

2021 Report on the Brazilian Code of Corporate Governance - Tagma

Chapter		Principle		Recommended Practice	Adopted?	Explanation
1. Shareholders	1.1	Shareholding Structure Each share shall entitle to one vote.	1.1.1	The company share capital shall only be composed of common shares.	Yes	
	1.2	Shareholder's Agreements The shareholder's agreements shall not transfer to signatory shareholders the decisions in matters of the powers of the Board of Directors, Executive Board or Supervisory Board.	1.2.1	The shareholders' agreements shall not bind the exercise of voting rights of any administrator or members of supervisory and control bodies.	No	<p>Pursuant to item 4.2.8 of the Company Shareholder's Agreement, the members of the Board of Directors nominated by the controlling shareholders shall vote in line with the position previously defined by the shareholders.</p> <p>It is important to note, however, that the link with the Shareholders' Agreement serves as a mechanism to facilitate alignment between shareholders who are part of the control block, for the benefit of serving the Company's interests and achieving the Company's purpose. Furthermore, the link with the Shareholders' Agreement shall not be seen as inhibiting for the administrator exercising his fiduciary roles and duties, because they are incompatible activities. Law No. 6.404, of December 15, 1976, as amended, ("Law No. 6.404/76") rules the loyalty duty in its article 154, mentioning that the Company interests are priority, even if the administrator has been elected by the controller (and the latter shall not use the Shareholders' Agreement as a pretext to exempt the responsibility in the exercise of the voting rights and control abuse, pursuant to articles 115 and 117 of the same law.</p>

					<p>Regarding the supervisory and control bodies, there is no bidding of the voting right.</p> <p>For further information, see the Company Shareholder's Agreement, available on the investor relations website of the Company (https://ri.tegma.com.br), on CVM website (www.cvm.gov.br) and on B3 website (www.b3.com.br).</p>
	1.3 General Meeting The Administration shall seek the shareholders engagement, promote the attendance in the general meeting and the correct understanding of the matters to be discussed, and also facilitate the nomination and election of candidates for the Board of Directors and Supervisory Board.	1.3.1	The board shall use the general meeting to inform the company business management, and the administration shall publish a manual aiming to facilitate and encourage the participation in general meetings.	Partially	<p>The Company has several practices that allow the participation of its shareholders in the general meetings, as described in item 12.2 of the Company Reference Form (version 1/2021), available on the investor relations website of the Company (https://ri.tegma.com.br), CVM website (www.cvm.gov.br) and B3 website (www.b3.com.br).</p> <p>The Company does not provide a manual for the participation of shareholders in general meetings. However, the Company understands that the Administration Proposal includes all the necessary information to encourage the shareholders' participation in general meetings.</p>
		1.3.2	The minutes shall allow the full understanding of the general meeting discussions, even if drawn up in the form of a summary of the facts, and also bring the identification of the shareholders voting.	Yes	
		1.4.1	The Board of Directors shall make a critical analysis of the vantages and disadvantages of the protective measure and its characteristics and, above all, of the triggers and price parameters, if applicable, and explaining them.	Not applicable.	
	1.4 Protective Measures Protective measures, if adopted by the Company, shall aim to prevent opportunistic acquisitions of significant portions of the company capital in unfavorable moments, preserving the liquidity				

		or maximizing the shares value, in the benefit of all shareholders.	1.4.2	Clauses that impede the removal of the measure from the bylaws, the so-called 'immutable clauses', shall not be used.	Not applicable.	
			1.4.3	If the bylaws so determines the voluntary public offer (VPO) of shares whenever a shareholder or group of shareholders' achieve, directly or indirectly, a relevant participation in the voting capital, the rule for determining the offer price shall not impose premium increases substantially above the economic or market value of the shares.	Not applicable.	
	1.5	Change of Control Regardless of the legal form and the terms and conditions negotiated for the transaction that originates the change of control, all the company shareholders object of the transaction shall be treated fairly and equitably.	1.5.1	<p>The Company bylaws establishes that:</p> <p>(i) transactions in which the direct or indirect disposal of the shareholding control shall be accompanied by a voluntary public offer (VPO) addressed to all shareholders, at the same price and conditions obtained by the vendor;</p> <p>(ii) administrators shall manifest regarding the terms and conditions of corporate reorganizations, capital increases and other transactions that give rise to the change of control, and noting if they ensure a fair and equitable treatment to the company shareholders.</p>	Partially	<p>Regarding item (i), the Art. 40 of the Company Bylaws establishes that the shareholding control transfer, direct or indirect, shall be followed by a takeover bid, addressed to all shareholders, and as established by the New Market Regulation of B3 S.A. – Brasil, Bolsa, Balcão ("B3").</p> <p>Regarding item (ii), the Company Bylaws does not provide the administrators manifestation on the terms and conditions of the corporate reorganizations, capital increases, and transactions that give rise to the control change, noting if they ensure a fair and equitable treatment to the Company shareholders. We point out that Law No. 6.404/76 already provides the duties and responsibilities of administrators in the exercise of their duties, including the duty of diligence, loyalty and the exercise of the powers that the law and bylaws provide them</p>

