




**CORPORATE GOVERNANCE POLICY**


**PAGSEGURO INTERNET S.A.**

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		Date:	<b>December/2019</b>

**Effectiveness and Revision**

*This Policy is effective for one (1) year as of the date of the last revision written on the chart at the end hereof. It shall be revised and updated before it expires, in case of changes in the applicable legislation and/or strategic management of PagSeguro Internet S.A.*

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## 1. INTRODUCTION AND PURPOSE

This **Corporate Governance Policy** ("Policy") of **PagSeguro Internet S.A.** ("PagSeguro" or "Company"), a payment institution authorized to operate by the Brazilian Central Bank ("Central Bank"), sets forth the Company's governance structure, in compliance with the provisions set forth in Circular No. 3.681, dated November 4, 2013 ("Circular 3681/13").

## 2. APPLICABILITY

This Policy is applicable to all professionals, procedures and departments of PagSeguro, regardless of the structuring into physical or virtual units and/or form of access, whether local or remote, to PagSeguro's environment.

## 3. SCOPE

Pursuant to Circular 3681/13, this corporate governance policy has the purpose to establish the procedures to be adopted by PagSeguro in order to: (i) manage the risks which the Company is exposed to; (ii) manage its assets; and (iii) preserve the value and liquidity of electronic currencies issued by PagSeguro.

## 4. DEFINITIONS

**Bacen Circular 3681, of November 2013:** It provides for risk management, minimum equity requirements, payment institution governance, maintenance of value and liquidity of balances in payment accounts, and other provisions.

**Equity:** Fair and equitable treatment for all partners and other stakeholders, subject to their rights and duties.

**Corporate Governance:** Set of laws, rules, customs, policies and procedures that govern the conduct, management and control of the Company, subject to the relations between the stakeholders.

**Transparency:** Clearly provide all stakeholders with information they request, not only information required by regulations.


**Accountability:** To clearly and accurately provide Company's information, subject to the results of the Company's acts and omissions, at all times acting with diligence and responsibility under its roles.

**Corporate liability:** To look after the Company's economic and financial feasibility.

## 5. CORPORATE GOVERNANCE GUIDELINES

- a) To structure the corporate governance model, duly formalized through internal rules at strategic, tactical and operational, strengthening the decision-making process and accountability of results achieved;
- b) To standardize and maintain in an up-to-date and formal document, which is made available for all regulatory bodies and other stakeholders, the structure of operational departments, including the description of their purpose, roles and responsibilities;
- c) To provide formal and clear communication channels;

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- d) To have mechanisms to detect and monitor conflicts of interests, ensuring the segregation of duties and the definition of roles and responsibilities associated to the offices of all governance agents;
- e) To disseminate principles and values of ethical conduct, looking after the developments in all hierarchical levels through formal rules;
- f) To ensure that all PagSeguro's strategies are performed in compliance with the rules established by regulatory entities, as well as with the internal rules, pursuant to the Brazilian and foreign legal provisions, as applicable, and in compliance with good market practices and the principles of social and environmental liability.
- g) To apply guidelines and the best corporate governance practices, promoting synergy between structures in order to comply with PagSeguro's strategic goals;
- h) To look after the asset and risk management, investing the financial resources in a rational and transparent way, always aligned with the stakeholders' interests; and
- i) To continuously improve the risk management involving the Company's business.


## **6. BANK SECRECY**

PagSeguro is committed with the information secrecy obligation, pursuant to provisions in Supplementary Law No. 105/2001, keeping confidentiality in debit and credit operations, as well as services provided, ensuring integrity and privacy. PagSeguro is also committed to the ongoing safekeep and maintenance of information and documents received from its clients, and it ensures the security and secrecy when storing such information, subject to all legal and regulatory principles.

Confidential information means the information with to be used solely by the Company, which may not be disclosed to third-parties. Employees may only use confidential information in order to fulfill Company's interests and purposes, and it may not be transmitted to any third-party, regardless whether they are stakeholders, competitors, clients, service providers or any other person that is not directly involved with the use, in order to directly fulfill PagSeguro's interests and purposes.

Access provided by the Company, passwords, files and e-mails are for personal use only, secret and non-transferable, and they may not be shared with anyone, even if the person works in the same department. Additionally, employees may not share confidential information to their employees who are not directly involved in the same activities.

