

BOARD OF DIRECTORS INTERNAL REGULATIONS

CHAPTER I – OBJECT

Art. 1. These Internal Regulations govern the operation of the Board of Directors and its relationship with other bodies, subject to the provisions of the Bylaws and applicable law.

CHAPTER II - CONCEPTS, STRUCTURE AND COMPETENCES

Art. 2. The Board of Directors is the administration body that sets the general guidelines for the Bank's, its subsidiaries' and controlled companies' businesses.

Art. 3. As established by law and in the Bylaws, the Board of Directors is tasked with strategic, guidance, elective and supervisory duties, not encompassing operational or executive roles.

Art. 4. As defined in the Bank's Bylaws, the Board of Directors will be made up by natural persons elected by the General Assembly, and will have eight members for unified 2-year mandates, among whom a Chairperson and a Vice-Chairperson, subject to up to three re-elections. The mandate term will be extended until the installation of the new members.

Paragraph one. The minority shareholders are entitled to elect at least two Board of Directors members, if the multiple voting process does not grant them a higher number.

Paragraph two. Upon deliberation of the General Assembly, the Federal Government will appoint members to fill in six vacancies in the Board of Directors:

I – The Bank President;

II – Three representatives appointed by the Minister of Finances;

III – One representative elected by the Banco do Brasil S.A. staff members;

IV – One representative appointed by the Minister of Planning, Development and Management.

Art. 5. It is responsibility of the Board of Directors, in addition to the duties defined in the applicable rules or Bylaws:

I – Approve the policies, Code of Ethics, Rules of Conduct, Code of Governance, Annual Chart of Public Policies and Corporate Governance, reports on the Brazilian Code of Corporate Governance, Procurement Regulations, Corporate Strategy, Investment Plan, Master Plan and the Bank General Budget;

II – Discuss about:

a) Distribution of intermediary dividends including as accrued profits or profit reserves existing in the latest annual or half-year balance sheet;

b) Payment of interests on equity;

c) Non-permanent purchase of its own shares;

- d) Bank's corporate interest in corporations in Brazil and abroad;
 - e) Fund raising through instruments eligible to equity; and,
 - f) Change on values established in sub-items I and II of Art. 29, Law # 13.303/16.
- III - Analyze at least quarterly the accounting statements and other financial statements with no damage to the Supervisory Board work;
- IV - Issue opinion about the proposals to be submitted by shareholders to the Assembly's discussion;
- V - Supervise the risk management systems and internal controls;
- VI - Define its own decision-making scope as well as that of the Executive Board, as proposed by the Executive Officers Board;
- VII - Identify assets not used by the Bank and evaluate the need to keep these according to the information provided by the Executive Officers Board;
- VIII – Establish the duties of the Internal Auditing, rule its work, approve its budget and appoint and dismiss the holder of this office;
- IX – Ensure the independence and effectiveness of the Internal Auditing activity, including when exercised by third parties, as well as compliance with the rules and procedures applicable to the internal auditing activity, pursuant to CMN Resolution # 4558/2017;
- X - Provide the necessary means for the Internal Auditing activity to be properly exercised, pursuant to CMN Resolution #4558/2017;
- XI – Select and dismiss independent auditors, whose appointment can be reasonable vetoed by the Board member elected pursuant to paragraph 2, Article 19 of the Bank Bylaws, whenever applicable;
- XII – Establish the number of and elect the Executive Board members, and define their duties observing art. 24 of the Bank Bylaws and the provision of Art. 21, Law # 4.595, of December 31, 1964;
- XIII – Pass its Internal Regulations and decide on the creation, abolishment and working of non-statutory advisory committees in the scope of the Board of Directors;
- XIV – Pass the Internal Regulations of the advisory committees bound to it, as well as the Internal Regulations of the Executive Board and Executive Officers Board;
- XV – Decide on profit sharing among the Bank staff members;
- XVI – Submit to the General Assembly a triple list of specialized corporations to define the economic value of the company, for the purposes provided for in sole paragraph of Art. 10 of the Bank Bylaw;
- XVII – Set profitability goal to ensure the proper equity remuneration;
- XVIII – Elect and dismiss the Ombudsman and members of committees assembled in the scope of the Board;
- XIX – By the end of every year formally evaluate its performance, the performance of the Executive Board, Executive Secretariat, related committees

and of the General Auditor and, by the end of each semester, evaluate the performance of the Bank President.

