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1. PURPOSE

The purpose of this Policy on Appointment and Compensation of members of the Board of Directors, its Advisory Committees, Statutory Executive Board and Fiscal Council (hereinafter "Policy") of Sendas Distribuidora S.A. (hereinafter "Company") is to establish criteria and procedures to be followed when appointing members to the Company's Board of Directors, its Advisory Committees, Statutory Executive Board and Fiscal Council whenever required by its shareholders and duly installed, aiming to ensure the best governance practices, as well as defining a compensation strategy for the abovementioned members, in line with the best market practices.

2. SCOPE

Not applicable.

3. GUIDELINES

3.1. Criteria and Procedures to Appoint members to the Board of Directors, its Advisory Committees, Statutory Executive Board and Fiscal Council.

3.1.1. The People, Culture and Compensation Committee (hereinafter "People Committee") is responsible for examining candidates to be elected to the Company's Board of Directors and its Advisory Committees, as well as those to be elected by the Board of Directors for positions in the Executive Board, based on their professional experience, technical knowledge, economic, social and cultural representativeness.

3.1.1.1. The appointment and necessary procedures for election of members to the Company's Fiscal Council, upon request of shareholders, is made pursuant to Law No 6.404/76 and other applicable regulations.

3.1.1.2. Diversity criterion shall be considered in the appointment and selection of the Company's Members of the Board of Directors and Advisory Committees.

3.1.1.3. The Company's Board of Directors is composed of at least three (3) and at most nine (9) members, all of whom elected and dismissible by the

General Meeting, with a unified term of office of two (2) years, with the possibility of re-election. At least twenty percent (20%), or two (2) members, whichever is higher, must be Independent Members of the Board of Directors, pursuant to the Novo Mercado Regulations.

- a) The Board of Directors has one (1) Chairman and one (1) Vice-Chairman, elected by the General Meeting.
- b) The Board of Directors will be composed of highly qualified professionals who are committed to the Company's values and principles, in addition to having notorious and adequate professional, technical and academic experience.
- c) In order to ensure that the Company benefits from diversity and complementarity of opinions in the decision-making process, the People Committee will be responsible for making a preliminary assessment of the profile of members appointed to the Board of Directors, including validation of Novo Mercado's independence criteria when applicable and lack of impediments, thus aiming to avoid the overlapping of knowledges and experiences, besides enhancing diversity, one of the Company's values, also in the Board of Directors. The People Committee's preliminary assessment does not bind the Board of Directors' decision in regard to the candidates to be appointed.
- d) Pursuant to the Novo Mercado Regulations, the positions of Chairman of the Board of Directors and CEO or the Company's main executive may not be held by the same person.
- e) The appointment of candidates to the Board of Directors can be made by the Company's Management, as well as any shareholder, with due regard for the criteria established in item "c" above CVM Instruction No 481, of December 17, 2009, as amended, as well as applicable legislation.
 - i. In case the shareholder submits the appointment of a candidate to the Board of Directors, such request must be supported by a copy of

the candidate's declaration of non-impediment or a declaration by the shareholder that the candidate disclosed their ability to sign such instrument, signaling possible caveats, pursuant to CVM Instruction No 367 of May 29, 2002, as well as the candidate's CV, which must include at least their qualification, a brief description of their professional experience, education history, main professional activities, as well as positions currently held in other companies.

- ii. If the other regulatory requirements are met, the Board of Directors will include its statement in the management's proposal regarding the meeting in question, which must address: (a) the adherence of each candidate for the position of member of the Board of Directors to this Appointment Policy; and (b) in each case, in light of the provisions of the Novo Mercado Regulations and the declaration mentioned in item "iii" above, the reasons for which each candidate is fit to hold the position of independent member.

- iii. The candidate for independent member will present a declaration attesting their compliance with the independence criteria established in the Novo Mercado Regulations, including the corresponding justification, if any of the situations provided for in Paragraph 2 of Article 16 of the abovementioned regulations arise (except for the provisions of Article 17, sole paragraph).

- f) If, upon compliance with the percentage mentioned in item 3.1.1.3, a fractioned number of members results, such number will be rounded up.

3.1.2. The Board of Directors' Advisory Committees (hereinafter "Advisory Committees") aim to improve the activities of the Board of Directors. The Advisory Committees are linked to the Board of Directors, with annual budget allocation, within the limits approved by the Board of Directors.

3.1.2.1. The Company currently has five (5) Advisory Committees, namely: (i) Audit Committee; (ii) People Committee; (iii) Financial Committee; (iv) Corporate Governance and Sustainability Committee; and (v) Strategic

and Investment Committee, all of which composed of at least three (3) and at most five (5) members elected by the Company's Board of Directors.

3.1.2.2. Each Advisory Committee will have one (1) Chairman/Coordinator, elected by the Board of Directors, whose duties will be defined in the respective Advisory Committee's internal regulations.

a) The Audit Committee will be composed of at least three (3) and at most five (5) members, of which at least two (2) will be external members and at least one will be an independent member of the Company's Board of Directors, pursuant to the independence criteria provided for in the Novo Mercado Regulations. It must also be noted that at least one (1) member of the Committee must have noteworthy experience in matters of corporate accounting and audit.

