

COMPLIANCE AND INTERNAL CONTROL POLICY

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1 PURPOSE

The purpose of this policy is to establish the concepts, rules and responsibilities that govern the functioning of the compliance and internal control framework of B3 S.A. – Brasil, Bolsa, Balcão and its subsidiaries and affiliates in Brazil and overseas, but Banco B3 S.A., which has its own separate policy (the company).

2 SCOPE

This policy applies to the company's administrators, employees and trainees.

3 REFERENCES

The references for this policy are the main national and international normative instruments dealing with concepts, rules and responsibilities relating to compliance and internal control frameworks, including:

- The company's anti-corruption and anti-fraud policy;
- The company's corporate risk management policy;
- The company's operational risk management rulebook;
- Brazilian Federal Law 4595 (1964);
- Brazilian Federal Law 4728 (1965);
- Brazilian Federal Law 6385 (1976);
- Brazilian Federal Law 10214 (2001);
- Brazilian National Monetary Council Resolution 2554 (1998);
- Brazilian National Monetary Council Resolution 2882 (2001);
- Brazilian Securities & Exchange Commission Instruction 461 (2007);
- Brazilian Securities and Exchange Commission Instruction 509 (2011).

4 CONCEPTS

4.1 Regulatory environment

The legal, normative and regulatory provisions issued by the bodies that regulate the company's activities.

4.2 Risk

The possibility of an event that negatively affects the company's image and its ability to achieve its aims or carry out its processes.

4.3 System of internal controls

The procedures and activities established by the company in order to reduce the likelihood of financial losses and damage to its institutional image, enhance the quality of its accounting information, and assure compliance with the applicable legislation and regulation.

5 RULES

5.1 Implementation and maintenance of Internal Controls System

Control activities are continuously evaluated with reference to the applicable legislation and regulation and the corporate governance best practices embodied in the standards and methodologies established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Control Objectives for Information and Related Technology (COBIT) framework.

Internal controls help the company mitigate risks, considering the probability of their occurrence and their potential impact on its business. They focus on:

- Operational efficiency and effectiveness;
- Integrity of data and information records;
- Compliance;
- A risk-based approach.

Internal control activities must be properly documented by business area managers. The nature and extent of this documentation may take various forms, containing at least:

- Duly formalized policies and procedures;
- Formalization of the responsibility of each professional involved in the business processes concerned, with appropriate segregation of functions and approval authorities, where applicable. This formalization may take the form of organization charts, responsibility matrices, job descriptions and/or narratives;
- Business process flow charts pinpointing all controls;
- Supporting documentation for decisions made regarding the implementation of controls, including cost-benefit assessments.

5.2 Analysis of Internal Controls System

Internal Controls is responsible for the methods it uses to evaluate and monitor the company's system of internal controls.

In addition, the Department of Internal Controls, Compliance & Corporate Risk is responsible for complying with the requirements of the Central Bank of Brazil, particularly regarding to CMN Resolution 2554/98, and with external auditors in matters relating to evaluation of the company's controls.

To this end, business areas must provide the requisite information to Internal Controls so that it can produce reports on internal controls for approval by the Board of Directors.

5.3 Monitoring of the Regulatory Environment

The purpose of regulatory environment monitoring is to identify the issuance of new norms or changes to existing norms applicable to the company, so that the necessary adaptations can be made to ensure compliance.

Compliance with the rules and regulations issued by the National Monetary Council (CMN), Central Bank of Brazil (BCB), Securities & Exchange Commission (CVM) and National Traffic Department (Denatran), which regulate the company's activities, is verified, monitored and analyzed by Compliance, jointly with the business areas affected.

If rules and regulations issued by other bodies establish obligations for the company, they are monitored by the specific areas affected.

Compliance periodically reports to the Executive Board on the applicable rules and regulations, on the company's compliance with them, and on the adoption of action plans to comply with them, where applicable.

5.4 Action plan follow-up

Concerns raised in the work of internal and external auditors and regulators, risk assessments performed by the company's Processes & Risks unit and the regulatory monitoring performed by Compliance are verified by business areas, which are responsible for producing and executing action plans to address deficiencies and non-compliance.

Internal Controls guides, oversees and tests the action plans.

Changes to the duration of action plans must be approved by the company's Core Executive Committee when the risks to be addressed are raised by (i) internal auditors and classified as moderate, high and extreme; (ii) external auditors and regulators; (iii) risk mapping or Internal Controls and Compliance assessments of risks classified as high and extreme.

Changes to the duration of action plans due to concerns of internal auditors, as per item (i) above, must be reported to the Audit Department, which reports semiannually to the Audit Committee on all action plans completed and redesigned in the period.

5.5 Access to the company's premises

Internal Controls & Compliance has full access to the company's premises and those of its affiliates and subsidiaries, and controlled access to security areas, where it must be met and accompanied by the staff responsible for the sector.

