



Report on the Activities of the Statutory Audit Committee

05.02.2025



REPORT FROM THE STATUTORY AUDIT COMMITTEE



TOTVS has had an Audit Committee since May 28, 2007, and the committee was established in the Bylaws on April 5th, 2018. Subsequently, on November 4, 2021, the Board of Directors approved changing its name to Statutory Audit Committee ("CAE"). In accordance with the provisions of the Company's Bylaws and the Internal Regulations of the Statutory Audit Committee, the Committee's competencies include ensuring the proper operation of internal and external audit processes and management, mechanisms and controls related to risk management and the consistency of financial policies with strategic guidelines and the risk profile of the business. The CAE is also responsible for ensuring the quality and integrity of the Company's financial statements, making recommendations to Management regarding the approval of financial reports and any action aimed at improving the Internal Controls and Prioritized Risk Management environment.

During 2024, the CAE was made up by the independent Board Members, Gilberto Mifano (Coordinator) and Tania Chocolat, and by the independent external member, Lavínia Junqueira, who were elected on April 19th 2022, with a term of office to be effective until the first meeting of the Board of Directors held subsequently to the Company's Annual General Meeting in 2024. On April 23rd 2024, ere elected to compose the CAE, the independent Board Members, Gilberto Mifano (Coordinator) and Tania Chocolat, and by Ricardo Breakwell (external independent member), with a term of office to be effective until de first meeting of the Board of Directors held subsequently to the Company's Annual General Meeting in 2026.

Among the various subjects and topics addressed and discussed by the CAE to be recommended to the Management, the following ones are worth highlighting: **(i) Independent Auditors:** discussion of the contract for the services of the independent auditors, addressing the scope required and culminating in the recommendation to the Board of Directors to renew the contract with the auditing firm in 2024; discussion of the planning, scope and main conclusions obtained in the quarterly reviews ("ITRs") and the opinion for the issuance of the 2024 financial statements ("DFs 2024"); discussion of the weaknesses, deficiencies and recommendations for improvement pointed out in the Internal Controls Report, as well as the respective action plans proposed by the internal areas for correcting or improving these points; knowledge of the results of the ISAE 3402/2024 report; discussion and approval of the Independent Auditor's Work Plan; discussions and monitoring of the notes on general information technology controls ("ITGC"), access profiles and segregation of duties; and annual assessment of the independent auditor's performance. **(ii) Internal Audit:** discussion of the Company's risk matrix applied to Internal Audit activities for the 2024 financial year; evaluation and discussion of the Internal Audit work reports issued for the main processes of the Company, its subsidiaries and companies that are part of the TOTVS Franchise System, the results of special investigations, including the deficiencies identified, justifications and corrective actions; follow-up of the corrective actions of the audit points identified in the Internal Audit work; follow-up of compliance with the 2024 schedule, scope and hours allocated; evaluation, including with the support of the Independent Audit, of the structure and performance of the Internal Audit, in relation to the best practices recommended by the Institute of Internal Auditors of Brazil ("IIA Brazil"); monitoring of recurring indicators defined by the CAE, relating to the work of the Internal Audit, with the definition of levels of attention for each indicator, with reporting to the Board of Directors; assessment and recommendations regarding the 2024 Internal Audit Activities Report ("RAINT"); and an annual cycle of assessment of the area, the achievement of the year's targets and the performance of the head of the Internal Audit department, as well as the setting of targets for 2024, with additional challenges. The Committee also validated the goals of the Internal Audit team, which reports to the Internal Audit Executive Manager. **(iii) Internal Controls, Corporate Risk Management, and Compliance:** evaluation and discussion of the Company's Prioritized Risk Matrix, classified according to their impacts and probabilities of occurrence, for possible description of the risk factors when updating the Reference Form, with follow-up of the risk mitigation plans with those responsible for their execution; follow-up of the risk management monitoring cycle, suggesting improvements in the processes, establishing the points of contact between the Executive Board and the Board of Directors; discussion of the Internal Controls Report ("CCI") issued by the independent auditors, and monitoring of the corresponding action plans, as well as submission of the document for the knowledge of the Board of Directors; monitoring, and scheduling for 2024, the implementation of action plans to comply with the Integrity Program established by the Company; reviewing and recommending the conditions for contracting Directors and Officers Liability insurance ("D&O") and its renewal in 2024 for approval by the Board of Directors; monitoring of the Business Continuity Plan, including the Business Impact Analysis (BIA) and the revision of the respective internal standard; and monitoring of recurring indicators defined by the CAE, in the Internal Controls, Risk Management, Compliance and Ethics and Conduct Channel blocks, with the definition of levels of attention for each indicator, reporting to the Board of Directors. **(iv) Financial Management, Allowances, Provisions, and Indicators:** evaluation and opinion for approval by the Board of Directors of the quarterly and annual Financial Statements, including monitoring the content of the respective Earnings Releases; evaluation and recommendation for approval of the proposals for declaration and distribution of interest on