Those who do not comply with the provisions herein shall be liable for any damages inflicted to the Company.

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## **7. RISK MANAGEMENT STRUCTURE**

As required by applicable rules, the Risk Management structure of PagSeguro, as described below, does not depend on performance of its activities and it is fully apart from PagSeguro’s operational area.

### **7.1 Operational Risk Management**

Pursuant to article 2 of Bacen Circular 3681/13, the operational risk is the possibility of losses as a result of the following events: (a) failures in safeguarding sensitive information related both to end users’ credentials and other information exchanged to perform payment transactions; (b) failure in the identification and authentication of end users; (c) failures in authorization of payment transactions; (d) internal frauds; (e) external frauds; (f) employment claims and deficient security at workplace; (g) inappropriate practices related to end users, products and payment services; (h) damages to its own physical assets or to the physical assets currently in use by the institution; (i) events resulting in the interruption of activities performed by the payment institution or interruption of payment services; (j) failures in information technology systems; and (k) failure in the execution, meeting deadlines and management of activities.


Pursuant to the abovementioned Bacen Circular 3681/13, operational risk also covers legal risk associated to the inappropriateness or deficiency in agreements executed by PagSeguro, sanctions due to non-compliance with legal provisions and indemnification to third parties arising from associated activities.

PagSeguro’s operational risk management structure involves the implementation and maintenance of the procedures established in the Operational Risk Policy, which aim at and allow the identification, assessment, monitoring, control and mitigation of such risk, according to the responsibilities established herein.

### **7.2 Liquidity Risk Management**

Pursuant to article 2 of Bacen Circular 3681/13, the liquidity risk is the possibility that the payment institution: (i) may not be able to actually perform its expected and non-expected obligations, whether current or future, without affecting its daily operations and without incurring material losses; and (b) may not be able to convert electronic currency into physical or book-entry currency upon user’s request.

PagSeguro’s liquidity risk management structure covers treasury procedures, fund raising and investments of PagSeguro, in order to implement an effective and integrated structure, as well as to guide the employees on their responsibilities in the liquidity risk management procedure regarding the products offered by PagSeguro. Liquidity risk management procedures are described in the Liquidity Risk Policy.

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### **7.3 Credit Risk Management**

Pursuant to article 2 of Circular 3681/13, the credit risk is the possibility of losses related to nonperformance, by the counter-party, with its relevant financial obligations under the agreed terms, reduced earnings or compensation, advantages granted during renegotiation and recovery costs, including default by any of the involved parties.

PagSeguro's credit risk management structure covers the implementation and maintenance of procedures established in the Policy of Credit Risk Management, which establishes the necessary requirements to identify, assess, monitor, control and mitigate such risk by PagSeguro, according to the responsibilities established herein.

## **8. CAPITAL AND ASSET MANAGEMENT STRUCTURE**

### **Minimum Asset Requirements**

Pursuant to article 9 of Circular 3681/13, accreditation payment institutions – such as PagSeguro – shall permanently maintain net equity adjusted by the income statement accounts in the amount corresponding to, at least, two percent (2%) of the monthly average amount of payment transactions performed by the institution in the last twelve (12) months.


Moreover, pursuant to article 10 of Circular 3681, payment institutions that issue electronic currency – such as PagSeguro – shall permanently maintain net equity adjusted by the income statement accounts in the amount corresponding to, at least, two percent (2%) of the monthly average amount of payment transactions performed by the institution in the last twelve (12) months or the balance of electronic currency issued by the institution, calculated on a daily basis.

As a payment institution acting as accreditation institution and issuer of electronic currency, PagSeguro shall comply with the minimum requirements abovementioned.

In order to daily monitor its net equity with the purpose to permanently maintain it under the parameters described above, PagSeguro adopts the following procedures, among other procedures that may be approved by its Board of Executive Officers:

- a) performance of daily assessments on the sufficiency of its net equity;
- b) submission of management reports on the suitability of the Company's net equity, on a quarterly basis, to the Board of Executive Officers;
- c) periodical monitoring of material risks incurred by PagSeguro;
- d) submission of stress test results and evaluation of their impacts on net equity to

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PagSeguro’s Board of Executive Officers and Risk Committee on a half-annual basis; and

- e) continuous follow-up on market conditions, in order to anticipate capital needs resulted from potential changes to such conditions.

