

FINANCIAL INVESTMENT POLICY

TABLE OF CONTENTS

- 1 PURPOSE 3
- 2 GUIDELINES 3
- 3 REFERENCE 3
- 4 SCOPE, EXCEPTIONS, PROHIBITIONS AND GENERAL
CONSIDERATIONS..... 3
- 5 DEFINITIONS 6
- 6 ALLOCATION LIMITS 9
- 7 RESPONSIBILITIES..... 12
- 8 FINAL PROVISIONS 13

1 PURPOSE

The purpose of this policy is to establish the guidelines and responsibilities to be observed in managing the financial investments of B3 S.A. – Brasil, Bolsa, Balcão, its subsidiaries and Affiliates.

2 GUIDELINES

The Policy has the following guidelines:

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

3 REFERENCE

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

4 SCOPE, EXCEPTIONS, PROHIBITIONS AND GENERAL CONSIDERATIONS

4.1 Scope

This Policy applies to B3 S.A. – Brasil, Bolsa, Balcão (Company) and its subsidiaries and Affiliates in Brazil and abroad.

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.

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 apply automatically to new subsidiaries and Affiliates of the Company, unless the Board of Directors decides otherwise upon the incorporation of or investment in such subsidiaries or Affiliates.

4.2 Exceptions

- a. Given the operational, administrative and financial autonomy required by the applicable regulatory framework, BM&FBOVESPA Supervisão de Mercados (BSM) and Mecanismo de Ressacimento de Prejuízos (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. Given the operational, administrative and financial autonomy required by the applicable regulatory framework, this Policy does not apply to Banco B3.

- c. Equity investments deriving from strategic partnerships are not considered financial investments for the purposes of this Policy. Therefore, 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 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.
- b. Derivatives may be used to hedge only spot positions². Directional positions and leveraged transactions are prohibited.
- c. Investment is prohibited in restricted bank 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.

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).

- 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 is authorized in investment funds, but only in those whose portfolios hold 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. 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.
- c. 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, the 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 the Company's management.

³ Applies to publicly issued private credit securities.

- b. **Third-Party Funds Abroad:** sum of the funds deposited in cash with clearinghouses as collateral and transfers of earnings abroad, under the Company's management⁴.
- c. **The Company's Own Funds in Brazil:** funds belonging to the Company held in Brazil (i.e. excluding Third-Party Funds).
- d. **The 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.
- b. **Authorized Assets for Third-Party Funds Abroad:** demand deposits (interest-bearing⁵ or non-interest-bearing).
- c. **Authorized Assets for the Company's Own Funds in Brazil:** federal government debt securities and repos in federal government debt securities.
- d. **Authorized Assets for the Company's Own Funds Abroad:** demand deposits (interest-bearing⁶ or non-interest-bearing) and sovereign bonds.

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

⁵ 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.

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.

- 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 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.

5.4 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.

5.5 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 Letras Financeiras do Tesouro (LFTs) is deemed to be one day.

5.6 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 Brazil's sovereign rating on S&P's global foreign currency scale.

⁷ Ditto.

- b. **Authorized Institutions Abroad:** (i) subsidiaries and branches of Authorized Institutions in Brazil whose senior unsecured debt is rated at least Brazil's sovereign rating 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 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 scale.

5.7 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 rate, 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 partially pegged to the inflation rate.
- d. Exchange-Rate Return: rate of return pegged to a different currency from that in which the investment is denominated.

5.8 Authorized Private Credit Securities

Certificates of Deposit, Financial Bills, Term Deposit with Special Guarantee (DPGE), Notes, Bonds, other senior debt securities issued by Authorized Institutions in Brazil and abroad, except restricted debt securities with different underlying risk from the issuer's.

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 The Company's Own Funds in Brazil

- a. Allocation of 100% to Authorized Assets for the 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 The Company's Own Funds Abroad

- a. Allocation of 100% to Authorized Assets for the 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 from Authorized Sovereign Issuers.

- 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 the Company's Own Funds in Brazil and the Company's Own Funds Abroad (calculated in Brazilian Reals) must consist in aggregate of The Company's Own Funds Abroad and The 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 to decisions of the Board of Directors.
- ii. Identifies risks preventively and performs risk management as needed, evaluating the probability of occurrence and taking measures to prevent and minimize.

7.3 Chief Financial and Investor Relations Officer

- 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 the Company, its subsidiaries and Affiliates.

8 FINAL PROVISIONS

The above provisions apply immediately to the management of the Company's financial investments and those of its subsidiaries and Affiliates.

Validity: as of September 16, 2019.

1st draft: August 20, 2015.

Responsible for the document:

Responsible for	Area
Drafting	Planning and Treasury Department
Revision	Executive Board Governance and Integrated Management Department
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 minimum rating from BBB- to BB+	S&P ratings downgrade of financial institutions	Oct. 01, 2015
3	Several	Text enhancements	-	Feb. 18, 2016
4	3.2 (c) and 4.7 (a) and (b)	Changes to the text and to S&P's local scale minimum rating to AA-, and to BB- for S&P's global foreign currency scale	S&P ratings downgrade of financial institutions	Sep. 23, 2016
5	3.1.	Inclusion of subsidiaries in the scope Changes to the corporate name and organizational structure of B3	B3Juntos	Aug. 11, 2017
6	3	Inclusion of item 3 Reference	-	July 26, 2019.
	4.1.	Inclusion of the Cetip Educacional Affiliate	Complements the list of Affiliate Companies	

	4.2. b	Change to the corporate name	Corporate name of Banco BM&FBOVESPA changed to Banco B3	
	Old item 3.2.d and new item 4.2. and Item 4.3. a, e.	Text enhancement	-	
	4.4. d., 5.7.a. and 5.7.b.	Exclusion of item 4.4 d and exclusion of the sovereign rating grade in items 5.7.a and 5.7.b.	Eliminates the need for formalization by the Board of an action that does not entail a risk for the Company.	
7	5.3	Exclusion of item 5.3	Eliminates the derivatives limit.	Sep. 16, 2019
	4.4. b	Exclusion of item 4.4 b	Refers to item 5.3 which has been eliminated.	