3.1.2.3. Any member of the Company's Board of Directors may appoint candidates for the Advisory Committees; the People Committee will make the preliminary assessment of such candidates as provided for in item 3.1.1.3-"c" above.

3.1.2.4. In any case, appointment of candidates for the Advisory Committees must comply with specific eligibility and ineligibility requirements, as provided for in each of the Advisory Committees' internal regulations, as in force at the time of election.

3.1.3. The Statutory Executive Board will be composed of at least three (3) and at most eight (8) members, whether or not shareholders of the Company, residents in the country, elected and dismissible by the Board of Directors, one (1) of whom will necessarily be appointed to the position of CEO and one (1) to the position of Investor Relations Officer; there may also be one (1) Chief Administrative and Financial Officer, one (1) Commercial Officer, one (1) Chief Operations Officer and the remaining ones, Executive Vice-Presidents and Officers without special designation, the accumulation of positions being permitted.

3.1.3.1. The Executive Board will be composed of highly qualified professionals who are committed to and aligned with the Company's values and principles, in addition to having notorious and adequate professional, technical and academic experience, aiming to implement strategies, face challenges and fulfill the Company's goals.

3.1.3.2. Appointment and election of candidates for positions in the Executive Board will be carried out by the Company's Board of Directors; the People Committee will make the preliminary assessment of such candidates as provided for in item 3.1.1.2-"c" above.

3.2. General compensation practices

3.2.1. In order to ensure that compensation practices are in compliance with current legislation, standards and regulations, as well as market practices, the compensation of members of the Board of Directors, its Advisory Committees, Statutory Executive Board and Fiscal Council, when installed, will be based on:

3.2.1.1. The responsibilities of members of the Board of Directors, its Advisory Committees, Executive Board and Fiscal Council, when installed, taking into account the different positions they hold and the activities they perform;

3.2.1.2. Time dedicated to their activities;

3.2.1.3. Competency and professional reputation, in view of their experience and qualification; and

3.2.1.4. Market value of their services.

3.2.2. The Company might adopt the following forms of compensation to its members of the Board of Directors, its Advisory Committees, Statutory Executive Board and Fiscal Council, when installed:

3.2.2.1. Fixed compensation;

- 3.2.2.2. Direct and indirect benefits related to medical plan, life insurance, check-up, food benefits, among others;
- 3.2.2.3. Short-term variable compensation (related to profit sharing);
- 3.2.2.4. Long-term variable compensation (related to stock options plans and/or free shares plans); and
- 3.2.2.5. Post-employment benefits related to a financial matching in private pension funds for adhering parties.

3.3. Compensation of members of the Board of Directors, its Advisory Committees, Statutory Executive Board and Fiscal Council.

3.3.1. The Company will adopt the following principles in regard to compensation of members of the Board of Directors, its Advisory Committees, Statutory Executive Board and Fiscal Council, when installed:

- 3.3.1.1. Alignment of interests between the members of the Board of Directors, its Advisory Committees, Statutory Executive Board and Fiscal Council, when installed, and the Company's shareholders, with a philosophy of sharing risks and returns;
- 3.3.1.2. Translation of the Company's strategy into the areas' and individual targets; and
- 3.3.1.3. Acknowledgement of the contribution and incentive to the retention of professionals, based on references practiced on the market.

3.3.2. In accordance with these principles, the Company adopts a differentiated and competitive compensation plan, including metrics of value creation to determine variable compensation targets, benefits, and a stock grant program; the individual description of compensation in each of the Company's bodies is available in item 12 below. To this end, the Company conducts regular market surveys with renowned and specialized external consultancy firms hired for this purpose. These surveys are based on the analysis of data from the main companies in the Brazilian market, with similar revenue and size to the Company's, so as to assess if the

parameters and conditions adopted by the Company to determine total compensation are satisfactory and allow the retention of professionals.

3.3.3. The Company has an area dedicated to matters related to compensation whose main goal is to assess, structure and recommend the best practices. These recommendations are submitted to the People Committee, which is responsible for forwarding and resolving on matters of Management compensation, as well as that of employees and non-statutory executives.

3.3.4. Once the survey is concluded, the area responsible for establishing the compensation structure for managers and key-personnel suggests compensation parameters and strategies, including that of non-statutory Officers and holders of other strategic positions who are not part of the statutory management.

3.3.5. In regard to monthly compensation, the parameters and references made available by the consultancy firm are assessed yearly and compared to what is actually practiced by the Company. Based on these analyses, the area responsible for the matter of compensation and structure recommends proposals so as to uphold the Company's competitiveness and adherence to the strategy established.

3.3.6. In addition, when it comes to short-term variable compensation, the Company uses the "Profit Sharing" method, which is regulated by the Performance Score, whose assumptions are the following factors:

3.3.6.1. In the beginning of each year, the indicators to be considered are defined, as well as the weight attributed to each of them, both in regard to the Company and the individual.