					to achieve the corporate purposes in the interest of the Company.
	1.6	Manifestation of the Administration in the VPOs The Board of Directors shall instruct the shareholders regarding the VPOs addressed to them.	1.6.1	The bylaws shall provide that the Board of Directors gives its opinion regarding any VPO with shares or securities convertible or exchangeable for shares issued by the company, which shall contain, among other relevant information, the opinion of the administration the possible acceptance of the VPO and on the economic value of the company.	Yes
	1.7	Policy on Results Allocation The policy on the company results allocation shall respect the economic and financial characteristics of the business - cash generation and investment needs - and be known by all stakeholders, shareholders and investors.	1.7.1	The Company shall develop and disclose the policy on the results allocation set by the Board of Directors. Among other aspects, such policy shall provide the frequency of the dividends payment and the reference parameter to be used to define the amount (percentage of the adjusted net income and free cash flow, among others).	Partially
					The Company has a policy indicating the results allocation approved by the Board of Directors on February 11, 2010. However, such policy is a reference for the Company Board of Directors deliberation and does not establish reference parameters to be used to define the amount to be distributed. In addition to the provisions in item 3.4 (Policy on the Results Allocation) of the Company Reference Form (version 1/2021), the articles 38 and 39 of the Company Bylaws include the practices adopted regarding the net profit, dividends and statutory reserves allocation. The Company further informs that the Policy On the Results Allocation is under

						review in order to adjust it to the practice recommended by the Brazilian Corporate Governance Code – Open Capital Companies, and shall be disclosed after approval by the Board of Directors.
	1.8	Semi-Public Corporations The guideline of the Company activities by the controlling shareholder, so that it meets the public interest that justified the creation of the semi-public corporation, shall be compliant with the interests of the other shareholders and investors in the Company securities.	1.8.1	The bylaws shall clearly and precisely identify the public interest that justified the creation of the semi-public corporation, in specific chapter.	Not applicable.	
			1.8.2	The Board of Directors shall monitor the Company activities and establish policies, mechanisms and internal controls for the verification of the costs to comply with the public interest and the possible compensation of the company or other shareholders and investors by the controlling shareholder.	Not applicable.	

2. Board of Directors	<p>2.1 Assignments</p> <p>The Board of Directors shall perform their duties considering the long-term interests of the Company, the impacts arising from their activities in the society and environment, and the fiduciary duties of their members, acting as guardians of the principles, values, corporate object and governance system of the company.</p>	<p>2.1.1 The Board of Directors shall, without prejudice to other legal and statutory duties and other practices provided for in the Code:</p> <p>(i) define the business strategies, considering the impacts of the company activities in the society and environment, aiming the company sustainability and the creation of value in the long-term;</p> <p>(ii) periodically assess the company exposure to risks and the effectiveness of the risk management systems, internal control and integrity/compliance system (compliance), and approve a risk management policy compatible with the business strategies;</p> <p>(iii) set the values and ethical principles of the company and ensure the maintenance of the issuer transparency in the relationship with all stakeholders;</p> <p>(iv) annually review the corporate governance system in order to improve it.</p>	Partially	<p>Regarding item (i), the Board of Directors meets ordinarily at least 12 times a year to decide the issues related to the Company business, including the strategy and budget of the Company for the following financial year.</p> <p>Regarding item (ii) currently the Company adopts practices to track and monitor the changes in the economic environment, regulations and legislation, among other factors related to the industry that may affect its business and activity. The Company is committed to the dynamics of risk management so as to preserve and develop its values, assets, reputation, competitiveness and the longevity of its business, presenting an adequate governance structure for this purpose.</p> <p>The Company's Risk Management Policy is under review and shall be submitted to the approval of the Board of Directors until the Annual General Meeting to be held in 2022, in accordance with the provisions of the Regulation of the New Market by B3. The following are references for this Policy: (i) the corporate governance rules of the Company's Bylaws; (ii) the Company's Code of Ethics and Conduct; (iii) the Company's Information Disclosure and Use Policy and its Security Trading Policy; and (iv) the Brazilian Corporate Governance Code – Open Capital Companies.</p> <p>Regarding item (iii), there have been updates to the Company's Code of Ethics and Conduct, approved by the Board of Directors in a meeting held on August 27, 2020, in order to comply with the requirements of the Regulation on the New Market by B3 S.A. –</p>
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					<p>Brasil, Bolsa, Balcão (“B3”) and Governance Notice, containing the values and ethical principles expected of all administrators, employees and interns, and also of its affiliates and subsidiaries. Likewise, on the same date mentioned above, the Board of Directors approved the Supplier Conduct Code, which seeks to establish some Company requirements and to determine the behavior expected from all business partners during the execution of their activities, observing full compliance with the provisions of the Tagma Code of Conduct, with ethical values and principles, internal policies and applicable current legislation. It is also required that all adopt the best professional practices when interacting with stakeholders, whether they are participants, investors, regulatory bodies, government, service providers or suppliers.</p> <p>Regarding item (iv) above, the Company structures its corporate governance in order to strengthen the implementation of its system effectively to all its members, and the Personnel, Management and Corporate Governance Committee, is responsible for the governance system review in order to improve it. Although there is a review whenever necessary, there is no requirement for the annual review of the corporate governance system.</p>
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	<p>2.2 Composition of the Board of Directors</p> <p>The Board of Directors shall have members of diverse profile, adequate number of independent members, and size that allows the creation of committees, the effective debate of ideas, and the technical decision-making, free and reasoned.</p>	<p>2.2.1</p> <p>The Company bylaws shall establish that:</p> <p>(i) the Board of Directors is composed mostly by external members, with at least one-third of independent members;</p> <p>(ii) the Board of Directors shall evaluate and disclose annually who are the independent members, and also indicate and justify any circumstance that may impair their independence.</p>	<p>Partially</p>	<p>Regarding item (i) the Bylaws does not provide that most of the Board of Directors members shall be external. However, the Article 20 of the Bylaws determine that the Company shall have at least two or 20% of the independent members of its Board of Directors, the percentage referred to in the New Market Regulation. The Company follows the definition provided for in the New Market Regulation to determine which members are independent, by understanding that the description of the independent board member considered in the New Market Regulation is more objective than the provisions of the “Brazilian Code of Corporate Governance”.</p> <p>Regarding item (ii), although there is no statutory provision for the annual assessment of the board member independence, according to the New Market Regulation, the characterization of the nominated to the Board of Directors as an independent member will be deliberated on the general meeting that elects him/her, based on his/her decision in a statement submitted by the nominated to the Board of Directors, stating his/her compliance with the independence criteria, and the manifestation of the Board of Directors itself concerning the compliance or not with the independence criteria.</p>
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			2.2.2	<p>The Board of Directors shall approve a policy of nomination that establishes:</p> <p>(i) the process for the nomination of the Board of Directors members, including the nomination for the participation of other bodies of the company in the referred process;</p> <p>(ii) that the Board of Directors shall be composed by members in view of their time availability for the exercise of their functions and the diversity of knowledge, experiences, behaviors, cultural aspects, age group and gender.</p>	No	<p>i and ii) The Nomination Policy is under review and will be submitted to the approval of the Board of Directors until the Annual General Meeting to be held in 2022, as provided in the New Market Regulation by B3.</p>
	2.3	<p>Chairman of the Board of Directors</p> <p>The Chairman of the Board of Directors shall coordinate the board activities seeking the effectiveness and good performance of the body and of each of its members, serving as a link between the Board of Directors and the CEO.</p>	2.3.1	<p>The CEO shall not accumulate the position of the Board of Directors Chairman.</p>	Yes	