5.6 Access to information and people

Internal Controls & Compliance has full access to the company's information and staff. All information obtained must be treated as confidential.

6 RESPONSIBILITIES

6.1 Board of Directors

- Approves the company's internal control reports.

6.2 Audit Committee

- Oversees the activities of Internal Controls;
- Monitors the quality and integrity of the company's internal control mechanisms, and recommends improvements to policies, practices and procedures;
- Assesses the effectiveness and sufficiency of the Internal Controls Systems covering risks relating to legal, tax and labor law issues;
- Evaluates the reports on the company's internal controls prior to their discussion by the Board of Directors.

6.3 Executive Board

- Leads business practices that comply with the legislation and regulation applicable to the company and with its internal policies, rules and procedures;

- Sponsors the implementation of efficient business practices and suitable and effective internal controls, allocating the necessary resources and defining the appropriate infrastructure for management of the Internal Controls Systems ;
- Monitors the execution of action plans, and approves replanning of action plans (duration) for (i) treatment of risks; (ii) internal and external audits, and inspections by regulators; (iii) adjustment to risk mapping and assessments by Internal Controls & Compliance;
- Assures the autonomy of Internal Controls & Compliance to perform its activities, guaranteeing access to documents, information systems and people, and the sharing of reports, correspondence and other information required for the performance of its activities.

6.4 Internal Audit Department

- Reports semiannually to the Audit Committee on action plans that have been completed or had their duration rescheduled in the period.

6.5 Corporate Governance & Integrated Management Department

- Assures compliance with and dissemination of this policy;
- Defines and applies the methods used to evaluate and monitor the company's system of internal controls;
- Complies with the requirements of the Central Bank of Brazil, particularly regarding to CMN Resolution 2554/98, and with external auditors in matters relating to evaluation of the company's controls;
- Monitors the regulatory environment and oversees the execution of action plans to ensure compliance with regulatory provisions;

- Participates in discussions on projects or changes to normative documents submitted to public hearings or consultations, whenever such proposals affect the company's regulatory matrix;
- Helps business areas analyze their structures, products and services in order to align them with the rules and regulations issued by regulators and the company;
- Monitors the execution of action plans and reports on their status (progress and redesigning) to the Core Executive Committee.

6.6 Legal Department

- Provides legal advice to business areas on the legislation and regulation applicable to the company and its activities;
- Participates in the production and amendment of the company's normative documents;
- Coordinates internal discussions on proposed changes to normative documents when these are submitted to public hearings or consultations.

6.7 Business areas

- Manage the risks and control activities associated with the processes and systems under their management;
- Establish, maintain, promote and evaluate efficient business practices, as well as adequate and effective internal controls;
- Document the internal controls for their own area;
- Provide in a timely manner the information required for assessments of the company's compliance with the regulatory framework and for the production of reports on internal controls;
- Respond to the concerns of auditors and regulators;

- Describe action plans naming the person responsible and specifying the implementation date for each plan;
- Assure the execution of action plans in accordance with the established description and duration, requesting permission for redesigning of duration and/or scope from the competent authority.

7 FINAL PROVISIONS

The above provisions apply to the entire company immediately upon publication of this policy.

Doubts about the applicability of this policy should be reported to Internal Controls and to Compliance.

Validity: from December 12, 2019.

1st version: April 4, 2013.

Areas responsible for the document:

Responsible for:	Area
Drafting	Internal Controls & Compliance Unit
Revision	Department of Governance & Integrated Management
Approval	Core Executive Committee Corporate Governance & Nomination Committee Board of Directors

Change log:

Version	Item changed	Change	Rationale	Date
2	1	"Principles" section included.	Completes conceptualization.	April 30, 2014

Version	Item changed	Change	Rationale	Date
2	2	Bullet item excluded: "Assuring independent, impartial and timely internal auditing of the internal control system".	Item included in Internal Auditing's bylaws.	
2	3	"Prerogatives" section included.	"Ensuring that Internal Controls has access to all inputs required for the performance of its duties."	
2	4	Two new references included: "Corporate Risk Management Policy" and "Operational Risk Policy".	Reference.	
3	3	COBIT methodology included in best practice references.	Reference.	
3	4	"Compliance Policy" included in references.	Reference.	
3	8	Management nomenclature changed.	Adjustment to company's new style.	
4	3, 4, 5, 6	Compliance Policy and monitoring of regulatory environment included. Independent evaluation of system of internal controls by Internal Auditing excluded. Oversight of action plans included.	Project B3Together	June 28,2017
5	1, 2, 3, 4, 5, 6, 7	Formatting adjusted. Text on normative references improved. Responsibilities of Internal Controls & Compliance extended. Activities of Internal Controls adjusted. Audit Department's responsibility included. Business areas' responsibilities extended. Legal Department's responsibilities adjusted. Reporting of doubts on policy's applicability to Internal Controls and Compliance included.	Adjustment of governance structure.	December 12, 2019