**9. VALUE PRESERVATION STRUCTURE AND LIQUIDITY OF ELECTRONIC CURRENCIES ISSUED BY PAGSEGURO**

PagSeguro’s liquidity risk management team shall inform PagSeguro’s Treasury and Corporate Treasury on the balance of funds available, on a daily basis, and the projected balance of payment accounts held by PagSeguro. Corporate Treasury is responsible for ensuring the allocation of such funds in compliance with the provisions set forth in Circular 3681/13.

PagSeguro’s liquidity risk management team prepares periodic reports with the projection of short and middle-term stress tests. All reports are periodically submitted to the Board of Executive Officers and other members, who monitor the liquidity and value preservation structure of electronic currency issued by the Company.

**10. ROLES AND RESPONSIBILITIES**

**10.1 Board of Executive Officers**


The Board of Executive Officers is the executive body representing the Company, and it is responsible for the Company’s regular operation, with powers to perform all and any acts regarding the corporate purpose, except for the ones that depend on previous approval by the General Shareholders’ Meeting as provided by Law or the Company’s Bylaws.

PagSeguro’s Board of Executive Officers is comprised by at least two (2) and at most six (6) members serving for a unified term-of-office of two (2) years, re-election being permitted, among which, one (1) member will be appointed as Chief Executive officer, two (2) members will be appointed as Vice-Chief Executive Officers, and the other members as Executive Officers.

The Chief Executive Officer is solely responsible for: I – instructing the Company’s regular activities, including the implementation of guidelines and compliance with the resolutions made at the General Shareholders’ Meeting and at the Board of Executive Officers’ meeting; and II – controlling, managing and overseeing the corporate business.

The Vice-Chief Executive Officers are solely responsible for: I - instructing the Company’s regular activities, including the implementation of guidelines and compliance with the resolutions made at the General Shareholders’ Meeting and at the Board of Executive Officers’ meeting; II - controlling, managing and overseeing the corporate business, as well as issuing

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and approving internal regulations and instructions deemed useful or necessary; III – overseeing the management by the members of the Board of Executive Officers, requesting information about the Company’s business.

The Executive Officers are solely responsible for: I – instructing the activities of the Company’s departments and areas that they are in charge of, and providing support to the other members of the Board of Executive Officers.

**10.2 Officer responsible for risk management**

The Officer responsible for risk management has the following attributions:


- (i) periodically review this Policy, as well as the Credit Risk, Liquidity Risk and Operational Risk Management Policies, in order to verify their compatibility with the Company’s strategic plan, Central Bank’s requirements and market conditions, proposing changes deemed necessary to the Board of Executive Officers;
- (ii) follow-up on the implementation of the asset management procedures set forth herein, among other procedures that may be approved by the Board of Executive Officers;
- (iii) oversee management reports on the net equity adjustment, in the frequency to be defined by the Board of Executive Officers;
- (iv) report to the Board of Executive Officers information related to risk, asset and liquidity management and value preservation of the electronic currency issued by the institution.
- (v) comply with the regulatory body regarding the recommendations and notes providing for corporate governance.

**10.3. Other Officers in the Company**

The Officers who are in charge of their departments have the following attributions, in addition to the attributions provided in the Company’s Bylaws:

- (i) periodically review this Policy, in order to verify its compatibility with the Company’s strategic planning, the requirements from the Central Bank of Brazil and the market conditions, suggesting any changes that may be deemed necessary;
- (ii) report material information to the other Officers;
- (iii) comply with the regulatory body, in relation to recommendations and notes providing for matters on their departments and activities; and

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- (iv) disseminate the Company's culture and help the employees to better perform their activities.

#### **10.4. PagSeguro's Committees**

PagSeguro has Executive Committees with specific purposes in order to ensure that the Company's strategies are aligned with the detected risks and relevant law. Each committee contains an internal set of rules to determine and limit the duties and responsibilities of the stakeholders, subject to the hierarchical level and the technical knowledge. Currently, these are the Executive Committees of PagSeguro:

- *Liquidity, Credit Risk and Credit Committee;*
- *Corporate Governance Committee (Internal Controls, Compliance, AMLATF and Operational Risk);*
- *Data Governance Committee;*
- *Portfolio Committee (Products);*
- *Information Security Committee*
- *Financial Committee*

#### **10.5. Technical Forums**

To advise the Executive Committees during recurring initiatives with a technical and operational scope related to daily activities of PagSeguro, under a more detailed and specific technical view.