	2.4 Evaluation of the Board of Directors and its Members The Board of Directors shall establish the periodic performance evaluation mechanism that contributes to its effectiveness and improvement of the company governance.	2.4.1 The Company shall implement an annual performance evaluation process of the Board of Directors and its committees, such as consultative bodies, board chairman and board members, individually considered, and of the governance secretary, if applicable.	No	Currently, the Company has no annual performance evaluation process of the Board of Directors and its Committees, and including the Board Chairmen. The Company points out that the Management evaluation process is under review and will be submitted to the approval of the Board of Directors until the Annual General Meeting to be held in 2022, in compliance with the provisions in the New Market Regulation.
	2.5 Succession Planning The Board of Directors shall ensure the continuity of the Company management, so preventing that the succession of the top leaders affects the company performance and causes its value destruction.	2.5.1 The Board of Directors shall approve and keep updated a succession plan of the CEO, which preparation shall be coordinated by the Board of Directors Chairman.	No	Currently, the Company does not have a formalized Succession Plan of the CEO. However, the Company has a Personnel, Management and Governance Committee, which supervises and checks the succession planning process of the key positions of the Company, analyzing the effectiveness of the talent retention, leadership development, evaluation of executives, and training programs. The Company also points out that the CEO Succession Plan is under preparation and will be submitted to the approval of the Board of Directors in accordance with the provisions of the Brazilian Corporate Governance Code – Open Capital Companies.
	2.6 Integration of New Board Members In order to be able to perform their duties properly, the Board members shall understand the company business.	2.6.1 The Company shall have an integration program for the new members of the Board of Directors, previously structured, so that such members are presented to the key people of the company and the premises, and also to discuss the essential topics to the understanding of the company business.	Partially	Although there is no structured and formal integration program of the new members of the Board of Directors, the Company understands the relevance and need for the adoption of this practice to foster productive discussions in the Board meetings, especially regarding the adequate knowledge of the culture, key people and business of the Company, including its main premises. However, the Company believes that the Board meetings are sufficient to ensure that the members are presented to the key people, although there is no formal integration

						program. In addition, the new Board members receive materials on the Company governance and the main activities and business of each operation, allowing new members of the Board of Directors to access essential matters and obtain the knowledge about the Company since they are admitted as administrators.
	2.7	Remuneration of Board Members The Board of Directors remuneration shall be aligned with the company strategic objectives with a focus on its sustainability and creation of long-term value.	2.7.1	The remuneration of the Board members shall be proportional to the tasks, responsibilities and demand of time. There shall be no compensation based on the meetings attendance, and the board variable remuneration, if any, shall not be tied to short-term results.	Yes	
	2.8	Board of Directors Internal Regulation The Board of Directors role shall be guide by a document containing rules that govern its structure and activities.	2.8.1	The Board of Directors shall have an internal regulation that rules its responsibility, powers and rules of operation, including: (i) the powers of the Board Chairman; (ii) the replacement rules of the Board Chairman in case of absence or vacancy; (iii) the measures to be adopted in case of conflict of interests; and (iv) the definition of an advance period enough for receiving the	Yes	

