

**ANNUAL AUDIT COMMITTEE REPORT
MRV ENGENHARIA E PARTICIPAÇÕES S.A.
BUSINESS YEAR 2020**

About the Audit Committee:

The Audit Committee (AC) at MRV Engenharia e Participações S.A. (Company) is a permanently functioning statutory department, borne from the alterations made in the company's bylaws, articles 26, 31 and 32, approved at the Ordinary and Extraordinary General meeting held on April 16, 2020. The AC aims to strengthen the company's corporate governance and best practices, in addition to ensuring compliance with the Oversight Guidelines (Guidelines) that were approved at the Board of Directors' meeting held on April 14, 2020 and can be found on the company's IR webpage.

Composition:

The committee is made up of at least 3 (three), and a maximum of 5 (five) members, elected by the Board of Directors for a unified term of 2 years, in which reelection may be allowed, as long as (i) a majority of the members must be independent in accordance with the independence criteria established in the B3 (B3) - Brazil Stock Exchange and Over-the-counter Market and Brazilian Securities Commission (CVM) Novo Mercado Regulations, and other applicable regulations, (ii) at least 1 (one) member must be an independent Board member, according to the definition in the Novo Mercado regulations, and, (iii) at least 1 (one) member must have solid experience in corporate accounting practices in the areas of internal controls, information and financial and auditing operations, cumulatively within the terms of the applicable regulations, in which the independent counselor cited in item (i) may fill this role.

Currently, the company's AC is made up of 3 (three) members, elected at the Board meeting held on April 14, 2020, for a term of two years in which: (i) 2 (two) independent members (which meet the criteria for independence established in the B3 and CVM Novo Mercado regulations), (ii) and at least 1 (one) of whom is a specialist in Accounting and Finance, does not carry out another role in the company, as required by Article 22, Paragraph V of the Novo Mercado regulations. One of the elected members on the Audit Committee carries out the role of Coordinator.

The members of the Audit Committee are: Antônio Kandir (Coordinator), Leonardo Guimarães Corrêa, Pierre Carvalho e Magalhães.

Roles and Responsibilities

The competencies of the Audit Committee have been laid out in the oversight guidelines and are carried out according to the requirements as stated in CVM

Instruction 480 in the B3 Novo Mercado regulations, and in the recommendations in the Corporate Governance and Best Practices manual issued by the Brazilian Institute of Corporate Governance (IBGC), in the company's bylaws, which are to:

- ✦ Monitor and control the quality of financial statements, internal controls and Risk Management and Compliance - Item 22, Attachment 29-A in IN CVM 480.
- ✦ Monitor the effectiveness of auditor performance and auditor independence, reporting to the Board of Directors on the development of tasks - Item 24, Attachment 29-A in IN CVM 480.
- ✦ Weigh in on hiring and terminating the services of independent auditors - Article 22, Paragraph IV, sub item A in the B3 Novo Mercado regulations.
- ✦ Evaluate quarterly information, intermediary statements and financial statements - Article 22, Paragraph IV, sub item B in the B3 Novo Mercado regulations.
- ✦ Evaluate and monitor the company's exposure to risk, including operational, financial, strategic and reputational risks, overseeing and supervising the process of risk management - Article 22, Paragraph IV, sub item D in the B3 Novo Mercado regulations.
- ✦ Evaluate, monitor and recommend corrections or improvements to internal policies to the Board of Directors, including the Related Party Transactions policy - Article 22, Paragraph IV, sub item E in the B3 Novo Mercado regulations.
- ✦ Evaluate any company infractions of legal responsibilities and applicable standards by means of receiving and handling information, in addition to regulations and internal codes, guaranteeing the protection of the individual responsible and the sensitivity of information - Article 22, Paragraph IV, sub item F in the B3 Novo Mercado regulations.
- ✦ Report committee activities to the Board of Directors on a quarterly basis, registering the aforementioned report in Board Minutes - Article 22, 2 Subsection in the B3 Novo Mercado regulations.
- ✦ Oversee internal auditing activities and internal control departments, including the quality of activities, existing structure, work plans and the results of performance - Recommended in the IBGC Corporate Governance and Best Practices manual.

Meetings and Issues Discussed

After its creation, the Audit Committee met 5 (five) times during the 2020 business year, aiming to meet legal and guideline requirements. Participating departments in these meetings included the Comptroller department, the Internal Auditing department, independent auditors and the company's Fiscal Board.

Some of the important items discussed were:

📌 **May 27, 2020 meeting**

Orders of Business	Minutes
Evaluation of quarterly information – 1Q20, to be posted on May 28, 2020.	Assess whether quarterly information was correctly carried out, adequately reflects the company's current situation and if information is in line with other information presented by the organization.
Discussion of topics related to committee's routine and activities, as well as organizing the company's annual agenda.	Organize the work program and the AC's annual agenda, ensuring proper performance and observation according to the guidelines established in the Oversight Guidelines.

📌 **June 23, 2020 meeting:**

Orders of Business	Minutes
Presentation of external auditor's work plan (KPMG)	Monitor the effectiveness of independent auditors and their independence. Oversee the companies risk exposure and supervise risk management process.
Presentation of the Internal Auditing, Risk Management and Compliance work plan	Oversee internal auditing activities, including the quality of Risk Management and Compliance processes, the existing structure, work plan and results of past activities. Evaluate any company infractions of legal responsibilities and applicable standards by means of receiving and handling information, in addition to regulations and internal codes, guaranteeing the protection of the individual responsible and the sensitivity of information.

