

2024 – 2025

Report on the  
Brazilian Code  
of **Corporate  
Governance  
Publicly Held  
Companies**  
TOTVS S.A.

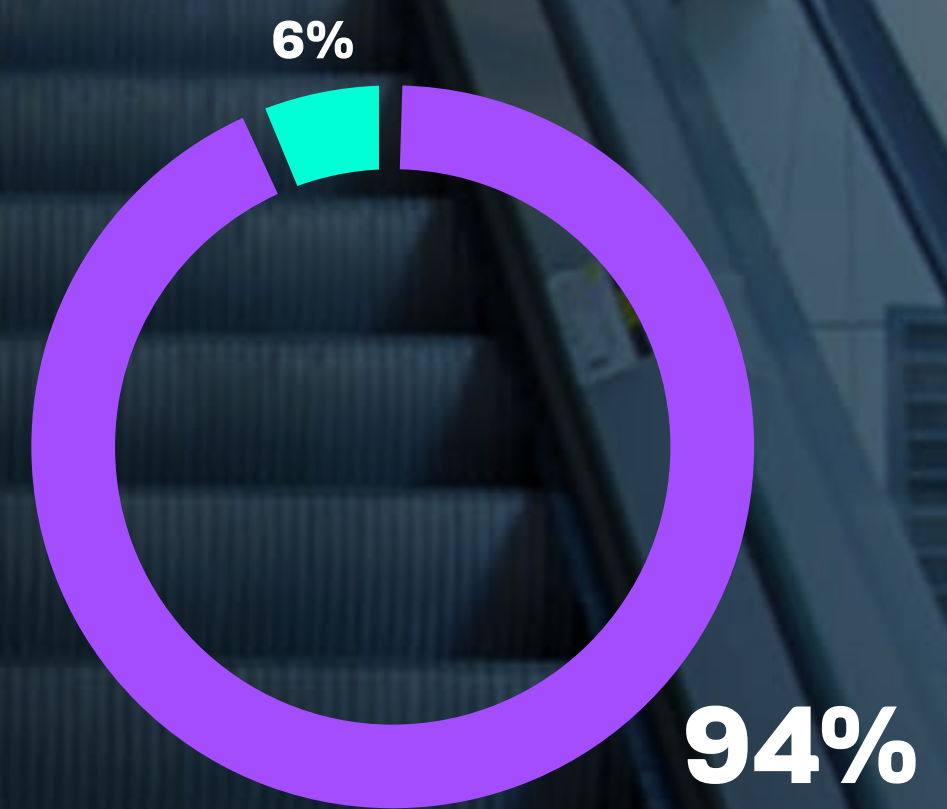
The **Report on the Brazilian Code of Corporate Governance** aims to reinforce the transparency of governance practices in publicly held companies. The content of the document is based on the guidelines and recommendations contained in the “Code of Best Practices for Corporate Governance,” prepared by the Brazilian Institute of Corporate Governance (IBGC). Through the “comply or explain” model, companies indicate their adherence to the practices recommended in the Code.



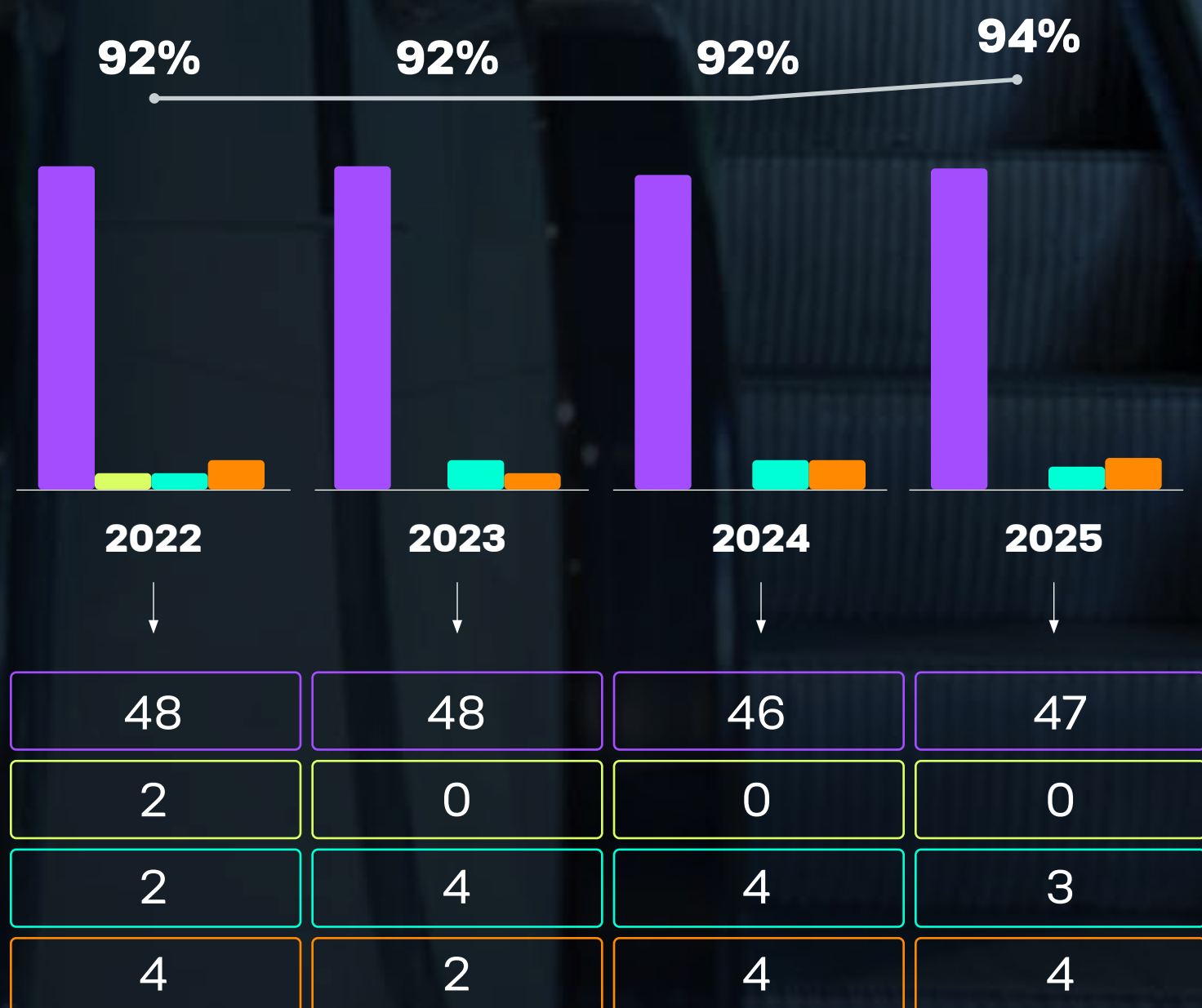
TOTVS maintains a solid corporate governance structure, adopting rigorous standards of transparency, fairness, accountability, and corporate responsibility. The high level of adherence to recommended practices, as evidenced in the following charts, reinforces its commitment to excellence in corporate governance.

## GLOBAL ADHERENCE 2025:

- Adopted
- Partially adopted
- Not adopted



## EVOLUTION OF THE ADHERENCE:



Between 2023 and 2024, the number of “Adopted practices” decreased due to the failure to establish the Company’s Fiscal Council, so that items related to this topic were reported as “Not applicable.” In 2025, the Fiscal Council was also not established.

As the metrics adopted by IBGC, the adherence is obtained by number answers “Adopted”, divided by the sum of answers “Adopted”, “Partially adopted” and “Not adopted”.



**05**

Shareholders



**10**

Board of Directors



**18**

Board of Executive Officers



**23**

Supervisory and Control Bodies



**28**

Ethics and Conflict of Interests



This documents mentioned herein are available on the Company's website <http://ri.totvs.com/en/> and/or CVM - Securities Commission [https://www.gov.br/cvm/en?set\\_language=en](https://www.gov.br/cvm/en?set_language=en)

# 1\_ Shareholders

## CHAPTER'S ADHERENCE:

20%

80%

- Practice adopted
- Partially adopted
- Not adopted



## 1.1 Shareholding Structure

### 1.1.1 The company's capital stock must be composed up only of common shares.

PRACTICE ADOPTED

PARTIALLY ADOPTED

NOT ADOPTED

NOT APPLICABLE

In compliance with the regulations set forth by the 'Novo Mercado' Regulation of B3 S.A. – Brasil, Bolsa, Balcão ("B3"), the Company's capital stock is composed solely of common shares, as the issuance of preferred shares is forbidden.



More information:  
[Company's Bylaws](#), article 5, sole paragraph;  
[Reference Form](#), section 12.1.



## 1.2 Shareholders' Agreements

### 1.2.1 Shareholders' agreements shall not bind the exercise of voting rights of any manager or member of the supervisory and control bodies.

