

FINANCIAL INVESTMENT POLICY

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1 PURPOSE

This policy seeks to establish principles, guidelines and responsibilities to be observed in the management of the financial investments of B3 S.A. – Brasil, Bolsa, Balcão, subsidiaries and affiliates.

2 GUIDELINES

The Policy has the following guidelines:

- a. Guarantee maintenance of an adequate level and availability of financial investment liquidity;
- b. Limit exposure to market, credit, liquidity and operational risks in financial investments, assuring capital preservation;
- c. Guarantee business sustainability through efficient management and adequate returns on capital;
- d. Avoid speculative exchange-rate risk exposure in financial investments.¹

3 REFERENCES

- Corporate Bylaws
- Regulations of the Board of Directors
- Compliance and Internal Controls Policy
- Corporate Risk Management Policy

¹ For the purposes of this Policy, third-party funds deposited in foreign currency do not represent exposure to exchange rate risk, since assets are matched by equivalent liabilities in this case.

4. SCOPE, EXCEPTIONS, PROHIBITIONS AND GENERAL CONSIDERATIONS

4.1. Scope

The Policy applies to B3 S.A – Brasil, Bolsa, Balcão and its subsidiaries and affiliates in Brazil and abroad.

At this time the affiliates covered by this Policy are as follows:

Affiliates in Brazil

- Associação Bovespa;
 - Associação BM&F;
 - Associação Profissionalizante BM&FBOVESPA;
 - Clube de Atletismo BM&FBOVESPA;
 - Cetip Educacional;
 - Fundo de Garantia da Bolsa de Valores do Rio de Janeiro;
 - Instituto BM&FBOVESPA.
- a. The Policy will automatically come into effect for new subsidiaries and affiliates of the Company, unless the Board of Directors decides otherwise, upon the constitution of or investment in these companies or bodies.

4.2. Exceptions

- a. In light of the operational, administrative and financial autonomy required by the applicable regulatory framework, BM&FBOVESPA Market Supervision (“BSM”) and the Loss Recovery Mechanism (“MRP”) may establish their own policies or formally request operational support from the Company for the management of their financial investments. In the latter case, the Company will adopt this Policy for said entities and apply

the limits set for the Company's Own Funds in Brazil in the case of BSM and Third-Party Funds in Brazil for MRP.

- b. In light of the operational, administrative and financial autonomy required by the applicable regulatory framework, this Policy does not apply to the B3 Settlement Bank.
- c. Equity investments deriving from strategic partnerships are not considered financial investments for the purposes of this Policy. Thus, the shares issued by companies, or any financial instruments purchased by the Company as a consequence of such investments, including derivatives, are not covered by this Policy.
- d. The position in B3SA3 shares currently held by Associação Bovespa is hereby authorized as an exception and hence not covered by this Policy.
- e. Non-interest-bearing demand deposits in domestic bank accounts linked to garnishment in the Central Depository of dividend payouts and other earnings approved by issuers, surplus cash not suitable for financial investment in time and funds held in investment funds' bank accounts are hereby authorized as exceptions and hence not covered by this Policy.
- f. Investment in equities and commodities is permitted only to discharge specific clearinghouse obligations, comply with court orders, or hedge liabilities and contingent liabilities against market fluctuations.

4.3. Prohibitions

- a. The Company, its subsidiaries and affiliates either individually or in aggregate must not hold more than 20% of any issue of federal government debt securities or Brazilian global bonds, considering all their financial investments in Brazil and abroad.

- b. Derivatives may be used to hedge only spot positions². Directional positions and leveraged transactions are prohibited.
- c. Investment is prohibited in restricted certificates of deposit (CDs), corporate debentures and any other asset with final credit risk not linked to an Authorized Institution in Brazil, a Foreign Authorized Institution or an Authorized Sovereign Issuer.
- d. Purchase of private credit securities is prohibited for the Company.
- e. Subsidiaries and Foreign Affiliates that invest in Authorized Private Credit Securities must not hold, either individually or in aggregate, more than 20% of any issue of Authorized Private Credit Securities by a Foreign Authorized Institution³.