				materials to be discussed at the meetings with appropriate depth.		
	2.9	Board of Directors Meetings The Board of Directors shall adopt a set of actions that facilitates the effectiveness of its meetings, action of external members and provides transparency to its activities.	2.9.1	The Board of Directors shall define a yearly calendar with the dates of regular meetings, which shall not be less than six or more than 12, in addition to call extraordinary meetings, whenever necessary. This calendar shall provide an annual thematic agenda with relevant subjects and discussion dates.	Yes	
			2.9.2	The Board meetings shall provide regular sessions exclusively for the external board members, without the attendance of executives and other invitees, for the alignment of the external members and discussion of topics that may create embarrassment.	Yes	
			2.9.3	The Board meeting minutes shall be drawn up clearly and record the decisions made, attendees, dissenting votes and voting abstentions.	Yes	The minutes of the board meeting are clearly written and record the decisions taken by the Directors present and dissenting votes/abstentions, as provided for in the Internal Regulations of the Board of Directors.

3. Executive Board	3.1	Powers The Executive Board shall manage the Company business, compliant with the risk limits and guidelines approved by the Board of Directors.	3.1.1	<p>The Executive Board shall, without prejudice to other legal and statutory practices provided for in the Code:</p> <p>(i) implement the risk management policy and, where necessary, propose to the Board of Directors any needs for revision of this policy, in the light of changes in the risks which the company is exposed to;</p> <p>(ii) implement and maintain effective mechanisms, processes and programs for the monitoring and disclosure of the financial and operational performance and the impacts of the company activities on society and the environment.</p>	Partially	<p>Although the Risk Management Policy is under review, the Company has procedures to monitor changes in the economic environment, regulation and legislation, among other factors related to its operations that may affect its business and activities.</p> <p>The Company also periodically analyzes the behavior of its performance indicators and takes a conservative stance in the measurement of its financial resources. Besides, the Company is committed to the dynamics of risk management so as to preserve and develop its values, assets, reputation, competitiveness and the longevity of its business, presenting an adequate governance structure for this purpose.</p> <p>In compliance with the rules of article 24 of B3's New Market Regulation, the Company also has areas dedicated to Risk Management, Internal Controls and Compliance in its Risk Governance structure and also informs that the Company's Risk Management Policy is under review and will be submitted to the approval of the Board of Directors to be held in 2022, in accordance with the provisions of the B3 New Market Regulation.</p>
			3.1.2	The Executive Board shall have an internal regulation that establishes its structure, operation, and roles and responsibilities.	No	<p>The Company understands that the information on the subject provided for in the Chapter VI of its Bylaws is adequate to regulate its operation.</p> <p>The Company also points out that the Internal Regulations of the Executive Board is under review and will be submitted to the approval of the Board of Directors until the Annual General Meeting to be held in 2022, in accordance with the Brazilian Corporate Governance Code – Public Companies.</p>

	3.2 Nomination of Directors The nomination and filling of the Executive Board and management positions shall aim the formation of a group aligned with the company principles and ethical values, also aiming the diversity, including the gender diversity, and seeking to fill the positions with people with complementary skills and qualified to face the company challenges.	3.2.1 There shall have no reservation of Executive Board positions or management positions for direct nomination by shareholders.	Yes	
	3.3 Evaluation of the CEO and Executive Board The CEO and Executive board shall be evaluated based on performance, financial and non-financial goals (including environmental, social and governance aspects) aligned with the values and ethical principles of the company.	3.3.1 The CEO shall be evaluated annually in a formal process conducted by the Board of Directors, based on the achievement of the of financial and non-financial performance goals established by the Board of Directors for the Company.	Yes	The Company's Chief Executive Officer is evaluated according to individual performance and goals. The Chief Executive Officer's assessments for the year 2020 were carried out in March 2021. The Chief Executive Officer's compensation consists of fixed and variable elements. Fixed compensation is in line with market practices, ensuring adequate levels of attractiveness and retention of talent. Variable remuneration seeks to reward the professional's performance in accordance with the achievement of pre-established targets annually.