PRACTICE ADOPTED

PARTIALLY ADOPTED

NOT ADOPTED

NOT APPLICABLE

At present, neither a shareholders' agreement is registered at the company's headquarters nor a controlling shareholder. The members of the Board of Directors and its Advisory Committees exercise independent judgment in alignment with the Company's best interests, guided by their personal convictions and the provisions of the Bylaws, the Charter of the Board of Directors, as well as the applicable legislation.



More information:  
[Charter of the Board of Directors](#), article 9, section (i);  
[Reference Form](#), section 1.13.



## 1.3 General meeting

### 1.3.1 The board of executive officers should use the meeting to communicate the conduct of the company's business, so the Management must publish a manual to facilitate and encourage participation in meetings.

PRACTICE ADOPTED

PARTIALLY ADOPTED

NOT ADOPTED

NOT APPLICABLE

By means of general meetings, the Board of Executive Officers provides shareholders with the Company's regular business management reports and is available to provide clarifications as required by the current legislation. TOTVS provides a comprehensive "Manual to Attend" designed to facilitate shareholder participation in general meetings. This guide clearly and objectively outlines all agenda items, guidelines regarding the required docu-

mentation, available voting formats, and quorums required to establish the meetings.



More information:  
[Manual to Attend - 2025](#).

**1.3.2 Minutes must enable a full understanding of the discussions at the meeting, even if drawn up as a summary of events, and identify the votes cast by the shareholders.**

▼

PRACTICE ADOPTED	PARTIALLY ADOPTED	NOT ADOPTED	NOT APPLICABLE
------------------	-------------------	-------------	----------------

TOTVS understands that adopts the recommended practice, because although the Company’s Bylaws contain a provision setting forth that meeting minutes must be drawn up in summary form, with a summarized report of the vote cast by the attending shareholders, blank votes, and abstentions, any shareholder is entitled (pursuant to article 130, paragraph 1 of Law 6.404/76) to submit to the chair and secretary, explanations of votes or dissenting votes, which will be subsequently disclosed herewith the minutes of the correspond-

ing meeting, as required by article 22, section IX of CVM Resolution 80/22. Hence, the Company comprehends that such practices ensure full understanding of the discussions held at meetings.

Manual to Attend – 2025; Company’s Bylaws, article 10, paragraph 6.

**1.4 Defensive Measures**

**1.4.1 The board of directors shall perform a critical review of the advantages and disadvantages of the defense measure and its characteristics, and above all of the triggers and price parameters that explain them, if applicable.**

▼

PRACTICE ADOPTED	PARTIALLY ADOPTED	NOT ADOPTED	NOT APPLICABLE
------------------	-------------------	-------------	----------------

It is the duty of the Governance and Nomination Committee to carry out this analysis, reporting its conclusions to the Board of Directors for deliberation.

The Committee therefore examined both the advantages and disadvantages of the defensive measure detailed in the Company’s Bylaws, subsequently recommending its maintenance to the Board of Directors. This recommendation received Board approval on July 4th, 2022.

In 2025, the matter was revisited with a recom-

mendation to maintain the measures in the Bylaws, having been assessed by the Board of Directors upon approval of the Management’s Proposal for the General Meeting on March 18th, 2025.

More information:  
[Company’s Bylaws](#), article 25;  
[Charter of the Board of Directors](#), article 40;  
[Minutes of the Board of Directors’ Meeting Held on July 4th, 2022.](#)

**1.4.2 Clauses that prevent the removal of any provision from the bylaws, the so-called ‘entrenchment provisions’, shall not be used.**

▼

PRACTICE ADOPTED	PARTIALLY ADOPTED	NOT ADOPTED	NOT APPLICABLE
------------------	-------------------	-------------	----------------

The mechanism to protect against stock dispersion was introduced as a provision into the Company’s Bylaws on March 7th, 2006, in preparation for the initial public offering of shares for listing on B3’s “Novo Mercado”. The Company understands that the adoption of this practice occurs partially, considering that the effectiveness of this entrenchment clause may have limited effects under CVM Guidance Opinion No. 036/2009.

More information:  
[Company’s Bylaws](#), article 43.



**1.4.3 If the Bylaws sets forth that a public offering of shares (OPA) is performed whenever a shareholder or group of shareholders reaches, whether directly or indirectly, a significant share in the voting capital, the rule of determining the price of the offer shall not impose premium increases substantially above the economic or market value of the shares.**

PRACTICE ADOPTED

PARTIALLY ADOPTED

NOT ADOPTED

NOT APPLICABLE

The Company's Management understands that the offer price guideline does not imply substantial premium increases, in light of current stock market practices. Moreover, the Management understands that the shareholders have repeatedly considered the price parameters of a potential OPA takeover bid to be adequate to protect the Company's interests, implying no abuse of power by the management.

It is worth emphasizing that the percentage determined as a trigger to activate the protection

mechanism of stock dispersion provided for in the Company's Bylaws exceeds the current share owned by its largest shareholder.



More information:

[Company's Bylaws](#), article 43, caption and paragraphs 2 and 14.



## 1.5 Change of Control

**1.5.1 The company's bylaws must set forth that: (i) transactions involving the direct or indirect sale of share control must be accompanied of a public offering of shares (OPA) to be forwarded to all shareholders, at the same price and conditions got by the selling shareholder; (ii) Management members must express their opinion on the terms and conditions of corporate restructuring processes, capital stock increases and other transactions that give rise to change of control, and state whether they ensure a fair and equitable treatment to the company's shareholders.**

PRACTICE ADOPTED

PARTIALLY ADOPTED

NOT ADOPTED

NOT APPLICABLE

The Company is a member B3's "Novo Mercado" segment, and complies with its Regulation in the event its shareholding control is sold. In this scenario, the acquirer must carry out an OPA takeover bid for all shareholders, for the same amount paid to the controlling shareholder, as provided for in the Company's Bylaws.

At present, the Company does not have a controlling shareholder, and any acquisition of an interest equal to or greater than 20% of the total shares issued by it requires an OPA takeover bid, ensuring the protection of its shareholders' interests, both in the event of a sale of control and in the potential formation of a new controlling shareholder.

It will be up to the management members to approve transactions that cause a change of control, to the extent that they: (a) depend on the resolu-

tion of the Board of Directors; or (b) originate from the Management's own proposal to the general meeting.

Hence, it will depend on the manifestation of the Board of Directors, as the case may be, operations to change control involving corporate reorganizations, capital increases and other transactions, the issuance of shares, subscription bonus and debentures convertible into shares, provided, however, that the last three shall be within the authorized capital limit.



More information:

[Company's Bylaws](#), articles 19, subparagraph (xxiv), 42, and 43.



## 1.6 The Management opinion upon the OPA takeover bids

- 1.6.1 The bylaws must provide that the board of directors gives its opinion about any public offering (OPA) the purpose of which is of shares or securities convertible or exchangeable for shares issued by the company, which must contain, among other relevant information, the Management's opinion on any acceptance of such public offering (OPA) and on the company's economic value.**

PRACTICE ADOPTED

PARTIALLY ADOPTED

NOT ADOPTED

NOT APPLICABLE

TOTVS is part of B3's "Novo Mercado" segment, and the provisions of its regulation have been duly incorporated into the Company's Bylaws.

Thus, it is the Board of Directors' duty to state its position on public offerings for acquiring shares issued by the Company. The Board must provide a prior and reasoned opinion to fulfill its fiduciary obligations and adhere to relevant regulations.



More information:

[Company's Bylaws](#), article 19, subparagraph (xxiii).



## 1.7 Earnings distribution policy

- 1.7.1 The company shall prepare and disclose a profit distribution policy set forth by the board of directors. Among other aspects, such policy shall provide for the frequency of dividend payments and the benchmark to be used to determine the corresponding amount (percentages of adjusted net income and free cash flow, among others).**

PRACTICE ADOPTED

PARTIALLY ADOPTED

NOT ADOPTED

NOT APPLICABLE

The Company understands that this practice is partially adopted, considering that it does not have a formal and publicly disclosed earnings allocation policy. However, the Company's Bylaws have objective provisions on the subject, besides those provided for by law.

Such guidelines are observed by the Board of Directors in the proposals submitted to the General

Meeting, or in the approval of intermediate distributions throughout the fiscal years.



More information:

[Company's Bylaws](#), articles 36 to 41; [Reference Form](#), section 2.7.