#### **10.6. Task force**


To establish actions and follow-up on implementation schedules for specific purposes, within a previously established period.

#### **10.7. All team leads and managers**

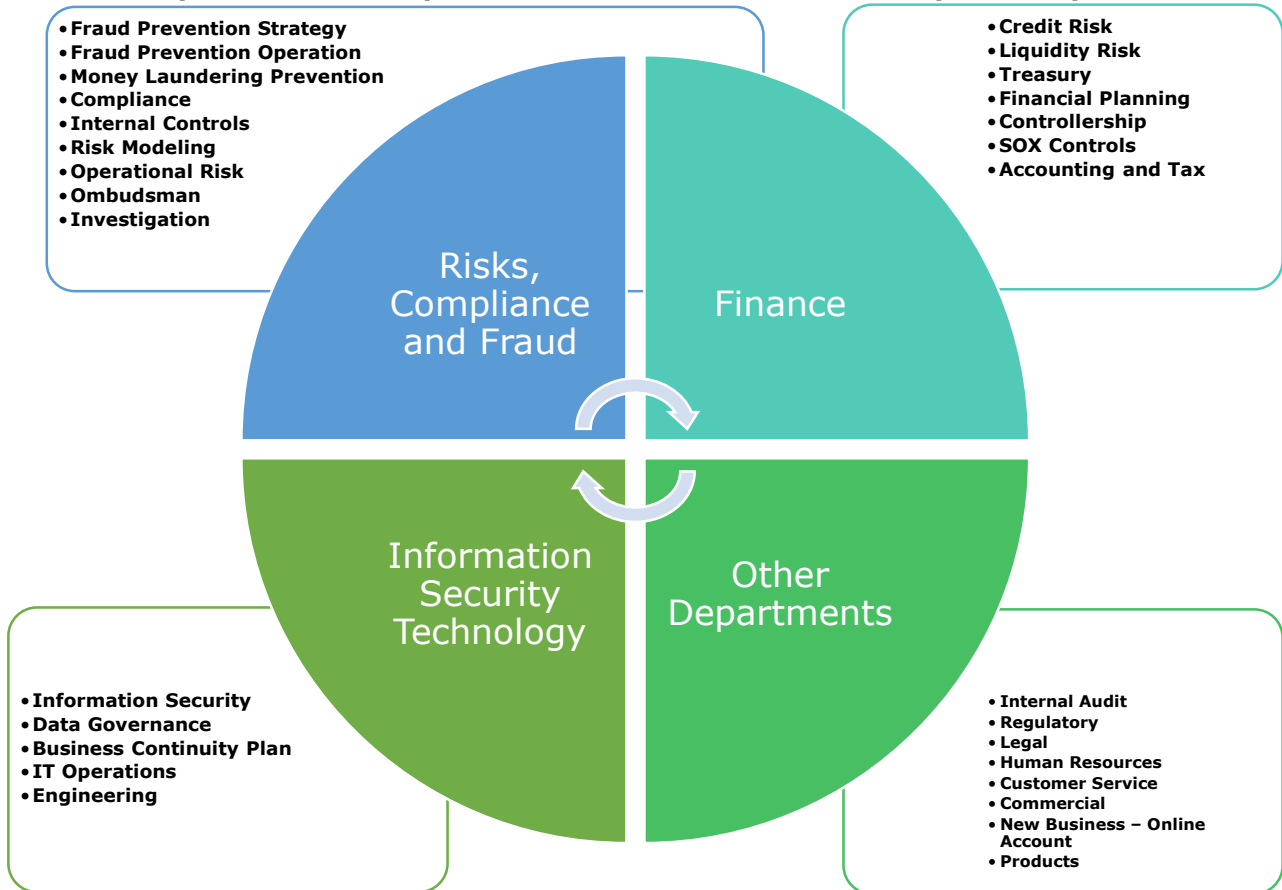
- All team leaders and managers are responsible for disseminating for everyone in their team and/or service providers, the established principles, notions and policies, as well as the code of ethics, information security, Compliance rules and guidelines related to the Corporate Governance.

#### **10.8. All employees of PagSeguro**

- All employees of PagSeguro are responsible for complying with the Company's Guidelines, pursuant to the Code of Ethics, following-up on policies and procedures of their department, and to whistleblow on any undue practice.