			3.3.2	The results of the other directors' evaluation, including the proposals of the CEO regarding the goals to be agreed and the permanence, promotion or dismissal of executives in their relevant positions, shall be presented, analyzed, discussed and approved in the Board of Directors meeting.	Yes	The structure, methodology and assumptions of the compensation program are based on the Company's budget planning and unfold into global, divisional and individual goals established for the short, medium and long term. In this sense, through compensation based on objectives, we seek to encourage the improvement in our management and the permanence of our executives, members of the Board of Directors and Executive Board, and high-level employees of the Company and its controlled companies, directly or indirectly, seeking gains through commitment to long-term results and short-term performance. Furthermore, this methodology is intended to enable the Company to obtain and maintain the services of high-level executives. The Company also emphasizes that the evaluation process of the Board of Directors, its committees and the Executive Board is under review and will be submitted for approval by the Board of Directors until the Annual General Meeting to be held in 2022, in pursuant to the provisions of B3's Novo Mercado Regulation.
	3.4 Executive Board Remuneration	The Executive Board members' remuneration shall be aligned with the Company strategic goals, with a focus on its sustainability and creation of long-term value.	3.4.1	The Executive Board remuneration shall be defined by means of a remuneration policy approved by the Board of Directors through a formal and transparent process that considers the costs and risks involved.	Partially	The Company periodically reviews the remuneration structure of the Executive Board members, and the Board of Directors shall set the relevant remuneration, according to the results of the market practices, costs and risks involved. The Company also points out that the Remuneration Policy is under review and will be completed and approved by the Board of Directors until the Annual General Meeting to be held in 2022, according to the provisions of the New Market Regulation.

			3.4.2	The Executive Board remuneration shall be linked to results, with medium and long-term goals clearly and objectively related to the generation of economic value for the company in the long-term.	Partially	As described in item 13 of the Company Reference Form (version 1/2021), the Executive Board members are entitled to a fixed and variable remuneration. The values paid in the quality of fixed remuneration are close to the median of the market standards. The variable portion has a significant representativeness in the total remuneration and is linked to indicators that reflect the Company generation of value, which makes the Directors share the risk and result with the Company, allowing a greater long-term alignment and interest among the executives and shareholders. Finally, the Company reports that we have not adopted the Long-Term Incentive Policy (LTIP) yet.
			3.4.3	The incentives structure shall be aligned with the risk limits defined by the Board of Directors and prevent that the same person controls the decision process and the relevant supervision. No one shall decide on his/her own remuneration.	Yes	The Company understands that it complies with the recommended practice, since the incentive structure, including the fixed and variable remuneration of the Officers, is aligned with the strategic plan defined by the Board of Directors, and the Board of Directors is responsible for setting said remuneration, within the limits approved by the General Meeting, without the participation of the Directors due to conflict of interests.

4. Supervision and Control Bodies	4.1 Audit Committee The Company shall have a statutory audit committee, independent and qualified.	4.1.1 The statutory audit committee shall: (i) have among its duties the assistance to the Board of Directors in monitoring and controlling the quality of the financial statements, internal controls, risk management and <i>compliance</i> ; (ii) be formed in its majority by independent members and coordinated by an independent member of the Board of Directors; (iii) have at least one of its members independent, with proven expertise in the corporate accounting area, internal controls, finance and audit, cumulatively; and (iv) have its own budget for hiring consultants to accounting, legal or other issues, when the opinion of an external expert is necessary.	Partially	The Company Audit Committee is non-statutory. However, among its duties, the committee shall (i) advise the Board of Directors in the monitoring and control of the quality of the financial statements, internal controls, risk management, and <i>compliance</i> , and (ii) the coordinator is an independent member. (iii) Most of its members have proven experience in the corporate accounting area, internal controls, finance and audit, cumulatively. The Company also emphasizes that the Audit Committee's Internal Regulation is under review and shall be submitted to the approval of the Board of Directors until the Annual General Meeting to be held in 2022, in accordance with the requirements of the B3 New Market Regulation.
	4.2 Supervisory Board The Supervisory Board, if installed, shall be adopted as a resource and support of the administration, so that its members may develop their individual tasks of independent supervision effectively.	4.2.1 The Supervisory Board shall have a specific internal regulation that describes its structure, operation, work program, roles and responsibilities, without creating embarrassment to the individual performance of its members.	Yes	

			4.2.2	The Supervisory Board meeting minutes shall comply with the same disclosure rules of the Board of Directors minutes.	Yes	
	4.3 Independent Audit The independent auditors shall report to the Board of Directors. This shall ensure the independence of the independent auditors in their activities.	4.3.1	The Company shall establish a policy to hire extra-audit services of its independent auditors, approved by the Board of Directors, and prohibiting the hiring of extra-audit services that may impair the auditors' independence. The Company shall not hire as independent auditor a person who has provided internal audit services less than three years ago.	Partially	<p>The hiring of extra-audit services as provided in the Bylaws depends on the prior approval of the Board of Directors, which assesses the possible existence of a conflict of interest, possibility of impairment of independence, risk of interference in the tasks, among other aspects.</p> <p>Regarding the time limit of 3 years for not hiring, as an independent auditor, a person who has provided internal audit services, the Company understands that the analysis shall be made by the Board of Directors, supported by the Audit Committee, according to the specific case, because, in addition to the competence to assess the independence of the independent auditors, such body has autonomy to recommend to the Board of Directors the hiring and dismissal of independent auditors and, in the event of a situation involving their loss of independence, the Audit Committee has autonomy and independence to do so.</p> <p>The Company also emphasizes that the Extra-Audit Service Hiring Policy is under review and shall be submitted to the approval of the Board of Directors, in accordance with the Brazilian Corporate Governance Code – Open Capital Companies.</p>	
		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 independent auditors work, and also their independence. It shall	Yes		