## 1.8 Semi-public companies

- 1.8.1 The bylaws must clearly and accurately identify the public interest that justified the creation of the semipublic corporation, in a specific chapter.**

- 1.8.2 The board of directors must monitor the company's activities and set forth policies, mechanisms, and internal controls to ascertain the possible costs of serving the public interest and any possible reimbursement to the company or other shareholders and investors by the controlling shareholder.**

PRACTICE ADOPTED

PARTIALLY ADOPTED

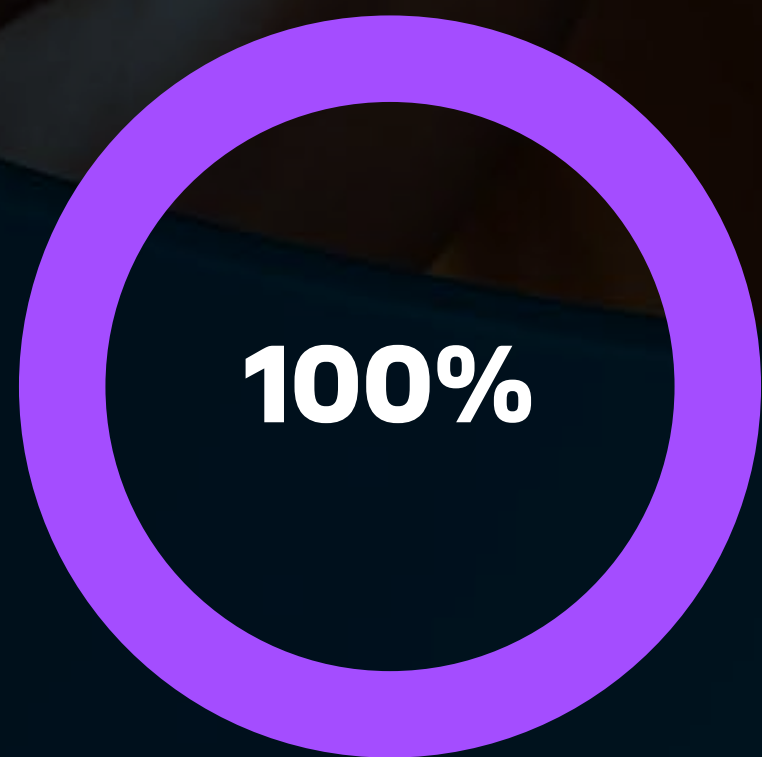
NOT ADOPTED

NOT APPLICABLE

The Company is not a semi-public corporation.

# 2\_ Board of Directors

CHAPTER'S ADHERENCE:



- Practices adopted
- Partially adopted
- Not adopted



## 2.1 Duties

- 2.1.1 The board of directors must, without prejudice to other legal, statutory, and other practices provided for in the Code: (i) to define business strategies, considering the impacts of the company's activities on society and the environment, aiming at the continuity of the company and the creation of long-term value; (ii) to periodically evaluate the company's exposure to risks and the effectiveness of risk management systems, internal controls and the compliance system and approve a risk management policy compatible with business strategies; (iii) to define the company's ethical values and principles and ensure the issuer's transparency in the relationship with all interested parties; (iv) to review the corporate governance system annually, with a view to improving it.**

**PRACTICES ADOPTED**

PARTIALLY ADOPTED

NOT ADOPTED

NOT APPLICABLE

(i) In compliance with recommended practices, TOTVS's Board of Directors determines and guides business strategies, and is composed of seven members with relevant experience in management and strategic planning. Annually, an exclusive meeting is held to address the strategic planning for the subsequent year, considering environmental and social externalities, besides the generation of value and longevity of the Company. To achieve this, the Board counts on the Strategy Committee's support in regularly reviewing future-focused, value-creating topics, such as Sustainability and ESG (Environmental, Social and Governance) to ensure the Company's perennality.

With respect to TOTVS' social impact, it is worth emphasizing its role as founder and major leading sponsor of the "*Instituto da Oportunidade Social*" ("Social Opportunity Institute"), a non-profit organization focused on delivering technology-based qualification to young people from vulnerable socioeconomic backgrounds and those with disabilities. The Board of Directors monitors social and environmental issues through the work of the Governance and Nomination Committee, recommending and monitoring the strategy and adoption of Sustainability and ESG good practices. TOTVS is present in the Efficient Carbon ("ICO2 B3") and IDiversa indexes.

(ii) The Board of Directors' responsibilities encompass the approval of strategic goals, risk management methodology, internal controls, and the Compliance Program, as well as the definition and annual reassessment and approval of risk appetite and the risk priority matrix. Such duties are set forth by the Risk Management, Internal Controls, and Compliance Policy. The Company adopts best internal management practices through the Internal Controls area, including process mapping and testing of control design and effectiveness, aiming at assessing their correct execution, operational efficiency, and the prevention or detection of material distortions. Furthermore, the areas

conduct a self-assessment of their controls. The Statutory Audit Committee also conducts ongoing oversight of the risk management, internal controls, and compliance work plan's execution and outcomes.

(iii) TOTVS adopts the recommended practice, which is demonstrated through the mobilization of the Company's values through the #SOMOS-TOTVS culture, composed of five principles: Results, People, Collaboration, Customers, and Technology. This culture reflects the Company's fundamental values and is strengthened through the Code of Ethics and Conduct and organizational policies, especially the Risk Management, Internal Controls, and Compliance Policy, which sets forth the Compliance Program provisions that is structured on the pillars of Compliance Culture, Risk Assessment, Code of Ethics and Conduct, Policies and Procedures, Communication and Training, and Detection and Remediation.

(iv) The Company's corporate governance system undergoes regular review by the Board of Directors, with the assistance of its Advisory Committees. The Governance and Nomination Committee is the body responsible for recommending proposals for statutory reforms, establishing channels for interaction between long-term shareholders and the Board, supporting the Board's performance assessment (according to Principle 2.4 of this Report), as well as selecting and nominating candidates to compose the Board of Directors and its Committees, besides reviewing regulatory documents to be disclosed to the market. The People and Compensation Committee's duties encompass candidate analysis for the Statutory Board of Executive Officers, monitoring the annual assessment process of executives, submitting to the Board a proposal for compensation of the Company's management members, and overseeing the preparation and implementation of a succession plan for the Company's executives.

More information:  
[Company’s Bylaws](#), articles 19, 22, 23 and 25;  
[Charter of the Board of Directors](#), articles 2, 3, 4, 35, 38 and 40;  
[Charter of the Statutory Audit Committee](#), articles 2 and 3;  
[Code of Ethics and Conduct](#);  
[Risk Management, Internal Controls and Compliance Policy](#);  
[Business and Institutional Relations with Public Entities Policy](#);  
[Corporate Information Security Policy](#);  
[Sustainability and ESG Policy](#);  
[Annual Activity Report of the Statutory Audit Committee](#) – fiscal year 2024;  
[Reference Form](#), sections 1.2, 1.9, 1.16, 4, 5, 7.1(b), 7.1(f), 7.2(a), 7.3 and 7.4;  
[Integrated Report](#), topics “Corporate Governance”, “Ethics and Compliance”, “Sustainability management” and “Community”;  
[Instituto da Oportunidade Social, webpage](#).

## 2.2 Composition of the Board of Directors

**2.2.1 The Company’s bylaws must set forth that: (i) the board of directors is composed mostly of external members, having at least one-third of independent members; (ii) the board of directors must annually assess and disclose who the independent directors are, as well as report and justify any circumstances that may compromise their independence.**

PRACTICES ADOPTED
  PARTIALLY ADOPTED
  NOT ADOPTED
  NOT APPLICABLE

The Company’s Bylaws, as amended and approved at the April 23rd, 2025 AEGM, now require a Board of Directors where external members make up a majority, and at least one-third are independent.

Furthermore, the Company annually discloses in its Reference Form, and at the time of the election, those directors deemed independent.

More information:  
[Company’s Bylaws](#), article 16, paragraph 1;  
[Reference Form](#), section 7.3.

**2.2.2 The board of directors must approve a nomination policy that sets forth: (i) the process for nominating members for the board of directors, including reporting the participation of other bodies of the company in such process; and (ii) that the board of directors must be composed considering the time its members have available to perform their duties and the diversity of knowledge, experiences, behaviors, cultural aspects, age group, and gender.**

PRACTICES ADOPTED
  PARTIALLY ADOPTED
  NOT ADOPTED
  NOT APPLICABLE

The Company has a Nomination Policy, approved by the Board of Directors, which establishes the criteria for nominating members to the Board, its Advisory Committees, and the Company’s Statutory Board of Executive Officers.


The Governance and Nomination Committee is responsible for analyzing the profiles and performance of the Board of Directors and its Advisory Committees, besides identifying candidates to be added to the Management’s Proposal for



the General Meeting. In addition, it is responsible for managing the nominations that can be made directly by the shareholders and promoting engagement with the key shareholders, aiming at collecting valuable inputs and suggestions.

This Nomination Policy ensures that nominees

have sufficient time to fully commit to their roles and responsibilities. It also requires members to keep the Governance and Nomination Committee updated about their involvement in other company boards to ensure compliance with governance good practices.