4.4. General Considerations

- a. Investment in investment funds is only authorized when the portfolios of these contain securities defined as Authorized Assets in this Policy. The managers, administrators and custodians of these funds must be Authorized Institutions in Brazil or Foreign Authorized Institutions.
- b. For the purposes of calculating compliance with the allocation limits established in item 5, synthetic transactions (underlying asset combined with Derivatives Used for Hedging) will be scored in accordance with their final risk factor.
- c. Involuntary non-compliance with regard to the Ratings of Authorized Institutions in Brazil, Foreign Authorized Institutions and Authorized Sovereign Issuers resulting from a change in Rating will be tolerated for up to 60 days of the date on which the Rating change is announced, without characterizing infringement of this Policy.

² For the purposes of this Policy, hedging of spot positions includes hedging of proprietary positions and positions originating in derivatives (fixed rate vs DI futures).

³ Applies to public issues of corporate debt securities.

- d. The Financial & Risk Committee must be informed if any allocation limit set in accordance with this Policy is breached.

5. DEFINITIONS

5.1. Third-Party Funds, Company's Own Funds and Own Funds of Subsidiaries and Affiliates in Brazil and Abroad

- a. **Third-Party Funds in Brazil:** sum of the funds deposited in cash with clearinghouses as collateral, non-interest-bearing demand deposits in domestic bank accounts linked to garnishment in the Central Depository of dividend payouts and other earnings approved by issuers, and earnings awaiting transfer under Company's management.
- b. **Third-Party Funds Abroad:** sum of the funds deposited in cash with clearinghouses as collateral and transfers of earnings abroad, under Company's management⁴.
- c. **Company's Own Funds in Brazil:** funds belonging to the Company held in Brazil (i.e. excluding Third-Party Funds).
- d. **Company's Own Funds Abroad:** funds belonging to the Company held abroad (i.e. excluding Third-Party Funds).
- e. **Own Funds of subsidiaries and Affiliates in Brazil:** funds belonging to subsidiaries and Affiliates, held in Brazil.
- f. **Own Funds of subsidiaries and Affiliates Abroad:** funds belonging to subsidiaries and Affiliates, held abroad.

5.2. Authorized Assets

- a. **Authorized Assets for Third-Party Funds in Brazil:** federal government debt securities and repos in federal government debt securities.

⁴ For the purposes of this Policy, third-party funds deposited in foreign currency do not entail exchange-rate exposure.

- b. **Authorized Assets for Third-Party Funds Abroad:** demand deposits (interest-bearing⁵ or non-interest-bearing).
- c. **Authorized Assets for Company's Own Funds in Brazil:** federal government debt securities and repos in federal government debt securities.
- d. **Authorized Assets for Company's Own Funds Abroad:** demand deposits (interest-bearing⁶ or non-interest-bearing) and sovereign bonds.
- e. **Authorized Assets for Own Funds of subsidiaries and Affiliates in Brazil:** federal government debt securities, repos in federal government debt securities and Authorized Private Credit Securities.
- f. **Authorized Assets for Own Funds of subsidiaries and Affiliates Abroad:** demand deposits (interest-bearing⁷ or non-interest-bearing), sovereign bonds and Authorized Private Credit Securities.

5.3. Derivatives

Derivatives are contracts traded on the exchange or over the counter solely to hedge other assets in the Own Funds portfolio.

The value of a derivative is calculated in terms of the notional market value of the position on the date of calculation.

The use of derivatives is limited to a % Derivatives Limit of 20%.

For the purposes of this Policy, the % Derivatives Limit is calculated as follows:

⁵Financial investments in instruments such as Overnight Lending, Money Market Accounts, Interest-Bearing Accounts and Savings Accounts. Credit risk must be limited to the financial institution in which the funds are invested. Furthermore, the return on financial investments in interest-bearing or overnight accounts is deemed to be floating-rate.

⁶ Financial investments in instruments such as Overnight Lending, Money Market Accounts, Interest-Bearing Accounts and Savings Accounts. Credit risk must be limited to the financial institution in which the funds are invested. Furthermore, the return on financial investments in interest-bearing or overnight accounts is deemed to be floating-rate.

⁷ Ditto

$\% \text{ Derivatives Limit} = (\text{Notional Value of Derivatives}) / ((\text{Total Own Funds Portfolio excluding Notional Value of Derivatives}))$

5.4. Liquidity

Liquidity is the time in business days required for funds not necessarily deposited in a current account without restrictions on withdrawals to become available for withdrawal.