				also evaluate and discuss the annual work plan of the independent auditor and forward it to the Board of Directors.		
	4.4 Internal Audit 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 shall ensure the qualification and independence of the internal audit team professionals regarding the Executive Board.	4.4.1	The Company shall have an internal audit department directly linked to the Board of Directors.	Partially	The Company created in May 2012 the Internal Audit department, responsible for the monitoring and follow-up of the main internal control practices of the Company. The Internal Audit department reports directly to the CEO and functionally to the Audit Committee (non-statutory), an advisory body to the Board of Directors	
		4.4.2	In case of outsourcing this activity, the internal audit services shall not be exercised by the same company that provides the audit services of the financial statements. The Company shall not hire for the internal audit a person who has provided the independent audit to the Company less than three years ago.	Not applicable.		
	4.5 Risk Management, Internal Controls and Integrity/Compliance The Company shall have an appropriate risk management and maintain internal controls and integrity/compliance programs appropriate to its size, risk and complexity of its activities.	4.5.1	The Company shall adopt a risk management policy, approved by the Board of Directors, which includes the definition of the risks for which the protection is sought, the instruments used for this purpose, the organizational structure for the risks management, the adequacy assessment of the operational structure and internal controls for checking its effectiveness, in	No	The Company has procedures to follow changes in the economic context, regulation and legislation, among other factors related to its sector of activity that may influence its business and activities. The Company also periodically analyzes the behavior of its performance indicators and takes a conservative stance in the management of its financial resources. The Company is committed to the dynamics of risk management so as to preserve and develop its values, assets, reputation, competitiveness and the longevity of its	

				addition to setting the guidelines to establish the acceptable limits for the Company exposure to these risks.		business, presenting an adequate governance structure for this purpose. The Company also emphasizes that the Risk Management Policy is under review and shall be submitted to the approval of the Board of Directors until the Annual General Meeting to be held in 2022, in accordance with the provisions of the B3 New Market Regulation.
			4.5.2	The Board of Directors shall ensure that the Executive Board has the mechanisms and internal controls to learn, evaluate and control the risks, in order to keep them at levels compatible with the set limits, including the integrity/compliance program to comply with the laws, regulations, and external and internal standards.	Partially	<p>The Company's Board of Directors, in compliance with the rules of article 24 of B3's New Market Regulation, determined the creation of the Risk Management, Internal Control and Compliance areas in its Risk Governance structure. We emphasize that said areas have been established and what is a breakdown of the Risk Management, Internal Controls and Compliance areas, considering the current stage of their structuring and implementation process:</p> <p><u>Risk Management</u></p> <p>The Risk Management area seeks to identify, monitor and notify the Governance bodies and Executive Board in a timely manner on the Company's exposure to risks considered to be substantial.</p> <p>This area reports to the Company's Administrative-Financial Officer and is dedicated to the process of identifying and establishing a risk map for Tegma and its Subsidiaries, as well as monitoring evolutions in risk factors considered to be of higher relevance and priority, notifying the other governance areas (Internal Audit, Internal Controls and Compliance), the CEO, the Administrative-Financial Officer and the</p>

					<p>respective managers responsible for mitigating said risks in a timely manner.</p> <p><u>Internal Controls</u></p> <p>The Internal Controls area was created in the Company in 2021 and is currently under structuring. Said area is subordinate to the Company's Administrative-Financial Officer.</p> <p>Due to its nature, this area is closely linked to Risk Management, since the Internal Controls area guides its efforts according to the identification of risk factors, acting primarily in areas in which the Company is the most exposed.</p> <p>These actions take place through the implementation of internal controls that attempt to monitor and mitigate the risks involved in each specific process.</p> <p><u>Compliance</u></p> <p>With regard to the integrity/compliance program, the Company's Compliance system consists of a set of disciplines and practices that seek compliance with Laws, rules, policies and the company's internal processes. It is supported by the following pillars: (i) prevent, (ii) detect and (iii) correct.</p> <p>On 05.06.2019, the Company's CEO announced the implementation of Tegma's Compliance System and the appointment of a Chief Compliance Officer (CCO).</p> <p>Accordingly, although there is no risk management policy formalized by the</p>
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					Company, currently, its management is performed by the Risk Management area.
			4.5.3	The Executive Board shall evaluate, at least annually, the effectiveness of the policies, risk management, and internal control systems, and also the integrity/compliance program and report this evaluation to the Board of Directors.	Partially The Company's Top Management holds periodic meetings in order to monitor, analyze and evaluate the performance of the risks to which the Company is exposed and to analyze the reports received from other departments, in order to define possible treatments applicable to the mitigation of risks. In compliance with the rules of the New Market Regulation, the Risk Management Policy is under review and shall be concluded and approved by the Board of Directors until the Ordinary General Meeting to be held in April 2022, in compliance with B3's New Market Regulation.
5. Ethics and Conflict of Interests	5.1	Code of Conduct and Denunciation Channel The Company shall have a Code of Conduct to promote its values and ethical principles and which reflects the organizational identity and culture, and a denunciation channel to receive the criticism, questions, complaints and denunciations.	5.1.1	The Company shall have a conduct committee, with independence and autonomy and directly linked to the Board of Directors, in charge of the implementation, dissemination, training, review and updating of the Code of Conduct and Denunciation Channel, and also for conducting the investigations and proposing corrective measures regarding the violations to the code of conduct.	Yes The Company has an Ethics Committee that is responsible for running the conduct committee, endowed with independence and autonomy, comprising effective members and employees of the Company, namely: (i) Compliance Officer; (ii) Administrative-Financial and Investor Relations Officer; (iii) People Management Officer, with the main function of promoting the Company's principles and conduct and receiving, evaluating and deciding upon complaints received, as well as proposing corrective measures. The Compliance area is responsible for