XX – Express formal opinion regarding public offers to purchase shares issued by the Bank;

XXI – Deliberate about cases unforeseen in the Bank Bylaw and this Internal Regulation, limited to issues of strategic nature under its competence;

XXII – Decide the hiring of specialists and experts to better instruct the matters submitted to its deliberation;

XXIII - Establish the levels of appetite for risk of the institution in the Statement of Risk Appetite and Tolerance (RAS) and review these, supported by the Committee of Risks and Capital, Executive Board and the Vice-President of Internal Controls and Risks Managements;

XXIV – Approve and review at least once a year:

a) The policies, strategies and limits of risk management that set thresholds and procedures to keep exposure to risks compliant to the levels established in the RAS (art. 7, I, CMN Resolution # 4.557/17);

b) The capital management policies and strategies that set forth procedures to keep the Reference Asset, Level I and Principal object of CMN Resolution # 4192/13 at levels compatible with the risks taken (art. 40, I, CMN Resolution # 4.557/17);

c) The program of stress testing object of Art. 11, CMN Resolution # 4.557/17;

d) The policies to manage business continuity (art. 7, IX, CMN Resolution # 4.557/17);

e) The liquidity contingency plan object of art. 38, sub-paragraph II, CMN # Resolution 4.557/17;

f) The capital plan (art. 40, IV, CMN Resolution # 4.557/17);

g) The capital contingency plan (art. 40, V, CMN Resolution # 4.557/17);

XXV - Ensure the institution's adherence to the policies, strategies and limits of risk management;

XXVI - Ensure the timely correction of any failure in the risks management and capital management structures;

XXVII - Approve significant changes resulting from the risks object of art. 7, V, CMN Resolution # 4.557/17, of the institution's policies and strategies, and its systems, routines and procedures;

XXVIII - Whenever required, authorize exceptions to policies, procedures, thresholds and levels of appetite for risks established in the Statement of Risk Appetite and Tolerance (RAS);

XXIX - Foster the dissemination of risk management culture in the organization;

XXX - Ensure proper and sufficient resources to perform risk management and capital management in an independent, objective and effective way;

XXXI - Establish the organization and duties of the Committee of Risks and Capital pursuant to CMN Resolution # 4557/17;

XXXII - Ensure that the remuneration structure adopted by the institution does not encourage behaviors incompatible with the risk appetite levels defined in the Statement of Risks Appetite and Tolerance (RAS);

XXXIII - Ensure that the institution keeps proper and sufficient levels of capital and liquidity.

XXXIV – Ensure that the institution keeps mechanisms for identification and monitoring of risks associated with relevant Subsidiaries and Affiliated Companies with the assistance of the Risks and Capital Committee;

XXXV – manifest, upon prior appreciation of the Remuneration and Eligibility Committee, about the qualification of candidates for Board of Directors members, in accordance with the independent criteria set forth in the Bank's Bylaws, prior to submit to the Shareholders' Meeting for deliberation, contemplating:

- a. The compliance, by the candidate for the Board of Directors, with the Appointment and Succession Policy;
- b. In accordance with the Novo Mercado Regulation, the reason by which it is verified the identification of each candidate that shall be considered as an independent member;

XXXVI – Evaluate and disclose annually, upon prior appreciation of the Remuneration and Eligibility Committee e, who are the independent members, indicate and justify any circumstances that may compromise their independence;

XXXVII – Manifest its opinion on the continuity of transactions with recurring related parties, upon prior evaluation by the Audit Committee, as provided in the Internal Regulations of that Committee.

XXXVIII – Establish the remuneration of the Risks and Capital Committee members;

Sole paragraph: The Corporate Strategy referred to in item I of this article consolidate the company's long-term aspirations and defines what the Bank expects from the strategic segments in which its Subsidiaries and Affiliated Companies operate.

Art. 6. It is incumbent upon the Board Chairperson:

- I – Convene and preside over the Board meetings;
- II – Decide, ad referendum of the Board, on matters requiring urgent resolution;
- III – Ensure the effectiveness and good performance of the body;
- IV – Supported by the Secretary, prepare the meeting agendas;
- V – Coordinate the performance evaluation process of the Board, General Auditor, Bank President, Executive Board and advisory committees to the Board of Directors and Executive Secretariat.

Art. 7. It is incumbent upon the Vice-Chairperson to replace the Board Chairperson in cases of absence or vacancy in the position;

Art. 8. It is incumbent upon the Board member to perform the duties defined by Law, Bylaws and this Internal Regulation.