 More information:  
[Company's Bylaws](#), article 16, paragraph 1 and article 25, subparagraphs (iv) and (v);  
[Charter of the Board of Directors](#), article 4, subparagraph (v), article 9 and article 40, subparagraph (xi);  
[Nomination of Members to the Board of Directors, its Advisory Committees and the Statutory Management Policy](#);  
[Reference Form](#), sections 7.1(a), 7.2(a), 7.3 and 7.4;  
[Integrated Report](#), topic "Corporate Governance".


## 2.3 Chairman of the Board

**2.3.1 The chief executive officer shall not hold at the same time his/her position with the position of chairman of the board of directors.**

**PRACTICE ADOPTED**   PARTIALLY ADOPTED   NOT ADOPTED   NOT APPLICABLE

In the Company, the positions of Chairman of the Board of Directors and Chief Executive Officer, cannot be held by the same person, as provid-

ed for in the Company's Bylaws and under the B3 "Novo Mercado" Regulations.

 More information:  
[Company's Bylaws](#), article 17, paragraph 1;  
[Charter of the Board of Directors](#), article 10, paragraph 2;  
[Reference Form](#), sections 7.1(a);  
[Integrated Report](#), topic "Corporate Governance".

## 2.4 Evaluation of the Board and Directors

**2.4.1 The company shall implement an annual performance assessment process for the board of directors and its committees, as collegial bodies, the chairman of the board of directors, the directors individually considered, and the governance department, if any.**

**PRACTICE ADOPTED**   PARTIALLY ADOPTED   NOT ADOPTED   NOT APPLICABLE

The Company adheres to the recommended practice, carrying out a formal process for assessing the Board and its Advisory Committees. The process has as guidelines, following the recommended good practices, namely: self-assessment of members, peer review, and evaluation of collegiate bodies.

The Board Chairman leads the process, support-

ed by the Corporate Governance Department and guided by the Governance and Nomination Committee's recommendations. Furthermore, the Board of Directors may engage an external consultant specialized in this area; this practice has been observed in alternate years preceding the renewal of Board members' terms of office.





In 2024, an internal performance evaluation, utilizing questionnaires, was undertaken. This assessment focused on member engagement, central decision-making, governance structure and processes, communication infrastructure, and Board effectiveness. Such questionnaires are made available via proprietary Company platform, thereby guaranteeing respondent confidentiality. The results were presented and discussed at a meeting of the Governance and Nomination Committee, prior to presentation to the Board of Directors, at a meeting held on December 16th, 2024.

A specialized consultancy conducted the 2023 performance evaluation, adhering to Company guidelines and focused on the Board's strategic analysis, mandate, and purpose. The evaluation process included individual interviews with the Directors, the Chairman of the Board of Directors, and certain Statutory Executive Officers. The Governance and Nomination Committee reviewed the results, and these were presented to the Board of Directors during their December 18th, 2023 meeting.



More information:

[Company's Bylaws](#), article 25, subparagraph (vii);  
[Charter of the Board of Directors](#), article 4, subparagraph (vii), article 11, subparagraph (vii) and article 40, subparagraph (vii);  
[Reference Form](#), section 7.1(b);  
[Integrated Report](#), topic "Corporate Governance".



## 2.5 Succession Planning

**2.5.1 The board of directors shall approve and keep up to date a succession plan for the chief executive officer, the preparation of which must be coordinated by the chairman of the board of directors.**

**PRACTICE ADOPTED**

PARTIALLY ADOPTED

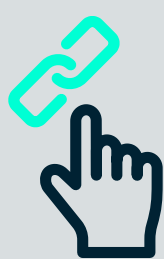
NOT ADOPTED

NOT APPLICABLE

The Company has a succession plan for all the Statutory Board of Executive Officer positions, which was prepared by the Vice Presidency of Human Relations and Marketing under the People and Compensation Committee's supervision. The Governance and Nomination Committee ensures the effectiveness of the plan. The Board of Directors, under the coordination of its Chairman,

shall approve and monitor the succession plan of the Chief Executive Officer.

In June 2025, the Succession Map received its most recent update, reviewed by the People and Compensation Committee and subsequently the Board of Directors.



More information:

[Company's Bylaws](#), article 22, subparagraph (iv) and article 25, subparagraph (viii);  
[Charter of the Board of Directors](#), article 35, subparagraph (vii) and article 40, subparagraph (viii);  
[Human Relations and Compensation Policy](#);  
[Reference Form](#), section 7.1(a);  
[Integrated Report](#), topic "Corporate Governance".



## 2.6 Integration of New Directors

**2.6.1 The company must have a previously structured program for integrating the new members of the board of directors so that such new members are introduced to the key people of the**




company and its facilities and in which critical topics are addressed, thus enabling them to understand the company's business.

**PRACTICE ADOPTED** PARTIALLY ADOPTED NOT ADOPTED NOT APPLICABLE

The Company has a structured onboarding program for new members of the Board of Directors and its Advisory Committees, coordinated by the Chairman of the Board, together with the Chief Executive Officer and with the support of the Corporate Governance Department.

This program helps new members connect with key executives, understand the Company's structure, market positioning, and strategic vision.

 More information: [Charter of the Board of Directors](#), article 11, subparagraph (xii) and article 13, subparagraph (xv); [Reference Form](#), section 7.8.

## 2.7 Directors' Compensation

**2.7.1 The board of directors' members' remuneration must be consistent to their duties, responsibilities and time demanded. There shall be no remuneration based on participation in meetings, and the variable remuneration of directors, if any, must not be tied to short-term results.**


**PRACTICE ADOPTED** PARTIALLY ADOPTED NOT ADOPTED NOT APPLICABLE

The Chairman and other Board members are compensated in line with market practices, considering their duties, responsibilities, and the time they devoted to the Company. Additional fixed compensation is given to board members for coordinating and/or participating in Advisory Committees, acknowledging the extra dedication required.

On April 23rd, 2025, the General Meeting approved the composition of the compensation paid to Directors and the Board Chairman, being fully fixed: paid 80% in cash and 20% in restricted shares issued by the Company, according to the Share-Based Compensation Plan approved on the same occasion. Consequently, the variable portion of

the Board Chairman's compensation has been eliminated.

This new plan is aligned with the Company's long-term strategy, incorporating best governance and market trends. The long-term component of fixed compensation is not linked to any type of performance metrics, whether of the Company or a member.

 More information: [Share-based Incentive Plan](#); [Reference Form](#), section 8.1(c).

## 2.8 Charter of the Board of Directors

**2.8.1 The board of directors must have an internal regulation governing its responsibilities, duties and operating rules, including: (i) the duties of the board of directors' chairman; (ii) the rules for replacing the board's chairman in his/her absence or vacancy; (iii) the measures to be taken in situations of conflict of interest; and (iv) the definition of sufficient time in advance to receive the materials for discussion at the meetings with appropriate depth.**

**PRACTICE ADOPTED** PARTIALLY ADOPTED NOT ADOPTED NOT APPLICABLE

The TOTVS Board of Directors' Charter is fully compliant with the recommended practices. This charter details the rules of operation for each Board of Directors' Advisory Committee, exclud-

ing the Statutory Audit Committee, whose operations are governed by its own charter and applicable regulations.

 More information: [Charter of the Board of Directors](#), article 10, paragraph 1, article 11, article 20, paragraph 3, article 29 and article 43; [Charter of the Statutory Audit Committee](#).

## 2.9 Meetings of the Board of Directors


**2.9.1 The board of directors must set an annual calendar with the dates of the annual meetings, which shall not be less than six or over twelve, besides calling extraordinary meetings whenever necessary. Said calendar should include an annual thematic agenda with relevant issues and dates for discussion.**

**PRACTICE ADOPTED** PARTIALLY ADOPTED NOT ADOPTED NOT APPLICABLE

The Board of Directors approves the annual calendar, which defines the dates of the meetings of the Board and its Committees, and is prepared with the support of the Corporate Governance Department.

Furthermore, each body adopts an annual thematic agenda outlining its recurring topics and their scheduled frequencies. Supplementary to scheduled meetings, the Board convenes in extraordinary session as needed; 13 meetings were


held in 2024, encompassing both ordinary and extraordinary sessions.

 More information: [Company's Bylaws](#), article 18; [Charter of the Board of Directors](#), article 11, subparagraph (xi), article 13, subparagraph (ii), articles 14 and 25, paragraph 1, subparagraph (i).

**2.9.2 Board meetings must regularly provide exclusive sessions for external directors, without the presence of executive officers and other guests, to align issues with such external directors and discuss topics that could create embarrassment.**

**PRACTICE ADOPTED** PARTIALLY ADOPTED NOT ADOPTED NOT APPLICABLE

The agendas of TOTVS' Board of Directors and its Advisory Committees meetings stipulate the inclusion of an Executive Session, conducted at the meeting's close, without the participation of company executives or other guests.