5.5. Rating

The credit rating awarded by Standard & Poor's Ratings Services ("S&P") or the credit rating awarded by Moody's Investors Service converted into its equivalent on the scale used by S&P. For an entity rated by both, Rating shall mean the lower of the two ratings.

5.6. Modified Duration

Modified Duration is the average weighted duration of a cash flow counted in calendar days ("CD"), considering the opportunity cost of money and its present value. For the purposes of calculating the Modified Duration of a portfolio of financial investments, the Modified Duration of open investment funds and Treasury bills (Letras Financeiras do Tesouro, LFTs) is deemed to be one day.

5.7. Authorized Institutions and Sovereign Issuers

- a. **Authorized Institutions in Brazil:** financial institutions whose senior unsecured debt is rated br.AA- on S&P's local scale or at least BB on S&P's global foreign currency scale.
- b. **Authorized Institutions Abroad:** (i) subsidiaries and branches of Authorized Institutions in Brazil whose senior unsecured debt is rated at least BB on S&P's global foreign currency scale, and (ii) financial institutions whose senior unsecured debt is rated at least A- on S&P's global ratings scale.

- c. **Authorized Sovereign Issuers:** (i) in Brazil, the Federal Government (Federal Debt Securities), and (ii) abroad, Brazil (Global Bonds) and the following countries (G7): United States, United Kingdom, Germany, Canada, Japan, France and Italy as long as the senior unsecured debts of these G7 countries are rated at least A- on S&P's global ratings scale.

5.8. Nature of Return on Investment

- a. Floating-Rate Return: rate of return unknown at the time the investment is made (e.g. interbank deposit rate (CDI), Selic, federal funds rate, Libor, Euribor).
- b. Fixed-Rate Return: rate of return agreed at the time the investment is made.
- c. Inflation Return: rate of return pegged to inflation.
- d. Exchange-Rate Return: rate of return pegged to a different currency from that in which the investment is denominated.

5.9. Authorized Private Credit Securities

Certificates of Deposit, Notes, Bonds, Time Deposits with Special Guarantee (DPGE) or other senior debt securities issued by Authorized Institutions in Brazil and Foreign Authorized Institutions, except restricted debt securities with different underlying risk from the issuer's, and repos in securities issued by leasing companies provided these match the definition of an Authorized Institution.

6. ALLOCATION LIMITS

6.1. Third-Party Funds in Brazil

- a. Allocation of 100% to Authorized Assets for Third-Party Funds in Brazil, always with Authorized Institutions in Brazil and Authorized Issuers as counterparties;
- b. Allocation of 100% to financial investments with Floating-Rate Return;

- c. Financial investments must have immediate Liquidity (T0);
- d. The portfolio of financial investments must have a Modified Duration of between 1CD and 90CD.

6.2. Third-Party Funds Abroad

- a. Allocation of 100% to Authorized Assets for Third-Party Funds in Brazil, always with Foreign Authorized Institutions as counterparties;
- b. Allocation of 100% to financial investments with Floating-Rate Return;
- c. Financial investments must have immediate Liquidity (T0);
- d. The portfolio of financial investments must have a Modified Duration of between 1CD and 90CD.

6.3. Company's Own Funds in Brazil

- a. Allocation of 100% to Authorized Assets for Company's Own Funds in Brazil, in aggregate to federal government debt securities and repos in federal government debt securities;
- b. Allocation of between 85% and 100% to financial investments with Floating-Rate Return; and between 0% and 15% to financial investments with Fixed-Rate Return, Inflation Return or Exchange-Rate Return;
- c. Between 90% and 100% of financial investments must have immediate Liquidity (T0); and between 0% and 10% of financial investments must have Liquidity between T1 and T90;
- d. The portfolio of financial investments must have a Modified Duration of between 1CD and 90CD.

6.4. Company's Own Funds Abroad

- a. Allocation of 100% to Authorized Assets for Company's Own Funds Abroad, with between 85% and 100% in aggregate in demand deposits

(interest-bearing or non-interest-bearing); and between 0% and 15% in sovereign bonds;

- b. Allocation of between 85% and 100% to financial investments with Floating-Rate Return; and between 0% and 15% to financial investments with Fixed-Rate Return, Inflation Return or Exchange-Rate Return;
- c. Between 90% and 100% of financial investments must have immediate Liquidity (T0); and between 0% and 10% of financial investments must have Liquidity between T1 and T90;
- d. The portfolio of financial investments must have a Modified Duration of between 1CD and 90CD;
- e. Between 0% and 15% of the sum of Company's Own Funds in Brazil and Company's Own Funds Abroad (calculated in Brazilian Reals) must consist in aggregate of Company's Own Funds Abroad and Company's Own Funds in Brazil with Exchange-Rate Return.