Art. 9. It is incumbent upon the Board of Directors member holding the position of Banco do Brasil President:

I – Convene the Ordinary Shareholders Meeting, upon the Board of Directors deliberation;

II – Preside the Ordinary Shareholders Meetings and the Executive Board Meetings and supervise their work;

III – Recommend to the Board of Directors the number of Executive Board members, nominating the Vice-Chairpersons and Executive Officers for election;

IV – Recommend to the Board of Directors the duties of the Vice-Chairpersons and Executive Officers, and any eventual deployment;

V – Supervise and coordinate the work of Vice-Chairpersons, Executive Officers and members of units under its direct supervision;

VI – Appoint, dismiss, assign, promote, commend, punish and fire employees, and may grant these powers with explicit limitation;

VII – Appoint, among the Vice-Chairpersons, the coordinator to convene and preside, in his/her absence or impairment, the Board of Directors and Executive Board meetings;

VIII – Submit to the Board of the Directors the deliberations by the Board of Executive Officers that depend on the manifestation of the first.

CHAPTER III – MEETINGS OF THE BOARD OF DIRECTORS

Art. 10. The Board of Directors will meet with the presence of at least the majority of its members:

I – Ordinarily at least once a month; and,

II – Extraordinarily whenever convened by the Chairperson or upon request of at least two members of the Board.

Paragraph one - The Board of Directors meetings will be convened by the Chairperson.

Paragraph two - The extraordinary meeting requested by the Board members pursuant to sub-paragraph II of this article will be convened by the Board Chairperson in up to seven days after the request. After this term, if the Chairperson does not convene it, any Board member can do it.

Paragraph three - The Board of Directors will deliberate upon votes majority, being required:

I – The favorable vote of five Board members to approve the subjects approached in sub-paragraphs I, VIII, IX and XI of the Bylaw Article 21; or

II – The favorable vote of the majority of the Board members present in the meeting to pass the remaining subjects and, in the event of tie, the vote of the Board Chairperson or his/her alternate-in-office will prevail.

Paragraph four - The Board members may eventually participate in the meeting by phone, videoconference or any other communication means that ensure the effective participation and authenticity of his/her vote that will be considered valid for all legal effects, and incorporated to the minutes of that meeting.

Art. 11. The schedule of ordinary meetings to the following year will be approved during the last ordinary meeting of each year.

Art. 12. The Banco do Brasil President-in-office may attend the Board meetings during the President's absence, but with no right to voting.

Art. 13. Dissenting votes and abstentions will be recorded on the minutes.

Art. 14. At the sole discretion of the Chairperson of the Board, resolutions concerning any topic may be adjourned and even removed from the agenda.

Art. 15. Any matter submitted to the Board appreciation as secret and the pertinent decisions should be confidential and restricted to the Board of Directors members and the participants referred to in articles 18, 19 and 20, provided it has no effects on third parties, subject to the provisions of art. 157 of Law # 6404 and Law # 13.303/16.

Art. 16. The Board of Directors shall hold specific meeting at least once a year without the presence of the Executive Officer holding office as Banco do Brasil President, to approve the Annual Plan of Internal Auditing (PAINT) and the Annual Report of the Internal Auditing Activities (Raint).

Art. 17. If the Board of Director Chairperson and Vice-Chairperson are simultaneously absent, an alternate member will be appointed pursuant to the Sole Paragraph of Article 20 of the Bylaws.

Sole Paragraph: the appointment mentioned in the head is not applicable to the Board of Directors member holding office as Banco do Brasil President.

Art. 18. With no damage to the prohibition for the Board members to intervene on any social operation where their interests are in conflict with that of the company, the Board of Directors member representing the employees shall not attend the discussions and deliberations about matters involving trade union relationships, remuneration, benefits and allowances including matters related to complementary and assistance welfare, when the conflict of interests is configured.

Paragraph one - In matters in which the Board of Directors member representing the employees has conflicts of interest, according to the head, deliberation will be during a meeting where said member will not participate.

Paragraph two - The Board member representing the employees in the Board of Directors will be granted up to 30 days to have access to the meeting minute and attached documents referring to the decisions made during the meeting object of paragraph one of this article.

Art. 19. Participate as advisors at the meetings of the Board of Directors:

I. The Legal Executive Officer or, in his/her absence, a member of the Management Committee of the respective unit;

II. The Vice-President of Financial Management and Investor Relations and the Vice-President of Internal Controls and Risks Managements or, in their absence, the vice-presidents who are responsible for their replacement.