 More information: [Charter of the Board of Directors](#), article 20, subparagraph (vii).

**2.9.3 Minutes of the Board meetings must be clearly written and record the decisions taken, the people present, the dissenting votes, and the abstentions from voting.**

**PRACTICE ADOPTED** PARTIALLY ADOPTED NOT ADOPTED NOT APPLICABLE



The Corporate Governance Department is responsible for preparing the minutes of Board and Committee meetings, these documents are objective and clear, registering all resolutions, attendance, and any dissenting votes or abstentions due to conflicts of interest, if any. To ensure transparency, the Company releases minutes from its Board of Directors' meetings to inform shareholders and the broader market of its decisions.





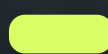
More information:

[Charter of the Board of Directors](#), article 13, subparagraph (viii) and article 21, paragraphs 1 and 3.

# 3\_ Board of Executive Officers

CHAPTER'S ADHERENCE:



-  Practices adopted
-  Partially adopted
-  Not adopted

## 3.1 Duties


**3.1.1 The board of executive officers shall, without prejudice to its legal and statutory duties and other practices provided for in the Code: (i) enforce the risk management policy and, whenever required, propose to the board any needs for revision of such policy because of changes in the risks to which the company is exposed; (ii) implement and maintain effective mechanisms, processes and programs for monitoring and disclosing financial and operational performance and the impacts of the company’s activities on society and the environment.**

**PRACTICE ADOPTED**
PARTIALLY ADOPTED
NOT ADOPTED
NOT APPLICABLE

The Company has a Risk Management, Internal Controls, and Compliance Policy, reviewed by the Board of Executive Officers and approved by the Board of Directors, after analysis and recommendation by the Statutory Audit Committee. This policy sets forth principles, guidelines, and responsibilities to be observed in corporate risk management, internal controls, and compliance, besides strengthening the Risk Management culture and the Compliance Program throughout the organization. According to this policy, the Board of Executive Officers is responsible for monitoring risks, including the implementation of controls and mitigating actions, as well as conducting business practices in accordance with current legislation and Internal Rules.

The Company’s financial and operational perfor-

mance is subject to quarterly reporting through the Quarterly Information (“ITR”) release. The social and environmental impacts of its operations are comprehensively documented and published annually in the Integrated Report (based on GRI and SASB standards for technology companies), the Reference Form, and the Greenhouse Gas Emissions Inventory (prepared according to the GHG Protocol).




More information:  
[Risk Management, Internal Controls, and Compliance Policy; Reference Form, section 5; Integrated Report, topic “risk management”.](#)

**3.1.2 The board of executive officers must have its own internal regulation governing its structure, its way of operation, its roles and responsibilities.**

**PRACTICE ADOPTED**
PARTIALLY ADOPTED
NOT ADOPTED
NOT APPLICABLE

The Statutory Board of Executive Officers has its own charter, approved by the Board of Directors, upon recommendation of the Governance and Nomination Committee. This charter governs the operation, structure, duties, and interactions with the Company’s other areas, in accordance with corporate governance good practices, applicable legislation, and the Company’s Bylaws.



More information:  
[Charter of the Statutory Board of Executive Officers.](#)

## 3.2 Nomination of Officers


**3.2.1 There should be no reservation of executive positions or managerial positions for direct nomination by shareholders.**

**PRACTICE ADOPTED**
PARTIALLY ADOPTED
NOT ADOPTED
NOT APPLICABLE

The Company complies with the recommended practice, since the Company’s Management does not reserve positions for direct shareholder nominations.

The Statutory Board of Executive Officers is elected by the Board of Directors, upon recommenda-

tion of the People and Compensation Committee, which is responsible for previously examining the nominated candidates, in accordance with the Policy for Nominating Members of the Board of Directors, its Advisory Committees, and the Statutory Board of Executive Officers.


 More information:  
[Company’s Bylaws](#), article 19, subparagraph (ii);  
[Charter of the Board of Directors](#), article 35, subparagraph (i);  
[Nomination of Members to the Board of Directors, its Advisory Committees and the Statutory Management Policy](#);  
[Reference Form](#), section 7.1(a);  
[Integrated Report](#), topic “Board of Executive Officers”.

### 3.3 Evaluation of the Chief Executive Officer and the Board of Executive Officers

**3.3.1 The chief executive officer must be assessed every year in a formal process conducted by the board of directors, based on the verification of the achievement of the financial and non-financial performance goals established by the board of directors for the company.**

**PRACTICE ADOPTED**    PARTIALLY ADOPTED    NOT ADOPTED    NOT APPLICABLE


The Board of Directors, with the support of the People and Compensation Committee, has the duty of conducting the annual assessment process of the Statutory Board of Executive Officers based on the achievement of performance targets, both financial and non-financial, in line with the Company’s values, culture, and ethical principles.

 More information:  
[Company’s Bylaws](#), article 22, subparagraph (v);  
[Charter of the Board of Directors](#), article 35, subparagraph (viii);  
[Reference Form](#), section 7.1(b).

**3.3.2 The results of the evaluation of the other directors, including the proposals by the chief executive officer regarding the goals to be agreed to and the permanence, promotion or dismissal of the executive officers in their corresponding positions, must be presented, reviewed, discussed, and approved at a board of directors’ meetings.**

**PRACTICE ADOPTED**    PARTIALLY ADOPTED    NOT ADOPTED    NOT APPLICABLE

The latest assessment cycle of the Chief Executive Officer and the other Statutory Officers, based on the achievement of individual and corporate targets, was completed on March 18th, 2025. Both target setting and assessments are overseen by the People and Compensation Committee and approved by the Board of Directors.


 More information:  
[Reference Form](#), section 7.1 (b);  
[Minutes of the Board of Directors’ Meeting Held on March 18th, 2025](#).

### 3.4 Compensation of the Board of Executive Officers

**3.4.1 The compensation of the executive board of officers must be determined through a compensation policy approved by the board of directors through a formal and transparent procedure that considers all costs and risks involved.**

**PRACTICE ADOPTED** | PARTIALLY ADOPTED | NOT ADOPTED | NOT APPLICABLE

The Company has a Human Relations and Compensation Policy, which sets forth guidelines and responsibilities for people management. This policy features compensation and incentive models that are compatible with the Company’s long-term performance, market-competitive and in line with best practices, seeking to promote the convergence of interests between executives and shareholders. The People and Compensation Committee is responsible for issuing recommendations and opinions to the Board of Directors regarding the practices adopted by the Company.

 More information: [Human Relations and Compensation Policy](#); [Reference Form](#), section 8.1; [Charter of the Board of Directors](#), article 35, subparagraph (ii).

**3.4.2 The executive officers’ compensation must be tied to results, with medium- and long-term targets clearly and objectively connected to the generation of economic value for the company in the long term.**


**PRACTICE ADOPTED** | PARTIALLY ADOPTED | NOT ADOPTED | NOT APPLICABLE

The Board of Executive Officers’ compensation comprises:

- (a) Fixed Compensation: a monthly amount corresponding to the responsibilities and duties of the position held;
- (b.1) Variable Compensation – Short-term Incentive: semiannual bonus pegged to individual and corporate results achieved;
- (b.2) Variable Compensation – Long-term incentive: this is the amount of the restricted common shares issued by the Company, granted to eligible participants, taking into account individual performance and, in the case of the Long-Term Incentive, called “Performance Program”, also considering long-

term indicators of the Company;

- (c) Benefits: a package offered to executives following market standards. Despite a uniform executive compensation package, benefit levels are subject to variation based on the executive’s role and work location.

 More information: [Share-based Incentive Plan](#); [Manual to Attend – 2025](#).

**3.4.3 The structure of incentives must be aligned with the risk limits determined by the board of directors, which shall forbid one same person from controlling the decision-making process and its corresponding inspection. No one shall decide on his/her own compensation.**

**PRACTICE ADOPTED** | PARTIALLY ADOPTED | NOT ADOPTED | NOT APPLICABLE

The incentives created to meet the semi-annual targets (Short-Term Incentive), as well as the granting of shares under the Share-Based Com-

ensation Plan (Long-Term Incentive) are submitted for approval by the Board of Directors, after evaluation and recommendation by the People and Compensation Committee.





Accordingly, professionals are not capable of independently determining their own remuneration. In addition, the incentives establish challenges and recognitions compatible with the risk appetite determined by the Board.



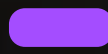
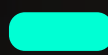

More information:

Company's Bylaws, article 19, subparagraphs (xi) and (xiii), article 22, subparagraphs (i) and (ii);  
Reference Form, section 8.1.