						promoting, training and updating the Code of Ethics and Conduct.
			5.1.2	<p>The Code of Conduct prepared by the Executive Board, with the support of the Committee of Conduct and approved by the Board of Directors, shall:</p> <p>(i) rule the internal and external relations of the Company, expressing the commitment expected from the Company, its board members, directors, shareholders, employees, supplies and stakeholders with the adoption of adequate conduct standards;</p> <p>(ii) manage the conflicts of interest and provide the abstention of the Board of Directors, Audit Committee, or Committee of Conduct member, if any, with conflicts;</p> <p>(iii) clearly define the scope and coverage of the actions intended to verify the occurrence of situations that may have used insider information (for example, the</p>	Yes	

				<p>use of insider information for commercial purposes or to obtain advantages in the negotiation of securities);</p> <p>(iv) establish that the ethical principles support the negotiation of contracts, agreements, proposals to amend the bylaws, and also the policies that guide the entire Company, and establish a maximum value for the goods or services that administrators and employees may accept in a free of charge or favored manner.</p>		
			5.1.3	<p>The denunciation channel shall be independent, autonomous and impartial, with operating guidelines defined by the Executive Board and approved by the Board of Directors. It shall be operated independently and impartially, ensuring the anonymity to its users, in addition to promoting timely the investigation and necessary measures. This service may be in charge of a</p>	Yes	<p>The Company has a whistleblowing channel called Canal Confidencial Tagma, which is an open and independent channel that reports to the Ethics Committee and the Audit Committee and guarantees the whistleblower's anonymity. Canal Confidencial is available for complaints from employees and third parties, available 24/7 and with access by: (i) the Company's website (www.tegma.com.br); (ii) by the website https://www.canalconfidencial.com.br/tegma/; and (iii) by calling 0800-377-8001 (Mondays through Fridays from 8:00 am to 8:00 pm), outside of these dates and times,</p>

			third party with recognized ability.		whistleblowers will have to leave a message, which will later be transcribed and forwarded. The complaint channel is outsourced and operated by ICTS Global do Brasil Ltda. (Contractor), an independent and impartial company.
	5.2 Conflict of Interests The company shall establish mechanisms to deal with situations of conflict of interests in the company management or in general meetings.	5.2.1	The Company governance rules shall ensure the separation and clear definition of functions, roles and responsibilities related to the mandates of all governance agents. Also the decision scope of each instance shall be defined, in order to minimize the potential sources of conflicts of interest.	Yes	The Company has in its Bylaws and in the Shareholders' Agreement, specific provisions on the management structure, presenting in a clear and transparent manner to shareholders, the market and the Company itself, its decision-making process.
		5.2.2	The Company governance rules shall be made public and determine that the person who is not independent regarding the matter under discussion or deliberation in the administrative or supervisory bodies of the Company shall report, timely, his/her conflict of interest or particular interest. Otherwise, these rules shall provide that another person reports the conflict, if he/she is aware of it, and, as soon as such conflict of interest is identified concerning a specific topic, the involved person shall keep away, even physically, of the discussions and decisions. The rules shall provide that this temporary	Partially	The Company informs that the issues related to the identification and management of conflicts of interest are dealt in the scope of the Board of Directors, and there are no formal rules on the topic. In accordance with the Corporation Law, no member of the Company's Board of Directors is allowed to vote on meetings of the Board of Directors or act on any operation or transaction in which they have conflicting interests with those of the Company. However, the Company points out that the currently adopted system meets its needs to evaluate the conflicts of interest.

			leave is registered in the minutes.		
			5.2.3 The Company shall have management mechanisms concerning the conflicts of interest in the voting submitted to the general meeting, to receive and process allegations of conflicts of interest, and for the annulment of votes given in conflict, even if subsequently to the meeting.	No	The Company adopts no specific mechanism for the identification of conflicts of interests in its general meetings, applying to this circumstance the rules contained in the Brazilian legislation. Furthermore, pursuant to the Corporation Law, shareholders who have conflicting interests with those of the matter included in the agenda shall be forbidden from voting, since the shareholder should exercise their right to vote in the interest of the Company. As such, General Meeting board shall conduct the works and, therefore, assess the issues related to the conflict of interest of shareholders during the meeting, provided that the shareholder itself identifies the conflict situation. On the other hand, the General Meeting board shall evaluate any alleged conflict and decide on the cancellation of votes delivered in violation of the art. 115 of Law No. 6.404/76.
	5.3 Transactions with Related Parties The Company shall have governance policies and practices in order to ensure that any transaction with related party is always performed in the best	5.3.1	The bylaws shall define which transactions with related parties shall be approved by the Board of Directors, with the exclusion of any members with potentially conflicting interests.	Yes	