3.3.6.2. Upon the end of the year, an assessment is carried out on the fulfillment of targets by the Company and the individual, to which the Initial Performance Score (which may vary between 0 and 120%) is applied. This is a set of quantitative indicators that define the amount to be distributed as Profit Sharing to the Company's employees.

- 3.3.6.3.** The People Committee carries out a qualitative assessment of the results achieved during the period and submits possible corrections to the Initial Performance Score to the appreciation of the Board of Directors.
- 3.3.6.4.** The Board of Directors evaluates the possible suggested corrections to the Initial Performance Score and may, at its own discretion, increase it or decrease it by 20%, which is how the Final Performance Score is determined.
- 3.3.6.5.** Individuals are assessed based on a set of indicators defined in the moment of recruitment or according to the position they hold, before or in the beginning of the year subject to assessment, as described in item (i). The Final Individual Result is obtained based on the weighted result of targets fulfilled versus the weight of the indicators (which may vary between 0 and 200%).
- 3.3.6.6.** The Final Individual Result is then multiplied by the Final Performance Score in order to obtain the Final Percentage. This Final Percentage is applied to the “Profit Sharing Target” or variable compensation, defined individually in the moment of recruitment or according to the position held by the individual in the beginning of the year subject to assessment. Therefore, from the multiplication of the 2 previous items, we obtain the Profit Sharing or Final Result.
- 3.3.6.7.** If any indicator of the Final Performance Score or Final Individual Result is below a certain minimum target defined by the Board of Directors in the beginning of the year as part of the Company’s strategy, plans and budget in regard to said indicator, there will be no payment of variable compensation for the individuals assessed.
- 3.3.7.** Furthermore, the Company’s variable compensation will include a stock options plan and a compensation plan based on stock options which, due to characteristics such as vesting periods for the exercise of options and lock up of the purchased shares, maintains participants in line with the Company’s goals in the long term.

3.3.7.1. The stock options plan and the compensation plan based on stock options will determine the conditions for the Company to grant stock options, aiming at:

- a) Attracting highly qualified professionals to the Company and retaining them;
- b) Allowing participants to participate in the Company's capital and equity increases arising from the results to which said participants have contributed; and
- c) Align participants' interests with those of shareholders, thus stimulating the performance of these professionals and ensuring that they remain at the Company's management.

3.3.7.2. The Company believes that, when allowing participants the possibility to become investors, it encourages these participants to act with a view to creating value for the Company and their shareholders, striving to encourage improved management and aiming at gains due to the commitment to long-term results. Improvement of these results and increased market value of stocks issued by the Company therefore maximize the gains of participants who are also investors together with all other shareholders.

3.3.8. Compensation of members of the Board of Directors, its Advisory Committees, Statutory Executive Board and Fiscal Council consists of:

3.3.8.1. A fixed compensation portion, which is calculated based on the individual's position and qualifications, aimed at maintaining the balance with general market practices and in accordance with the results of the annual survey conducted by the external consultancies hired by the Company. In the case of the Board of Directors and Advisory Committees, the fixed portion also takes into account participation and number of participations in meetings of their respective administrative bodies and/or the performance of specific duties focused on the Company's strategy;

3.3.8.2. Direct and indirect benefits;

- 3.3.8.3.** Short-term variable compensation (related to profit sharing), with annual payment linked to the Company's income for the year, in case of the Executive Board and, in the case of the Board of Directors and Advisory Committees, linked to more time devoted to the Company or the performance of specific duties aimed at the Company's strategy;
- 3.3.8.4.** Long-term variable compensation (related to stock options plans and/or free shares plans), with annual grant and deferred payment over a period of three years; and
- 3.3.8.5.** Post-employment benefits related to a financial matching in private pension funds for adhering parties.
- 3.3.9.** If installed, compensation of members of the Fiscal Council will consist of a monthly fixed compensation, regardless of actual participation in meetings, which, for each sitting member, may not be less than 10% of the average fixed compensation set for each officer, pursuant to Paragraph 3, Article 162 of Law No. 6.404/76.

3.4. Final Provisions

- 3.4.1.** The People Committee is the body responsible for implementing the necessary procedures for compliance with and monitoring of the rules in this Policy.
- 3.4.1.1.** Any doubts arising from this Policy or the application of any of its provisions will be forwarded directly to the Chairman of the People Committee, who will provide clarification or guidance.
- 3.4.1.2.** This Policy may be altered through prior approval from the Company's Board of Directors whenever said management body deems necessary and/or as a result of changes in legislation and regulations or in the Company's corporate governance documents.

Policy

Appointment and compensation of members of the Board of Directors, its Advisory Committees, Statutory Executive Board and Fiscal Council of Sendas Distribuidora S.A.



Validity: Indefinite

4. PENALTIES

Not applicable.

5. ATTACHMENTS

Not applicable.

6. REFERENCES

6.1 The following are part of this Policy:

6.1.1. [Code of ethics](#)

7. DEFINITIONS

Not applicable.

8. VERSION HISTORY AND APPROVALS

Not applicable.

9. PUBLICATION

Approved by the meeting of the Board of Directors held on May 31st, 2022.