📌 **August 10, 2020 meeting:**

Orders of Business	Minutes
Evaluation of quarterly information – 2Q20, to be posted on August 12, 2020.	Assess whether quarterly information was correctly carried out, adequately reflects the company's current situation and if information is in line with other information presented by the organization.

📌 **November 9, 2020 meeting:**

Orders of Business	Minutes
Evaluation of quarterly information – 3Q20, to be posted on November 11, 2020.	Assess whether quarterly information was correctly carried out, adequately reflects the company's current situation and if information is in line with other information presented by the organization.

📌 **December 14, 2020 meeting:**

Orders of Business	Minutes
Presentation of external auditor's work plan (KPMG)	<p>Monitor the effectiveness of independent auditors and their independence.</p> <p>Oversee the companies risk exposure and supervise risk management process.</p>
Presentation of the Internal Auditing, Risk Management and Compliance work plan	<p>Oversee internal auditing activities, including the quality of Risk Management and Compliance processes, the existing structure, work plan and results of past activities.</p> <p>Evaluate any company infractions of legal responsibilities and applicable standards by means of receiving and handling information, in addition to regulations and internal codes, guaranteeing the protection of the individual responsible and the sensitivity of information.</p>

📌 **March 2, 2021 meeting:**

Orders of Business	Minutes
Evaluate financial statements and the Board's annual report on business activities closed on December 31, 2020, to be posted on March 4, 2021	Evaluate if financial statements, including the destination of Net Income, Capital Budget, as well as the Board's Annual Report have been properly assembled, and if information adequately reflects the company's current situation and is in line with other information presented by the organization.
Approval of annual report	Issue the Annual Report the Audit Committee's activities, results and conclusions for business closed on December 31, 2020 to be disclosed on the market.
Approval of work plan and annual agenda	Organize the AC annual work plan and agenda, ensuring solid performance and compliance

	with the issues established in the Oversight Guidelines.
Self-evaluation process	Carry out self-evaluation based on activities carried out in 2020, aiming to ensure enhancement in performance.

An important item of note, in the hopes of ensuring the best practices in managing the company’s financial information and internal controls, the AC bears the full support and participation of the Comptroller Department at every step of the process.

The Internal Auditing and independent auditors participated in meetings in the June 26, 2020, December 14, 2020 and March 2, 2021 meetings in order to lend support in the oversight and analysis of the company’s risk management.

The Fiscal Board and the AC met together on June 23, 2020, December 14, 2020 and March 2, 2021 to analyze, (i) the work plan and Internal Auditing and Independent Auditor reports, and, (ii) financial statements from business activities 2020.

The activities of all meetings were registered in Meeting Minutes and signed by the respective members, and duly filed in the company’s headquarter archives.

Risk Management Evaluation and Monitoring Risk Exposure

The company’s Internal and External Auditing departments presented the Audit Committee with a work plan for business activities 2020 at the June 23, 2020 meeting, at which they were approved.

This report, which included the results and activities carried out under the perspective of the work plan, was registered at the AC meeting held on December 14, 2020.

Board of Directors Report

The Audit Committee reports to the Board of Directors and is an autonomous, operational committee, with a separate budget, that acts as a support entity and provides consulting to the Board of Directors on issues such as the handling and quality of financial statements and internal controls, aiming to ensure the reliability and integrity of information. The role of its members is non-transferable and shall be carried out exclusively by the elected committee members.

The AC has compiled a report of activities, including all of the activities that were carried out, in addition to committee discussions, at the Board Meeting held on August 11, 2020.

Self-Evaluation

The Audit Committee self-evaluation process on activities carried out in 2020 took place at the March 2, 2021 meeting, at which time a decision was made to fill out and sign the survey, for posterior mailing to the Company's Committee in order to compile data. Results obtained from the evaluation process will be analyzed at the next opportunity and will be passed on to the Board of Directors.

Planning for Business Activities 2021

According to the work plan analyzed and approved by the Audit Committee, a total of 9 (nine) ordinary meetings will be held in 2021, and will aim to meet the legal requirements and guidelines in this report included in item 'Duties and Responsibilities', with no restriction on future Extraordinary meetings, should they be deemed necessary by the committee.

Conclusions and Recommendations

The company's Audit Committee members carried out their duties and responsibilities of analyzing financial statements for business activities closed on December 31, 2020 (Annual Financial Statements 2020), overseen by independent auditors, ad referendum to the company's Board of Directors.

Based on the information provided by the company's administration and independent auditors, the committee has concluded that the information and documents presented as regards financial statements, including the proposal for Net Income, Capital Budget well as the Board of Directors' Annual Report for business activities closed on December 31, 2020, adequately reflect, in all relative aspects, the company's equity and financial position, d referendum to the company's Board of Directors.

Belo Horizonte/MG, March 2, 2021.

Antonio Kandir
Committee Member

Leonardo Guimarães Corrêa
Committee Member

Pierre Carvalho Magalhães
Committee Member

[SIGNATURE PAGE - AUDIT COMMITTEE ANNUAL REPORT - BUSINESS ACTIVITIES 2020 - MRV ENGENHARIA E PARTICIPAÇÕES S.A.]