# 4 – Supervisory and Control **Bodies**

**CHAPTER'S ADHERENCE:**

**100%**

-  Practices adopted
-  Partially adopted
-  Not adopted



## 4.1 Audit Committee

- 4.1.1 The statutory audit committee shall: (i) have among its duties to advise the board of directors in monitoring and controlling the quality of the financial statements, internal controls, risk management, and compliance; (ii) be formed mostly by independent members and coordinated by an independent director; (iii) have at least one of its independent members with proven experience in the accounting of companies, internal controls, financial and auditing areas, cumulatively; and (iv) have its own budget to hire consultants for accounting, legal or other matters, whenever the opinion of an external expert is required.**

**PRACTICE ADOPTED**

PARTIALLY ADOPTED

NOT ADOPTED

NOT APPLICABLE

The Company has a Statutory Audit Committee pursuant to CVM Instruction 23/2021, currently composed of four independent members, the majority are members of the Board of Directors, and an external member with recognized experience in corporate accounting. This Committee possesses operational independence and a Board-approved budget to cover operational costs and, when required, to engage accounting, legal, or specialized consultants relevant to the matter.

Annually, the Committee approves the work plan of the Internal Audit area, whose proposal must consider the priorities for the year, based on a methodology for assessing risk and impacts on the strategy. The plan includes an estimated budget and resources, considering the activities to be performed, which must be free from interference, allowing the maintenance of their independence and objectivity.



More information:

[Company's Bylaws](#), articles 20 and 23;

[Charter of the Statutory Audit Committee](#);

[Annual Activity Report of the Statutory Audit Committee - fiscal year 2024](#);

[Reference Form](#), sections 5.1, 7.2(a) and 7.4;

[Integrated Report](#), topic "Advisory Committees".



## 4.2 Fiscal Council

- 4.2.1 The fiscal council must have its own internal regulations that describe its structure, operation, work program, its roles and responsibilities, without creating obstacles to the individual performance of its members.**

- 4.2.2 The minutes of the fiscal council meetings must observe the same rules for disclosing the minutes of the board of directors.**

PRACTICE ADOPTED

PARTIALLY ADOPTED

NOT ADOPTED

**NOT APPLICABLE**

The Company's Fiscal Council operates on a non-permanent basis, with powers and duties assigned to it by law. It is established only upon General Meeting resolution or upon shareholders' request, in the cases provided for by law.

At the Company's Annual General Meetings held in 2024 and 2025, the Fiscal Council for the respective years was not established.



## 4.3 Independent Auditors


- 4.3.1 The company shall create and implement a policy for hiring extra-auditing services from its independent auditors, to be approved by the Board of Directors, which forbids to contract extra-au-**



**ding services that could compromise the independence of the auditors. The company should not contract as an independent auditor who has provided internal audit services to the company less than three years ago.**

<b>PRACTICE ADOPTED</b>	PARTIALLY ADOPTED	NOT ADOPTED	NOT APPLICABLE
-------------------------	-------------------	-------------	----------------

The Company has a Policy for Relationship and for Hiring Independent Auditors, duly approved by the Board of Directors, upon prior recommendation of the Statutory Audit Committee, which provides for the approval process for engaging audit services of the financial statements and any extra auditing services provided by the Independent Auditor or its Related Parties, ensuring the independence of the service provider.




More information:  
[Policy for Relationship and for Hiring Independent Auditors.](#)

**4.3.2 The independent audit team must report to the board of directors, through the audit committee, if existing. The audit committee should monitor the effectiveness of the work performed by the independent auditors, as well as their independence. It must also assess and discuss the independent auditors’ annual work plan and forward it to the board of directors for consideration.**

<b>PRACTICE ADOPTED</b>	PARTIALLY ADOPTED	NOT ADOPTED	NOT APPLICABLE
-------------------------	-------------------	-------------	----------------

The independent audit team reports to the Board of Directors through the Statutory Audit Committee, which is the responsible body for monitoring the effectiveness and independence of the independent auditors’ work, evaluating and discussing the annual work plan and submitting it to the Board for consideration, through reports of the Committee’s work at Board meetings.

Annually, the Statutory Audit Committee assesses the work of the external auditors, reporting the result to the Board of Directors and to the auditors themselves.




More information:  
[Charter of the Statutory Audit Committee, article 3, subparagraph \(vii\); Annual Activity Report of the Statutory Audit Committee - fiscal year 2024; Reference Form, section 9.3.](#)

**4.4 Internal Auditors**

**4.4.1 The company must have an internal audit area directly bound to the board of directors.**

<b>PRACTICE ADOPTED</b>	PARTIALLY ADOPTED	NOT ADOPTED	NOT APPLICABLE
-------------------------	-------------------	-------------	----------------

The Company has a Corporate Internal Audit area, which operates independently from the Company’s executive structures, reporting to the Board of Directors through the Statutory Audit Committee and, for the operationalization of administrative matters, it reports to the Company’s Chief Financial Officer.



More information:  
[Corporate Internal Audit Regulations.](#)


**4.4.2 In case such activity is outsourced, the internal audit services should not be performed by the same company that provides auditing services in the company’s financial statements. The company must not hire as internal auditors those who have provided independent audit services to the company for less than the previous three years.**

**PRACTICE ADOPTED**   PARTIALLY ADOPTED   NOT ADOPTED   NOT APPLICABLE

The company’s internal audit function is not outsourced; however, subject matter experts may be engaged on a project basis. Engagement of external expertise is contingent upon the firm’s not having audited the company’s financial statements or having provided such services in the preceding three years, ensuring adherence to independence standards regularly overseen by the Statutory Audit Committee.

The Corporate Internal Audit performs a work plan approved by the Statutory Audit Committee, with the purpose of offering independent evaluations

to the Management and other interested parties, covering the analysis of the adequacy and effectiveness of the governance, risk management, and internal control processes.

 More information: [Charter of the Statutory Audit Committee](#), article 3, subparagraphs (v) and (vi); [Corporate Internal Audit Regulation](#).

## 4.5 Risk Management, Internal Controls and Compliance

**4.5.1 The company must adopt a risk management policy, approved by the board of directors, which includes the definition of risks for which protection is sought, the tools used for that purpose, the organizational structure for risk management, the assessment of the suitability of such structure, and internal controls to check its effectiveness, in addition to defining guidelines for determining acceptable limits for the company’s exposure to such risks.**

**PRACTICE ADOPTED**   PARTIALLY ADOPTED   NOT ADOPTED   NOT APPLICABLE


The Company has a Risk Management, Internal Controls, and Compliance Policy, and information on risk management, internal controls, and compliance program is [described in principle 2.1 of this Report](#).

 More information: [Risk Management, Internal Controls, and Compliance Policy](#).

**4.5.2 It is the board of directors’ duty to ensure that the board has internal mechanisms and controls to become aware of, assess, and control risks in order to keep them at levels compatible with the limits set, including a compliance program aimed at complying with laws, regulations and internal and external standards.**

**PRACTICE ADOPTED**   PARTIALLY ADOPTED   NOT ADOPTED   NOT APPLICABLE

The duties of the Internal Controls, Risks and Compliance area, reporting directly to the Chief Executive Officer, are described in the Reference Form, as well as in [principle 3.1 of this Report](#).

 More information: [Reference Form](#), sections 5.1 to 5.3.

**4.5.3 The board of executive officers must assess, at least once a year, the effectiveness of the risk management and internal control policies and systems, as well as the compliance program, and render accounts to the board of directors on such assessment.**

**PRACTICE ADOPTED**      PARTIALLY ADOPTED      NOT ADOPTED      NOT APPLICABLE

The Board of Executive Officers evaluates throughout the year the effectiveness of policies, risk management and internal control systems and the integrity/compliance program. These findings are then reviewed by the Statutory Audit Committee and relayed to the Board of Directors for consideration and resolution. Annually, the Board of Executive Officers presents the Compa-