		<p>interest of the Company, with full independence and absolute transparency.</p>	<p>5.3.2 The Board of Directors shall approve and implement a policy of transactions with related parties that includes, among other rules:</p> <p>(i) provision that, prior to the approval of specific transactions or guidelines for the hiring of transactions, the Board of Directors requests to the Executive Board the market alternatives to the transaction with the relevant related parties, adjusted by the risk factors involved;</p> <p>(ii) prohibition to remuneration forms of advisers, consultants or intermediaries who generate conflicts of interest with the company, administrators, shareholders or classes of shareholders;</p> <p>(iii) prohibition of loans in favor of the controller and administrators;</p> <p>(iv) the circumstances of transactions with related parties that shall be based by independent evaluation reports, prepared without the participation of any party involved in the relevant transaction, bank, lawyer, specialized consulting company, among others, based on</p>	<p>Yes</p>	<p>The Company's Policy on Transactions with Related Parties has been approved by the Board of Directors in a meeting held on July 1st, 2021, according to the provisions of the B3 New Market Regulation.</p>
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				<p>realistic assumptions and information supported by third parties;</p> <p>(v) that corporate reorganizations involving related parties shall ensure an equal treatment for all shareholders.</p>		
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	<p>5.4 Trading Policy of Securities The trading of shares or other securities issued for the Company by shareholders, administrators, members of the supervisory board and other statutory bodies, and any person with access to information shall be based on principles of transparency, fairness and ethics.</p>	<p>5.4.1 The Company shall adopt, by resolution of the Board of Directors, a trading policy of securities issued by this, which, without prejudice to the compliance with the rules provided by the regulations of CVM (Securities and Exchange Commission of Brazil), establish controls that allow the monitoring of the negotiations, and also the investigation and punishment of those responsible in case of non-compliance with the policy.</p>	<p>Yes</p>	<p>The Company has updated its Trading Policy on Company Securities, as approved in a meeting of the Board of Directors held on 04/23/2021, in order to adjust to the terms of the B3 New Market Regulation. The Trading Policy of the Company Securities is not expressed about the controls that allow the monitoring of the negotiations, or the investigation of non-compliance with the said policy. However, the Company performs the control of the negotiations made through the control of the shareholding base movement, on the basis of the list of employees ITINs (CPF/ME). The Company understands that complies with this principle, since it establishes a punishment of those responsible in case of non-compliance with the policy.</p> <p>Employees from all departments and all business units of the Company receive by email, prior to the disclosure of results, an internal memo alerting about the proximity of the silent period and, consequently, the impediment to trade the securities of the Company.</p> <p>In addition, the directors, board members (including the independent), members of non-statutory committees, members of the Supervisory Board (including the alternates) receive in their individual corporate e-mails an alert regarding the beginning of the results disclosure period, stating that, if they have scheduled assets purchase and/or sales orders, they take the necessary steps in order not to breach the Trading Policy or the CVM rules, also regarding the negotiations carried out by the Company with shares issued by itself.</p>
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	5.5	Policy on Contributions and Donations The administration shall ensure that administrators and other employees understand, clearly and objectively, the principles and rules on contributions and donation of values or goods to philanthropic, cultural, social or environmental projects, or political activities.	5.5.1	In order to ensure a greater transparency regarding the use of the Company resources, a policy shall be drawn up on its voluntary contributions, including those related to political activities, to be approved by the Board of Directors and performed by the executive board, containing clear and objective principles and rules.	No	The Company has a Code of Ethics available on the website of the investors relations of the Company (https://ri.tegma.com.br), CVM website (www.cvm.gov.br), and B3 website (www.b3.com.br), which includes the guidelines and standards of behavior that the Company considers ethically correct, in order to regulate the conduct and actions of all employees (regardless of his/her hierarchical position in the Company), business partners, service providers and suppliers, by establishing their ethical commitments with the Company. The Company also points out that the Policy on Contributions and Donations is under review and will be completed and approved by the Board of Directors until the Ordinary General Meeting to be held in 2022, in compliance with the Brazilian Corporate Governance Code – Open Capital Companies.
			5.5.2	The policy shall provide that the Board of Directors is the body responsible for approving all expenditures related to political activities.	No	The Company has a Code of Ethics available on the website of the investors relations of the Company (https://ri.tegma.com.br), CVM website (www.cvm.gov.br), and B3 website (www.b3.com.br), which includes the guidelines and standards of behavior that the Company considers ethically correct, in order to regulate the conduct and actions of all employees (regardless of his/her hierarchical position in the Company), business partners, service providers and suppliers, by establishing their ethical commitments with the Company. The Company also points out that the Policy on Contributions and Donations is under review and will be completed and approved by the Board of Directors until the Ordinary General Meeting to be held in 2022, in compliance with the Brazilian Corporate Governance Code – Open Capital Companies.

			5.5.3	The policy on voluntary contributions of campaigns controlled by the Government, which have repeated and relevant business relationships with the Government shall prohibit contributions or donations to political parties or people linked to them, even if allowed by law.	Not applicable.	
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