6.5. Own Funds of subsidiaries and Affiliates in Brazil

- a. Allocation of 100% to Authorized Assets for Own Funds of subsidiaries and Affiliates in Brazil, with between 80% and 100% in aggregate in federal government debt securities and repos in federal government debt securities, and between 0% and 20% in Authorized Private Credit Securities, always with Authorized Institutions in Brazil and Authorized Issuers as counterparties;
- b. Allocation of between 85% and 100% to financial investments with Floating-Rate Return; and between 0% and 15% to financial investments with Fixed-Rate Return, Inflation Return or Exchange-Rate Return;
- c. Between 60% and 100% of financial investments must have immediate Liquidity (T0), and between 0% and 40% of financial investments must have Liquidity between T1 and T90;

- d. The portfolio of financial investments must have a Modified Duration of between 1CD and 180CD.

6.6. Own Funds of subsidiaries and Affiliates Abroad

- a. Allocation of 100% to Authorized Assets for Own Funds of subsidiaries and Affiliates Abroad, in aggregate to demand deposits (interest-bearing or non-interest-bearing), sovereign bonds and Authorized Private Credit Securities, with Foreign Authorized Institutions in Brazil and Authorized Issuers as counterparties;
- b. Allocation of between 85% and 100% to financial investments with Floating-Rate Return; and between 0% and 15% to financial investments with Fixed-Rate Return, Inflation Return or Exchange-Rate Return;
- c. Between 60% and 100% of financial investments must have immediate Liquidity (T0), and between 0% and 40% of financial investments must have Liquidity between T1 and T90;
- d. The portfolio of financial investments must have a Modified Duration of between 1CD and 180CD.

7. RESPONSIBILITIES

7.1. Board of Directors

- i. Decides on revisions to the Financial Investment Policy.

7.2. Executive Board

- i. Analyzes the Financial Investment Policy and any revisions, submitting it for appraisal by the Board of Directors;
- ii. Identifies risks preventively, and their management as needed, evaluating the probability of their occurrence and taking measures to prevent and minimize them.

7.3. Corporate Finance and Investor Relations

- i. Enforces the Financial Investment Policy, managing the Company's funds and those of its subsidiaries and Affiliates;
- ii. Regularly reviews the suitability of the Financial Investment Policy to the requirements of Company, its subsidiaries and Affiliates.

8. FINAL PROVISIONS

The above provisions are effective immediately for the management of Company's financial investments and those of its subsidiaries and Affiliates.

Validity: as of July 26, 2019.

1st draft: August 20, 2015.

Areas responsible for this document:

Responsible for	Area
Drafting	Planning and Treasury
Revision	Executive Board Governance & Integrated Management
Approval	Board of Directors

Change log:

Version	Item Changed	Change	Reason	Date
1	NA	NA	NA	Aug. 20, 2015
2	4.7 (a) and (b)	Change to S&P's global foreign currency scale rating from BBB- to BB+	S&P downgrades financial institutions	Oct. 1, 2015
3	Several	Text adjustments	-	Feb 18, 2016
4	3.2 (c) and 4.7 (a) and (b)	Text adjustments and change to S&P's local scale rating to AA- and to BB- for S&P's foreign currency global scale	S&P downgrades financial institutions	Sep. 23, 2016
5	3.1.	Inclusion of subsidiaries in the scope B3 corporate name and corporate structure changes	B3Juntos	Aug. 11, 2017
6	3	Inclusion of item 3 Reference	-	July 26, 2019.
	4.1.	Inclusion of Affiliate Cetip Educacional	Complement the list of Affiliated Companies	
	4.2.b	Corporate Name change	Corporate name of Banco	

			BM&FBOVESPA changed to Banco B3	
	Old item 3.2.d and new item 4.2.and	Text adjustment	-	
	Item 4.3.a. and		-	
	4.4.d. , 5.7.a. and 5.7.b.	Exclusion of item 4.4 and exclusion of setting out of the sovereign rating in items 5.7.a and 5.7.b.	Eliminates the need for formalizing with the Board of an event that carries no risk for the Company.	