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**10.9. Description of main departments/activities and brief scope description**



**Anti-Fraud Strategy** – The Anti-Fraud Strategy department is under the management of the Risk, Fraud and Compliance Board of Executive Officers, and its main responsibility is to prevent any unlawful act by scammers, as well as to manage the following matters: establishment of rules, limits and direction points, including business rules, with the purpose of mitigating the likelihood of fraud, whether external or internal; to detect the modus operandi of scammers and their hacking mechanisms; to suggest changes to processes or products to make financial and non-financial transactions safer; to suggest the implementation of new security factors; to detect and suggest new tools and techniques to prevent electronic frauds; and to act as a partner in preventing electronic frauds, together with the other managers and officers of the Company.

**Anti-Fraud Operations** – This department is under the management of the Risk, Fraud and Compliance Board of Executive Officers, and it is responsible for, among other things, handling the following matters: fraud certification, chargeback, analysis of registration and web transaction.

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**Anti-Money Laundering** – This department is under the management of the Risk, Fraud and Compliance Board of Executive Officers, and it is responsible for, among other things, handling the following matters: monitoring and recording operations that are suspected of money laundering and terrorism financing; blocking and detecting attempts of operations in non-cooperative countries; performing previous analysis of new products and services; ensuring proper anti-money laundering training sessions for PagSeguro’s employees; reporting suspicious operations (COAD); and procedures adopted pursuant to the legal and regulatory requirements applicable to PagSeguro.


**Compliance** – This department is under the management of the Risk, Fraud and Compliance Board of Executive Officers, and it is responsible for, among other things, handling the following matters: disseminating to all employees the ethical, conduct and cultural standards according to the Company’s Code of Ethics; guiding and reinforcing all applicable regulatory matters; preserving and protecting PagSeguro’s reputation, maintaining the trust from its clients, partners, suppliers, contractors and stakeholders; ensuring the compliance with applicable laws and regulations; ensuring the preparation of reports on the condition of the Compliance department; and ensuring the proper duty segregation, in order to mitigate conflicts of interest and to maintain the due autonomy of the departments.

**Internal Controls** – This department is under the management of the Risk, Fraud and Compliance Board of Executive Officers, and it is responsible for, among other things, handling the following matters: disseminating the culture on the importance of internal controls to all of PagSeguro’s employees; ensuring the compliance with the rules and regulations and adherence to the internal policies and procedures; aligning the structure of internal controls to the business purposes and risks; ensuring the roles and responsibilities and delegation of authority, subject to PagSeguro’s hierarchical structure, in order to ensure due segregation of conflicting roles and responsibilities; promoting the preparation of reports on the condition of the internal controls department, to be analyzed and approved by the relevant body; and ensuring that the internal control environment is periodically reviewed and updated, in order to ensure its effectiveness.

**Risk Modeling** – This department is under the management of the Risk, Fraud and Compliance Board of Executive Officers, and it is responsible for, among other things, handling the following matters: developing statistical models to prevent financial transaction fraud; monitoring, improving and adjusting statistical models that approve/decline, on real time, all transactions and the creation of business rules, which, when associated to the models, help improving the approval rate and/or reducing suspicious behavior; creating and maintaining reports that feed a warning list for analysis by an expert team. Reports are created based on suspicious behavior by different entities related to the Procurement processes.

**Operational Risk** – This department is under the management of the Risk, Fraud and Compliance Board of Executive Officers, and it is responsible for, among other things, handling

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the following matters: management model; identifying risks; analysis, assessment and prioritization of operational risks: finance, image/reputation, legal/regulatory; response and handling operational risk: mitigating (or reducing), sharing (or transferring), prevent (or eliminating), undertaking (or to condone); monitoring the risk exposure level; reporting risks; and disclosing management actions for such risks.


**Ombudsman** – This department is under the management of the Risk, Fraud and Compliance Board of Executive Officers, and it is responsible for, among other things, handling the following matters: receiving, recording, instructing, analyzing and providing formal and proper treatment to the complaints from clients and users of products and services that were not solved by the customer service normally provided by PagSeguro; providing all necessary answers and acknowledging claimants on the progress of their claims and the measures adopted; informing the claimants on the period expected for their final answer and forwarding conclusive answer for their claim; maintaining PagSeguro’s Board of Executive Officers informed on detected problems and deficiencies and on the result of the measures adopted in order to solve them; and preparing and forwarding to the Internal Audit department and the Board of Executive Officers of PagSeguro, at the end of every six-month period, a quantitative and qualitative report on the Ombudsman performance.