Art. 20 Upon the Board request, approved by the favorable vote of at least the majority of the Board members, other persons may be invited to attend the meetings.

CHAPTER IV – MEETINGS AGENDAS AND MINUTES

Art. 21. The meetings agenda will be approved by the Board Chairperson or, in his/her absence or impairment, by the Board Vice-Chairperson appointed by the first, and will be distributed to participants at least seven days in advance, jointly with all documents required to appreciate the subjects comprised.

Paragraph one. The subjects to be included in the agenda and the respective documents will be delivered at the Executive Secretariat in original copy at least ten days prior to the meeting date.

Paragraph two. If any Board member wants to record the vote on a subject included in the agenda, it can submit to the Executive Secretariat at least one day prior to the date scheduled to the meeting, so it is distributed with the remaining participants, with no damage for the right to vote until the moment of decision.

Art. 22. Subjects considered to be urgent and authorized by the Chair person or Vice-Chairperson, if appointed by the first, pursuant to Art. 21 of this Internal Regulation, can be accepted as extra-agenda.

Art. 23. Deliberations will be recorded on the meetings and registered on the proper book, observing the legal provisions.

Paragraph one: The minutes shall be clearly written and shall include the record of the decisions taken, the meeting participants, the dissent votes and the absentee votes, if any.

Paragraph two: Any subject on the agenda will be of confidential nature and of restrict knowledge to the Board and participants of the meetings, observing the provisions of Law 6.404/76 and Law 13.303/16.

Art. 24. When the meeting is closed, the Executive Secretariat will send the minutes to the attending members who will have two business days to analyze and recommend eventual corrections.

Sole Paragraph: When that term expires, the original minute will be sent for signature in up to 30 days as of the meeting date.

CHAPTER V – PERFORMANCE EVALUATIONS

Art. 25. The Board of Directors shall, under the direction of the Chairperson, carry out a formal evaluation of its own performance, and of the performance of the General Auditor, President of the Bank, Executive Board, advisory committees to the Board of Directors and Executive Secretariat Chairperson of the Bank's Audit Committee and the Executive Board, as follows:

I – Evaluation of the Board's work by each member;

II – Self-evaluation of each Board member;

III – Evaluation of the performance of the General Auditor, President of the Bank, Executive Board, advisory committees to the Board of Directors and Executive Secretariat by each member individually.

Paragraph one - Evaluations will be made through proper instrument approved by the Board of Directors;

Paragraph two - The performance evaluation of the Board, the General Auditor, Executive Board, advisory committees to the Board of Directors and Executive Secretariat shall be made annually, while the Banco do Brasil President's evaluation shall be made biannually.

Paragraph three - Considering the provisions of art. 18, the Board member representing the employees will not participate in the evaluation of the Bank President and in any other that configures conflict of interests.

CHAPTER VI – SECRETARIAT AND ADVICE TO THE BOARD

Art. 26. The Executive Secretariat will serve as secretary to the Board of Directors and will be in charge of:

I – Communicating the convening of the Board meetings;

II – Adopting measures to provide the information required by the Board of Directors members;

III – Under the guidance of the Board Chairperson, organize the agenda of subjects to be approached in each meeting, gathering the required documents;

IV – Distribute the agenda and documents, and write down the deliberations to be recorded on the minutes;

V – Take the minutes of the meetings that will be recorded on the proper book and distribute them, through copy to the Board members, whenever required;

VI – Issue and receive documents pertinent to the Board;

VII – Draft the correspondences to be signed by the Chairperson and other Board members;

VIII – Arrange for the administrative support to the Board required to comply with the provisions of this Internal Regulation and laws in force;

IX – Arrange air tickets, accommodation, transportation and request the reimbursement of expenses required to official displacements of the Board members;

X – Undertake all other actions necessary to the Board work, including issue certificates, statements, copies of minutes and others.

Paragraph one - In impediments, licenses or authorized absences of the Executive Secretariat member, the duties provided for in this Article shall be performed by the employee or Executive Officer appointed by the Board Chairperson Secretary of the Board of Directors.

Paragraph two: The minutes of the Board of Directors meetings shall be disclosed:

I. 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; or

II. When they contain deliberations intended to have effects related with third parties, considering any statements made by the Board members, except when the majority decides that the disclosure could put in risk the legitimate interest of the Bank.

CHAPTER VII – GENERAL REMARKS

Art. 27. Any omission and issue of interpretation regarding these Internal Regulations shall be resolved by the Board of Directors.

Brasilia-DF, July 18th, 2019