or the Board itself);
- (iv) body text with the following information:
 - (iv.1) previous proposals and the facts and reasons justifying the DP;
 - (iv.2) identification of the budget source,
 - (iv.3) designation of areas to support implementation;
- (v) the legal department's opinion, when applicable;
- (vi) date and identification of the proponent.

4.3.3. Notwithstanding the call notice formalities established in these Regulations, meetings shall be considered regular when (i) all directors are in attendance, or (ii) called earlier than expected in case of urgency.

4.4. Term for call notice, agenda and material. Call notice, agenda and supporting material referring to the meetings shall be prepared/sent within seven (7) days before the scheduled date of the meeting.

4.4.1. If the directors do not receive the documents mentioned in the *caput* of this Article in a timely manner, any other director may request the removal of the item on the agenda referring to the missing material, to be included in the agenda of the following meeting. The decision of whether or not to maintain said item in the agenda shall be approved by the majority of directors attending the meeting, provided that its postponement does not make it impracticable to examine the matter.

4.4.2. In the event of an extraordinary meeting, given the urgency of the call notice the chairman or, in their absence or temporary impediment, the vice-chairman of the Board shall be responsible for calling the meeting of the Board, in compliance with these Regulations, as well as establish a deadline for submitting the agenda and supporting material with the help of the Corporate Governance Secretary.

4.5. Venue. Meetings of the Board shall preferably be held at the Company's registered office.

4.6. Installation quorum. Meetings of the Board shall only be installed upon first call when the majority of sitting directors are in attendance. Should the minimum quorum established above not be met, and in compliance with Article 4.4 above, a new meeting shall be called based on the urgency required to address the matter, to be held with any quorum.

4.7. Presiding Board. Meetings of the Board shall be presided by the chairman of the Board or, in their absence or temporary impediment, in accordance with Article 2.6 - "Absence of the Chairman" of these Regulations.

4.8. Voting. Each director is entitled to one (1) vote in meetings of the Board.

4.9. Quorum for deliberation. As a general rule, the Board's decisions shall be approved by the majority of directors attending the meeting, excluding the votes from any directors whose interests are conflicting with the Company's own interests.

4.9.1. Those who are not independent from the matter under discussion shall timely express their conflict of interest or private interest, and another person may do so if they fail to. In such case, the director shall be prevented from voting or participating in discussions, leaving the room while the topic is being addressed.

4.10. Items not on the agenda. The inclusion of items that are not on the agenda shall depend on approval from all directors attending the meeting.

4.11. Guests. The chairman of the Board, by their own initiative or as requested by any director, may invite at their own discretion officers, employees, independent auditors and/or third parties to attend the meetings of the Board and provide the necessary clarifications regarding any item on the meeting's agenda.

4.12. Remote meetings and remote attendance. Meetings of the Board may be held remotely, and the directors may attend meetings remotely as well.

4.12.1 The meetings may be held via conference call, video call or any other means of communication that allows the identification of attending directors and communication with the other persons in attendance.

4.12.2. When participating in a remote meeting and/or remotely attending a meeting, the directors undertake to prevent third parties from watching the meeting without prior approval from the chairman.

4.12.3. Following the meeting, the respective minutes of the meeting shall be signed by all directors in attendance as soon as possible.

4.13. Drawing-up of the minutes. The meetings of the Board shall have minutes drawn-up containing the topics addressed, the decisions made and the actions to be taken, establishing terms and the respective people in charge, and such minutes shall be signed by all and registered in the books filed at the Company's registered office.

4.13.1. The minutes shall be written clearly, registering all of the decisions made, voting abstentions due to conflict of interests, diverging votes, responsibilities and terms, and shall be subsequently subject to formal approval.

4.13.2. The minutes shall be written by the Corporate Governance Secretary within five business days from the date of the meeting.

4.13.3. Directors shall submit to the Corporate Governance Secretary, within three business days from the receipt of the minutes, any requests for correction and/or improvement of the minutes. Any requests received by the Corporate Governance Secretary shall be discussed and approved in the subsequent meeting.

5. Discussion and vote. After the discussions, the chairman shall collect each director's vote. Sessions shall be adjourned or closed, when necessary, upon request from any director and approval from the Board. Should the session be adjourned, the chairman shall schedule the best date, time and venue for its continuation, waiving call notice.

6. Corporate Governance Secretary. The Board shall have a Secretary responsible for the following:

- (a) organizing, as instructed by the chairman of the Board, the agenda of subjects to be addressed, based on requests from Directors and consultations with the Company's Board of Executive Officers.
- (b) preparing call notices for meetings of the Board, giving cognizance to the directors - and any other participants - of the venue, date, time and agenda;
- (c) acting as secretary in the meetings, registering the time spent for the discussion and vote, preparing and drawing-up the respective minutes and other documents in the book, collecting signatures from the attending directors and registering the attendance of any guests;
- (d) filing the minutes and decisions made by the Board at the Company's registered office, as well as submitting them to the competent bodies for registration and publication when applicable;
- (e) issuing certificates, statements and attesting, before any third party and for all due purposes, to the authenticity of the decisions made by the Board;

(f) examining whether the Board's decisions are conflicting with any provisions established by the law, in the Company's bylaws, or any other previous decisions.

7. Advisory Committees

7.1. For the better performance of its roles, the Board may create advisory committees serving as internal bodies to support the Board in addressing and discussing specific subjects, with the Audit Committee as a permanent body. Such committees shall also serve as advisory bodies regarding any matter that requires further detail and analytical scope.

7.2. The committees shall adopt their own regulations approved by the Board.

7.3. The committees shall preferably be composed of directors and coordinated by the independent director.

7.4. Members of the Board of Auditors, if installed, shall be prohibited from participating in the Company's advisory committees.

7.5. Members of management, employees, experts and other third parties whose contribution is valuable for the performance of the works may participate in the meetings as guests, with no voting rights.

7.6. The advisory committees shall examine the subjects for which they are responsible and prepare recommendations for the Board. The material required for the Board's examination shall be made available together with the recommendations, and the director may request additional information if deemed necessary. Only the Board can make decisions.

7.7. Members of the advisory committees shall be subject to the same duties as those attributed to directors in these Regulations.

8. General Provisions

8.1. Amendment to the Regulations. These Regulations can only be amended by decision of the majority of directors.

8.2. Failure to comply. Failure to comply with these Regulations, misinterpretations and/or amendments to its terms shall be submitted to the Board for deliberation.

8.3. Conflict and inconsistency. In the event of any conflict or inconsistency between the provisions set forth in these Regulations, the Corporate Bylaws or the Shareholder Agreement filed at the Company's registered office, the provisions shall prevail in the following order:

- (i) Shareholder Agreement;
- (ii) Corporate Bylaws;
- (iii) Regulations.

8.4. Validity. These Regulations take force on the date of their approval by the Board.



8.5. Scope. These Regulations shall be complied with by the Company, its Officers, Directors, members of the Advisory Committees, as well as other Company departments.

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