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equity; results of the procedures adopted for reviewing the annual impairment tests and recoverability of deferred tax assets; monitoring of the capitalization of investments in research and development ("P&D"); monitoring of the activities and issues discussed by the Tax Affairs Committee and the Labour Affairs Committee; monitoring the risks, materialized and not materialized, of civil, labor and tax litigation, and the respective provisions for labor, civil and tax contingencies; monitoring and making recommendations to the Board of Directors and the Executive Board on due diligence reports, valuation assumptions and risks of operations involving mergers and acquisitions ("M&A"), the establishment of significant commercial alliances, such as Joint Ventures, as well as the incorporation of wholly-owned subsidiaries, in accordance with the rites established for such transactions; monitoring the progress of supplementary payments relating to acquired companies ("Earn out"); monitoring the progress of loan operations contracted by TOTVS Franchises with the Company; discussions and recommendations regarding the accounting register of Income Tax and Social Contribution credits on the Deferred Net Income Assets of the Company's wholly-owned subsidiary, RD Gestão e Sistemas S.A. ("RD Station"); and monitoring the results of the Net Promoter Score ("NPS") survey, economic churn indicators and actions to retain and improve customer satisfaction with the services provided, considering possible financial impacts for the Company. **(v) Information Security and Data Privacy:** monitoring of action plans to mitigate weaknesses and improve general information technology controls ("ITGC"), access profiles and segregation of duties; monitoring and discussion of information security, data privacy and cybersecurity events, as well as the development and implementation of action plans related to the weaknesses identified; monitoring of risks associated with Information Security in relation to Bring your own device ("BYOD"), including the review of the respective corporate standard; monitoring and discussions on the evolution of the use of generative artificial intelligence technologies by the Company, including the drafting of an internal standard on the subject, as well as the development of corporate training on the subject; monitoring and recommendations within the scope of the Cyber Security insurance renewal process; and monitoring and discussion on issues involving the General Data Protection Law and projects to comply with the Law's requirements. **(vi) Corporate Governance:** discussion, monitoring of the annual processes for updating the Reference Form, the Integrated Report for the base year 2023, the Report on the Brazilian Corporate Governance Code, the Carbon Inventory based on the Carbon Disclosure Project ("CDP") model, for recommendation for approval by the Board; monitoring of the preparation process for the 2024 Annual General Meeting, with analysis and recommendations on the documents calling the meetings to be submitted for resolution by the shareholders; discussion and recommendation on the approval and disclosure by the Board of Directors of the revision of the following normative documents: Contracting and Relationship with Independent Audit Policy; Data Protection and Privacy Policy; Corporate Information Security Policy; recommendation for approval of the Committee's annual budget for the 2025 fiscal year, including the body's expenses, expenses for Independent Audit services, expenses for the Internal Audit area and a budget forecast for the possible hiring of independent external specialists, as provided for in CVM Resolution 23/2021; monitoring and evaluating, at least monthly, the complaints received through the Ethics and Conduct Channel, the activities of the Ethics and Conduct Committee, the investigations carried out and the measures adopted by management, with a report to the Board of Directors; monitoring the process of preparing the Salary Transparency report for the 2024 financial year and the actions required by Law 14. 611/2023, which provides for equal pay and remuneration criteria for women and men; participation by the CAE Coordinator in the Annual General Meeting to clarify any doubts shareholders may have; assessment and recommendation to the Board regarding transactions with related parties; assessment of the adherence of the CAE Rules of Procedure, by the Independent Auditors at the request of the Committee, regarding the regulatory requirements of the CVM, as well as its effective practices, including a comparison with what is practiced by other companies in the market; and conducting the Committee's annual self-assessment cycle.

2024 Annual Financial Statements:

The members of the Statutory Audit Committee of TOTVS S.A., in the exercise of their legal duties and responsibilities, as provided for in the Internal Regulations of the Statutory Audit Committee, examined and analyzed the financial statements, accompanied by the preliminary opinion of the independent auditors and the annual management report for the fiscal year ended December 31, 2024 ("2024 Annual Financial Statements") and, considering the information provided by the Company's Management and by KPMG Auditores Independentes Ltda, as well as the proposal for allocation of the results for the year 2024, unanimously opined that these adequately reflect, in all material respects, the equity and financial positions of the Company, and recommended that the documents be approved by the Company's Board of Directors for submission to the Annual General Shareholders' Meeting, under the terms of the Brazilian Corporation Law.

Sao Paulo, February 5th, 2025.



REPORT FROM THE **STATUTORY AUDIT COMMITTEE**



Gilberto Mifano

Coordinator of the Statutory Audit Committee and member of the Board of Directors

Tânia Sztamfater Chocolat

Member of the Statutory Audit Committee and of the Board of Directors

Ricardo Grosvenor Breakwell

External Member of the Statutory Audit Committee