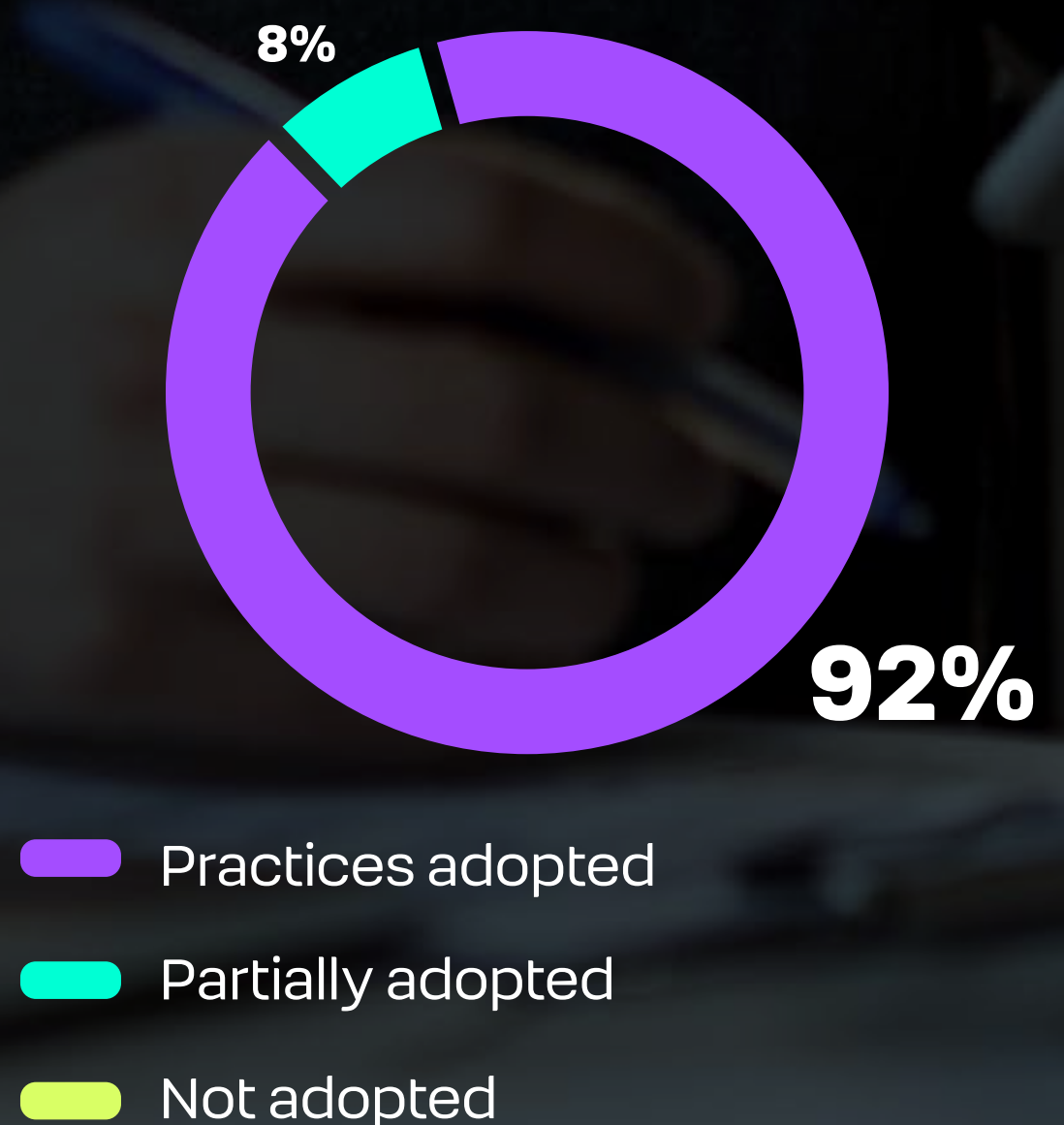
ny’s Prioritized Risk Matrix to the Statutory Audit Committee for analysis and recommendations, which is subsequently submitted to the Board of Directors for deliberation. The Matrix for the year 2024 was approved by the Board on August 1st, 2024, as long as the document relating to 2025 fiscal year was approved on July 3rd, 2025.

More information:

- [Charter of the Board of Directors](#), articles 3 and 4, subparagraphs (iii) and (iv);
- [Charter of the Statutory Audit Committee](#), articles 2 and 3, subparagraphs (i), (iv) and (vi);
- [Annual Activity Report of the Statutory Audit Committee](#) – fiscal year 2024;
- [Integrated Report](#), topics “Corporate Governance” and “Ethics and Compliance”;
- [Minutes of the Board of Directors’ Meeting Held on July 3rd, 2025.](#)

# 5\_ Ethics and Conflict of **Interests**

## CHAPTER'S ADHERENCE:






## 5.1 Code of Conduct and Whistleblowing Channel

**5.1.1 The company must have a conduct committee, endowed with independence and autonomy and directly linked to the board of directors, responsible for implementing, disseminating, training, reviewing, and updating the code of conduct and the whistleblowing channel, as well as conducting investigations and proposing corrective measures related to violations of the code of conduct.**

PRACTICE ADOPTED	<b>PARTIALLY ADOPTED</b>	NOT ADOPTED	NOT APPLICABLE
------------------	--------------------------	-------------	----------------

TOTVS maintains an Ethics and Conduct Committee dedicated to ensure the integrity and values described in its Code of Ethics and Conduct (“CODEC”). This Committee is responsible for receiving and investigating complaints submitted through the Ethics and Conduct Channel to determine whether violations of the CODEC, internal regulations, or applicable legislation have occurred. Upon process completion, the Committee submit its recommendations for disciplinary measures to the Chief Executive Officer for final decision regarding consequences in each case. We understand that this practice is partially adopted because the Ethics and Conduct Committee does

not report directly to the Board of Directors, as its work is monitored monthly by the Statutory Audit Committee, which reports this information to the Board of Directors through its Coordinator.



More information:  
[Code of Ethics and Conduct; Integrated Report](#), topic “Ethics and Compliance”;  
[Reference Form](#), section 5.3.

**5.1.2 The code of conduct prepared by the executive board of officers, with the support of the conduct committee and approved by the board of directors, must: (i) govern the internal and external relations of the company, expressing the expected commitment by the company, its directors, officers, shareholders, associates, suppliers and stakeholders with the adoption of adequate standards of conduct; (ii) manage conflicts of interest and provide for the abstention of the member of the board of directors, the audit committee or the conduct committee, if any, which, as the case may be, is in conflict; (iii) determine with clarity the scope and comprehensiveness of the actions aimed at ascertaining the occurrence of situations understood as carried out with the use of inside information (for example, use of inside information for business purposes or to obtain advantages in trading securities); (iv) set forth that ethical principles underpin the negotiation of contracts, agreements, proposals to amend the company’s bylaws, as well as the policies that guide the entire company, and set a maximum amount for the goods or services of third parties that managers and associates can accept free of charge or as a favor.**

<b>PRACTICE ADOPTED</b>	PARTIALLY ADOPTED	NOT ADOPTED	NOT APPLICABLE
-------------------------	-------------------	-------------	----------------

TOTVS maintains a Code of Ethics and Conduct that is compliant with all recommendations of this principle and extends to its management, controlling shareholders (if applicable), employees, service providers, suppliers, and business partners.

This Code aims to set forth rules of conduct and ethical principles to guide TOTVS in its commitments to the compliance of its business and internal and external relationships, through its ef-

fective application and compliance with the laws, standards, regulations, and the Company’s policies and internal procedures.



More information:  
[Code of Ethics and Conduct; Integrated Report](#), topic “Ethics and Compliance”.



**5.1.3 The whistle-blowing channel must be endowed with independence, autonomy, and impartiality, acting under the operating guidelines previously set by the board of executive officers and approved by the board of directors. It must be operated in an independent and impartial way, and guarantee the anonymity of its users, besides promoting in a timely manner the required investigations and measures. This service may be carried out by a third party of recognized capacity.**


<b>PRACTICE ADOPTED</b>	PARTIALLY ADOPTED	NOT ADOPTED	NOT APPLICABLE
-------------------------	-------------------	-------------	----------------

The Company maintains an Ethics and Conduct Channel, operated by a specialized third-party company hired for this purpose, available to the internal and external public to receive complaints of any suspicion of misconduct and/or non-compliance with internal rules and current legislation. All complaints received are treated impartially, allowing anonymity if the whistleblower chooses not to be identified, and safeguarding the confidentiality of the whistleblower’s identity, if requested. The Company repudiates any form of retaliation against the reporting person.

The Ethics and Conduct Committee is responsible for receiving all complaints and concluding, through a formal procedure, the merits of the reported case, then recommending to the Chief Executive Officer the measures to be taken against the offender, which may be of a disciplinary na-

ture, such as issuing a warning, and even termination of employment for cause, alongside other legally applicable measures.

All complaints, the work of the Ethics and Conduct Committee, and any consequential applications are monitored monthly by the Statutory Audit Committee, which reports this information to the Board of Directors.

 More information:  
[Charter of the Statutory Audit Committee](#), article 3, subparagraph (xii);  
[Annual Activity Report of the Statutory Audit Committee - fiscal year 2024](#);  
[Integrated Report](#), topic “Ethics and Compliance”.

## 5.2 Conflict of interests


**5.2.1 The company’s governance standards must ensure the separation and clear definition of duties, roles, and responsibilities related to the terms of office of all governance agents. The decision-making levels of each purview must also be determined, with the purpose of minimizing possible sources of conflict of interest.**

<b>PRACTICE ADOPTED</b>	PARTIALLY ADOPTED	NOT ADOPTED	NOT APPLICABLE
-------------------------	-------------------	-------------	----------------

As provided for in the Company’s Bylaws and evidenced in the Reference Form, members of the Board of Directors do not have access to information or attend Board of Directors’ meetings related to matters where there may be a conflict of interest with those of the Company.