**Investigation** – This department is under the management of the Risk, Fraud and Compliance Board of Executive Officers, and it is responsible for, among other things, handling the following matters: detecting and analyzing the accuracy of information provided by criminally convicted persons who are related to PagSeguro; acting in the investigation of clients, pursuant to the criteria adopted by the Company; and analyzing, as requested by the other PagSeguro’s departments, suspicious transactions (whether suspected of internal or external fraud), performing the freezing of the transaction, if needed.

**Credit Risk** – This department is under the management of the Financial Board of Executive Officers, and it is responsible for, among other things, handling the following matters: card issuers; settling with the accreditation company; liquidator; commercial establishment; operational; domestic; inability to transfer financial resources when of the foreign exchange amounts to be received; issuing electronic currency; settlement with the sub-accreditation company and marketplace; and working capital.

**Liquidity Risk** – This department is under the management of the Financial Board of Executive Officers, and it is responsible for, among other things, handling the following matters: preparing strategies for the management of liquidity risk, establishing operational limits and procedures for keeping the exposure to liquidity risk within the levels established by PagSeguro’s Directors; preparing procedures to identify, assess, monitor and control the exposure to liquidity risk in different perspectives of time, including the input, comprising at least the daily assessment of operations; evaluation, at least once a year; preparing a “Liquidity Contingency Plan”, to be updated on a regular basis, establishing the responsibilities

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and procedures in order to face liquidity stress situations; performing, on a regular basis, stress tests for long and short-term scenarios, strange to PagSeguro's operations, and performing systemic tests, with results that must be taken into account when establishing or reviewing the policies, strategies, limits and the liquidity contingency plan; assessing the liquidity risk as part of the approval process for new products, as well as the compatibility of such with current controls and procedures; preparing an annual report on PagSeguro's liquidity risk management procedures; and controlling the application of resources kept in payment accounts, guiding with PagSeguro's Treasury department the compliance with obligations arising from security and availability to clients, pursuant to article 12 of Circular 3681/2013.


**Treasury** – This department is under the management of the Financial Board of Executive Officers, and it is responsible for, among other things, handling the following matters: cash management, investments, loans, accounts payable and receivable, billing and bank settlement.

**Financial Planning** – This department is under the management of the Financial Board of Executive Officers, and it is responsible for, among other things, handling the following matters: product pricing; analysis of banking and payment market; compilation of studies and reports; economic feasibility analysis for new products; and consolidation and estimate of the Company's results in a micro view (products) and a macro view (companies), with the purpose of structuring data and information supporting PagSeguro's Board of Executive Officers on its decision-making process.

**Controllership** – This department is under the management of the Financial Board of Executive Officers, and it is responsible for, among other things, handling the following matters: preparation and disclosure of the financial statements under the accounting practices adopted in Brazil, established by the Brazilian Corporate Act, together with the rules of the Brazilian Monetary Council (CMN) and the Central Bank of Brazil and template of such document provided in the Accounting Plan of the Brazilian Financial System Institutions (COSIF); preparation and disclosure of financial statements under the International Financial Reporting Standards (IFRS) and the International Accounting Standards Board (IASB); preparation of the 20F annual report and 6K quarterly report, filed at SEC; ensuring the accounting, tax and fiscal compliance; complying with the regulations provided by Central Bank of Brazil, the Brazilian National, Local and State Tax Departments; complying with the inspections made by all regulatory entities; complying with internal and external audit; managing ancillary and/or regulatory obligations; looking after the Company's tax good standing before the public entities under the National, State and Local branches; accuracy of collected taxes; and managing all invoices received from suppliers.

**SOx Controls** – This department is under the management of the Financial Board of Executive Officers, and it is responsible for, among other things, handling the following matters: preparing the Internal Controls guide indicating the main assumptions (Materiality calculation,

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definition of accounts and material processes, risks, assertions, type of control, periodicity of controls and sample); mapping the material processes that have an impact on financial statements; assessing controls to mitigate risks detected; design test and control test; assessing systems that are affecting the financial statements under the COBIT's perspective; support to external audit; reporting results to the Company's Board of Executive Officers.