The Company has a formal, publicly disclosed Related-Party Transactions Policy that aims to establish guidelines, rules, and procedures governing decisions involving transactions between

TOTVS and its Related Parties, and further details are provided in [section 5.3 of this Report](#).

 More information:  
[Company’s Bylaws](#), article 16, paragraph 3 and 4;  
[Reference Form](#), section 7.1(c);  
[Related-Party Transactions Policy](#).

**5.2.2 The company’s governance standards must be made public and determine that the person who is not independent in relation to the matter being discussed or resolved by the company’s management or supervisory bodies must report in a timely manner his/her conflict of interest or private interest. In case such conflicting interest is not so stated, those standards shall provide for that an-**




**other person can report the conflicting situation if such other person becomes aware of it, and that, as soon as the conflict of interest regarding a specific topic has been identified, the person involved must withdraw, including physically, from all discussions and deliberations thereon. The standards must provide for that such temporary removal is recorded in the meeting minutes.**

**PRACTICE ADOPTED** | PARTIALLY ADOPTED | NOT ADOPTED | NOT APPLICABLE

The Board of Directors' Charter mandates that members report any conflicts of interest, abstaining from relevant discussions and resolutions, and temporarily withdrawing from the corresponding

meeting, with such withdrawal duly recorded in the minutes. Any other member of the Board who is aware of the situation may also do so.


 More information:  
[Board of Directors' Charter](#), article 2, subparagraph (vii), articles 7, 9, subparagraph (iv), article 21, paragraph 1, article 22, paragraph 3, articles 24, 29, and 43;  
[Charter of the Statutory Audit Committee](#), article 27;  
[Reference Form](#), section 7.1(c).

**5.2.3 The company must have mechanisms for managing conflicts of interest in the votes submitted to the general meeting, to receive and process allegations of conflicts of interest, and for annulling votes cast under a conflict of interest, even subsequently to the meeting.**

**PRACTICE ADOPTED** | PARTIALLY ADOPTED | NOT ADOPTED | NOT APPLICABLE

Pursuant to article 128 of Law No. 6.404/76, the presiding board of the general meeting is responsible for directing the work and evaluating any issues related to the conflict of interest of shareholders during the meeting; provided, however, that it is primarily the responsibility of every shareholder him/herself to acknowledge and report to the meeting his/her conflict of interest. All issues shall be analyzed by the Legal Board, and

any subsequent communications shall be disclosed by the Investor Relations Department.

 More information:  
[Reference Form](#), section 7.1(c).

 **5.3 Related Parties Transactions**

**5.3.1 The Company's Bylaws must provide for which transactions with related parties must be approved by the board of directors, excluding any members with potentially conflicting interests.**

**PRACTICE ADOPTED** | PARTIALLY ADOPTED | NOT ADOPTED | NOT APPLICABLE

According to the Management's opinion, the Board of Directors' discretionary authority effectively manages potential conflicts of interest. The Board of Directors must approve all related-party transactions, excluding the specified exceptions in the Related-Party Transactions Policy. Prior analysis by the Statutory Audit Committee is required, supported by opinions from the Legal and Internal Controls, Risks and Compliance

areas, following the guidelines, rules and procedures established in the respective policy.

As provided for in the Company's Bylaws, the granting of financing and guarantees to its management members is prohibited, except to the extent that such financing or guarantees are available to employees or customers in general and are previously approved at a General Meeting. The Board must also approve any loans be-



tween the Company and third parties with an amount over 2.5% of the Company’s subscribed capital stock.

The Board may, on its own initiative or following

a recommendation by the Statutory Audit Committee, refer relevant transactions for review by an independent special committee, in accordance with CVM Guidance Opinion No. 35.

 More information:  
[Related-Party Transactions Policy](#);  
[Company’s Bylaws](#), article 19, subparagraphs (xiv) and (xxi), and paragraph 1;  
[Charter of the Statutory Audit Committee](#), article 3, subparagraph (xiv);  
[Reference Form](#), section 11.


**5.3.2 The board of directors must approve and implement a policy on transactions with related parties that includes, among other rules: (i) a provision setting forth that prior to the approval of specific transactions or guidelines for contracting transactions, the board of directors shall request to the board of directors some alternatives available in the market to such transaction with a related party at issue, adjusted by the risk factors involved; (ii) prohibition of forms of remuneration for advisors, consultants or agents that could generate a conflict of interest with the company, its management members, the shareholders or classes of shareholders; (iii) prohibition to grant loans in favor of the controller and the management members; (iv) all cases of transactions with related parties that must be supported by independent appraisal reports, prepared without the participation of any party involved in the operation at issue, be it a bank, lawyer, specialized consulting company, among others, based on realistic assumptions and information endorsed by third parties; (v) that any corporate restructuring operations involving related parties must ensure equal treatment for all shareholders.**

**PRACTICE ADOPTED**   PARTIALLY ADOPTED   NOT ADOPTED   NOT APPLICABLE

The Management considers the practice adopted, since although said policy does not expressly address the prohibition of forms of compensation of advisors, consultants, or intermediaries that may generate a conflict of interest with the Company, its managers, shareholders or classes of shareholders, the issue is addressed according to the general rules on conflict of interest set forth in the policy.

The policy allows the Board to determine cases that require independent appraisal reports, prepared without the participation of parties involved, based on realistic assumptions and in-

formation endorsed by third parties. The Related-Party Transactions Policy, approved by the Board, provides for rules, procedures, and criteria for evaluating and approving these transactions, as well as for managing potential conflicts of interests.

 More information:  
[Related-Party Transactions Policy](#);  
[Reference Form](#), section 11.

## 5.4 Securities Trading Policy

**5.4.1 The company must adopt, by resolution of the board of directors, a policy for trading securities issued by it, which, without prejudice to compliance with the rules established by CVM regulations, sets forth controls that enable the monitoring of the negotiations performed, as well as the investigation and punishment of those responsible in case of any noncompliance with the policy.**

**PRACTICE ADOPTED**   PARTIALLY ADOPTED   NOT ADOPTED   NOT APPLICABLE

The Company has a Relevant Information Disclosure and Securities Trading Policy, which provides that the Investor Relations Officer may request from accredited brokers the history of negotiations made by “Related Parties” in order to investigate potential violations of said corporate policy. The Policy also stipulates the enforcement of consequence management measures against individuals who violate it, while also acknowledging the potential application of sanctions as prescribed by the prevailing legislation.



More information: [Disclosure of Material Information and Trading of Securities Policy.](#)

## 5.5 Contributions and Donations Policy


**5.5.1 In order to ensure greater transparency regarding the use of the company’s resources, a policy on its voluntary contributions must be developed, including those connected to political activities, which shall be approved by the board of directors and implemented by the board of executive officers, containing clear and objective principles and standards.**

<b>PRACTICE ADOPTED</b>	PARTIALLY ADOPTED	NOT ADOPTED	NOT APPLICABLE
-------------------------	-------------------	-------------	----------------

The Company adopts a Contribution, Donation, and Sponsorship Policy, approved by the Board of Directors, with specific standards for:

- (a) contributions to Associations, Employers’ Unions, and Professional Boards;
- (b) donations of financial assets, fixed assets, technology equipment and TOTVS products and/or services; and
- (c) institutional and business sponsorships.

Donations must be made to organizations evaluated as reputable, and their use as a means of funding illicit activities or payments or to get undue advantages for their own benefit or for the benefit of third parties is prohibited.




More information: [Contributions, Donations and Sponsorships Policy.](#)

**5.5.2 The policy must provide that the board of directors is the area responsible for approving all disbursements connected to political activities.**

**5.5.3 The policy on voluntary contributions by companies controlled by the Government, or which have repeating and relevant business relations with the Government, must forbid contributions or donations to political parties or persons connected to them, even if permitted by law.**

<b>PRACTICES ADOPTED</b>	PARTIALLY ADOPTED	NOT ADOPTED	NOT APPLICABLE
--------------------------	-------------------	-------------	----------------

Any type of contribution, donation or benefit, financial or not, to public agents or persons related to them, political parties or election campaigns, as well as to religious, political or prize-related events involving TOTVS as a direct participant, is prohibited. This policy also prohibits any type of Donation or Sponsorship that may violate applicable laws and/or generate Conflict of Interest.



More information: [Contributions, Donations and Sponsorships Policy](#); [Code of Ethics and Conduct](#); [Reference Form](#), section 5.3 (a); [Integrated Report](#), topics “Corporate Governance” and “Ethics and Compliance”.



[totvs.com](https://www.totvs.com)