**Accounting and Tax** – This department is under the management of the Financial Board of Executive Officers, and it is responsible for, among other things, handling the following matters: preparing and disclosing all financial statements required by law; ensuring the accounting, tax and fiscal compliance; complying with the regulations provided by Central Bank of Brazil, the Brazilian National, Local and State Tax Departments; complying with the inspections made by all regulatory entities; and complying with internal and external audit.

**Information Security** – This department is under the management of the Technology Office, and it is responsible for, among other things, handling the following matters: governing, planning and supervising data and information security indicators and activities that organize the decision-making process, under the ISOs (E.g. ISO27001) or regulations that govern the subject and associated matters, included in the regular and cyber universe; managing incidents and defects, protection against the leak of confidential information and data, accreditation of security and handling of sensitive information within corporate and strategic context guided by PagSeguro's business and operations; creating and implementing information security policies, preparing methodological norms, procedures and requirements related to the activity and coverage of Security and SGSI – Information Security Management System, under ISO-27001 and its amendments; maintaining the CSIRT – Security Incident Response and Solution Center, together with the SOC – Security Operations Center, meeting all internal and external (from regulatory entities) needs when requested; coordinating and performing actions towards the management of technology, human and procedural issues/risks within the Security scope, in connection with the prevention of problems and incidents associated to any failures that may become risks or threats to the Company; suggesting and taking part in opinion reports, homologation, code and/or invasion tests, vulnerability assessments, validations and due diligence/care in connection with information security, especially, the handling of those which may break the adherence projected by the Company; helping, providing support and guiding other Company's departments in pursuing a safe, dynamic, integrated and innovative ecosystem, regardless of technology or hierarchical matters, ensuring the smallest impact on the clients' experience and PagSeguro's operations; inspecting for the accurate security control and accreditation of persons, employees, companies, partners and entities, ensuring the handling of information, data and control of access according to its rating and fundamental needs to perform their activities; coordinating for the establishment of guidelines to continuously guide the Company towards improvement, compliance with certifications, regulatory labels, for the business continuity and the perpetuity of PagSeguro's business; and organizing continuous programs and journeys to make employees aware of our security culture, pursuant to our fundamental values of impartiality,

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confidentiality, integrity, transparency (as applicable), authenticity, ethics and, above all, security.

**Data Governance** – This department is under the management of the Technology Office, and it is responsible for, among other things, handling the following matters: controlling strategies, policies, rules, procedures, roles and activities associated with data assets; controlling processes in order to provide data to support the decision; planning, implementing and controlling activities to protect access to data; managing metadata in a centralized form; and managing activities for the application of Data Quality techniques in order to measure, assess, improve and ensure the quality of the Company’s data.

**Going Concern Plan (GCP)** – This department is under the management of the Technology Office, and it is responsible for, among other things, guiding all PagSeguro’s teams and its associated companies, who need guidelines in order to create documents related to the Going Concern (Operational Continuity Plan – PCO, Crisis Management Program – PAC, Validation and Testing Plan – PTV, Incident Management Plan – PGI and Disaster Recovery Plan – PRD).


**IT Operations** – This department is under the management of the Technology Office, and it is responsible for, among other things, handling the following matters: providing operational infrastructure; the development, growth and operation of systems; and Company’s infrastructure components.

**Engineering** – This department is under the management of the Technology Office, and it is responsible for, among other things, the development and growth of PagSeguro’s technology services, including products used by the client and the systems that provide support to the Company’s internal departments.

**Internal Audit** – This department is under the management of the Company’s Board of Executive Officers, and it is responsible for, among other things, handling the following matters: reviewing and testing the established controls on a systematic basis; ensuring the compliance with the policies, plans, procedures, laws, regulations and contracts that may materially affect operations and reports, and it shall determine if the Company is meeting all standards, goals and procedures established; performing all main exercises covering control, pursuant to the Annual Plan, in order to improve procedures and mitigate risks; controlling information technology and data protection security; and reporting to the Board of Executive Officers and the Company’s Management on the results of all control exercises performed.

**Regulatory** – This department is under the management of the Institutional, Legal, Human Resources Office, and it is responsible for, among other things, handling the following matters: regulatory and competition matters (CADE, Central Bank of Brazil, ANATEL, ANCINE, etc.); following up on legislative initiatives related to the Company’s business; taking part in association of companies connected to the Company’s business; lawsuits, inquiries and material agreements of the Company (e.g. matters involving financial and payment

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institutions, PagSeguro’s competitors, suppliers of platforms and other inputs, strategic partnerships, public civil actions, etc.); and Legal Compliance.

**Legal** – This department is under the management of the Institutional, Legal, Human Resources Office, and it is responsible for, among other things, handling the following matters: corporate, business, contractual, tax, labor, intellectual property and criminal matters, including inquiries and litigation.

**Human Resources** – This department is under the management of the Institutional, Legal, Human Resources Office, and it is responsible for, among other things, handling the following matters: compensation and benefits; solicitation and retention of employees; internal communication; training and development; and salary management.


**Customer Service** – This department is under the management of the Customer Service Office, and it is responsible for, among other things, handling the following matters: providing access to clients through various channels: Self-service (Content and Automation), Phone, E-mail, Chat, Social Media (Facebook / Twitter / Instagram), Marketplace, On-site and Critical (Reclame Aqui, PROCON, etc.); providing support to clients with resolution and the best and fast service to them, acting together with the other departments in the Company in order to leverage the implementation of continuous improvement actions, reducing the need of contact, improving the client experience and generating efficiency gain.

**Commercial** – This department is under the management of the -Commercial Office, and it is responsible for, among other things, handling the following matters: channels for prospecting new clients; maintenance clients’ portfolio; negotiation of rates, expiration dates, discounts in machines, payment deadlines, anticipation fees, rebates and trade marketing budget for clients; budget and performance of trade marketing actions and commercial events; negotiation and relationship with payment arrangements (Card Brands); planning, budget and following-up on sales targets by channels and portfolios; and planning, segmenting, creating and guiding all the direct communication with the client base (CRM).

**New Business – Online Account** – This department is responsible for handling the following matters: Services related to the Pagbank Account, Mobile Money and Super App. Currently, the Pagbank Account Services include the following products and services: bill payment, express wire transfer (TEDs), compensatory account, wire transfers, salary transfer, cashback and cash in. Mobile Money includes the following products and services: Pagbank wallet and QR Code payment. Super App includes the following products and services: cell phone top ups, Uber, Spotify, Google Play, and other partners that may be created.

**Products** – This department is under the management of the Products, Design and Innovation Office, and it is responsible for, among other things, handling the following matters:

*Any amendment to this procedure must be previously analyzed by the departments of Corporate Governance and Compliance*

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developing interfaces, feasibility studies, product portfolio management, processes and innovation culture.

## **11. ISSUANCE, REVISION, AND APPLICABILITY OF POLICIES, PROCEDURES AND GUIDES**

### **Issuance**

PagSeguro's Compliance department is in charge of revising the Policies, Procedures and Guides prepared by the Company's departments, as well as obtaining all necessary approvals for their formalization. The Policies must always have the approval from the head of the department and subsequent approval of the collegiate Board of Executive Officers of PagSeguro.

Only the head of the department's approval is required in order to formalize the Procedures and Guides.

Upon all necessary approvals, the Policies are submitted to PagSeguro's Internal Communication department, which is responsible for providing the document in the intranet and disclosing it to all Company's employees, as the case may be.

### **Revision**

All documents are valid for one (1) year from the date of its issue, and upon the expiration of such, the department in charge must contact the Compliance department to update the policy into a new document.

All expired documents shall be effective until the issuance of an updated document.

### **Applicability**


Each department is responsible for such documents, the compliance with them and their applicability. The Compliance department is responsible for ensuring that the rules established therein are complied with.

## **12. DUTIES**

All duties must be performed responsibly and in compliance with the Company's regulations, always subject to the limits established in the Bylaws, powers-of-attorney, policies and internal procedures handling the matter under discussion.

Whenever there is a conflict between the decision to be made and the person in charge of the resolution under discussion, the latter must refrain from such approval, and the decision shall be forwarded to a higher authority. The decision shall also be submitted to a higher authority

*Any amendment to this procedure must be previously analyzed by the departments of Corporate Governance and Compliance*

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in the event of termination of a position and/or hierarchical level with authority provided in this Policy or in other PagSeguro's rules.

**13. QUESTIONS**

Questions arising from this Policy must be submitted to the Corporate Governance department.

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