



# **2019 Governance Inform**

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Chapter		Principle		Recommended Practice	Adopted?	Explanation
1 Shareholders	1.1	<b>Shareholder Structure</b> Each share must be entitled to one vote.	1.1.1	The company's capital stock should only consist of common shares.	Yes	Nothing to add
	1.2	<b>Shareholders Agreements</b> Shareholders' agreements must not transfer to signatory shareholders decisions on matters within the remit of the board of directors, the executive board or the fiscal council.	1.2.1	The shareholders' agreements should not link the exercise of the voting rights of any manager or member of the supervisory and control bodies.	Not applicable	Nothing to add
	1.3	<b>Meeting of Shareholders</b> Management must seek the engagement of the shareholders, encourage them to turn up for general meetings and to correctly understand the issues to be discussed, in addition to facilitating the indication and election of candidates to the board of directors and the fiscal council.	1.3.1	The executive board should use the meeting to communicate the way the company's business is being run, so the administration should publish a manual in order to facilitate and encourage participation at the general meetings.	Yes	Nothing to add
			1.3.2	The minutes should enable a full understanding of the discussions that took place at the meeting, even if drafted in the form of a summary of events that occurred, and include an identification of the votes cast by the shareholders.	Yes	Nothing to add

	<b>1.4</b>	<b>Defense Measures</b> Defense measures, if adopted by the company, must serve to thwart opportunist acquisitions of significant portions of the company's equity during unfavorable moments for the market, preserving liquidity or maximizing share value to the benefit of all shareholders.	1.4.1	The board of directors should undertake a critical analysis of the advantages and disadvantages of the defense measure and of its characteristics and, in particular, of the activation triggers and price parameters, if applicable, giving an explanation of them.	Partially	Although the board of directors analyzes the advantages and disadvantages of defense measures, the content of these analysis is treated in a confidential manner and no minutes are disclosed.
			1.4.2	Clauses that preclude the removal of the social status measure, the so-called 'immutable clauses', should not be used.	Yes	Nothing to add
			1.4.3	If the Bylaws determine that a public offering should be held whenever a shareholder or group of shareholders reaches, directly or indirectly, a relevant stake in the voting capital, the rule for determining the offering price should not impose additional premiums substantially greater than the economic or market value of the shares.	Yes	The bylaws stipulate that the share price in the event of such an offer will be at least the highest price paid by the purchases in the 6 months that preceded their having attained 30%, adjusted for corporate events and income. The bylaws stipulate no mandatory premium to be paid by the shareholder who acquires an interest of 30% or more.
	<b>1.5</b>	<b>Change of Control</b> Irrespective of the legal form and the terms and conditions negotiated for the transaction that leads to a change in control, all shareholders of the subject company of the transaction must be treated in a fair and equal manner.	1.5.1	The company's Bylaws should establish that:  (i) transactions which denote the direct or indirect disposal of share control should be accompanied by a public offering held to all the shareholders, for the same price and conditions as those obtained by the selling shareholder;  (ii) the managers must express their views regarding the terms and conditions of corporate reorganizations, capital increases and	Yes	Nothing to add

				other transactions that give rise to a change of control, and determine whether they guarantee fair and equitable treatment of the company's shareholders.		
	<b>1.6</b>	<b>Manifestation by the Management in the OPAs</b> The board of directors must instruct the shareholders regarding the OPAs addressed to them.	1.6.1	The Bylaws should provide for the board of directors to give its opinion in relation to any public offering of shares or securities that are convertible or exchangeable for shares issued by the company, which should include, among other material information, management's opinion regarding the possible acceptance of the Public Offering and in relation to the company's economic value.	Yes	Nothing to add
	<b>1.7</b>	<b>Income Allocation Policy</b> The company's income allocation policy must respect the economic and financial characteristics of the business – cash generation and investment requirements – and must be known to all stakeholders, shareholders and investors.	1.7.1	The company should draw and disclose an income allocation policy defined by the board of directors. Among other aspects, this policy should provide for the frequency of dividend payments and the benchmark to be used to define the respective amount (percentages of adjusted net income and free cash flow, among others).	No	The company has no formally approved policy for the allocation of income. However, over recent years, it has adopted a consistent practice of distributing a relevant portion of the company's net income, significantly higher than the percentage stipulated in its bylaws. At each income allocation, the Board of Directors analyzes the company's economic and financial condition and strives to meet the objectives of a strong Balance Sheet and distribution of income to the shareholders. Starting 2019, the Company also began to disclose the projected distribution of net income to the shareholders. For information about the allocations of income, see section 3.4 of the latest version of the 2019 reference form.
	<b>1.8</b>	<b>Government-controlled Private Companies</b> Guidance on the company's activities from the controlling shareholder, so that it fulfils the public interest that justified the creation of the government-controlled private company, must be reconciled with the interests of the other	1.8.1	The company's Bylaws should clearly and precisely identify the public interest that justified the setting up of the government-controlled company, in a specific chapter.	Not applicable	Nothing to add

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		shareholders and investors the company's securities.				
			1.8.2	The board of directors should monitor the company's activities and establish policies, mechanisms and internal controls in order to determine the possible costs of meeting the public interest and the eventual compensation of the company or other shareholders and investors by the controlling shareholder.	Not applicable	Nothing to add
2 Board of Directors	2.1	<b>Duties</b> The board of directors must perform its duties bearing in mind the company's long-term interests, the impacts arising from its activities on society and on the environment and the fiduciary duties of its members as stalwarts of the company's principles, values, business purpose and system of governance.	2.1.1	The Board of Directors should, without prejudice to other legal and statutory responsibilities and other duties provided for in the Code:  (i) define the business strategies, taking into account the impact of the company's activities on society and the environment, with a view to the company's continued existence and the creation of value over the long-term;  (ii) periodically assess the company's exposure to risks and the effectiveness of the risk management systems, internal controls and the integrity/ compliance system and approve a risk management policy that is consistent with the business strategies;  (iii) define the company's ethical values and principles and make every effort to maintain the issuer's transparency in its relationship with all the stakeholders;  (iv) annually review the corporate governance system	Yes	The Board of Directors ordinarily meets at least 6 times per years to deal with matters concerning the company's business, including strategy. Additionally, a meeting is held once a year exclusively dedicated to updating and revising the company's business strategy. Furthermore, the company's budget for the following year is also approved by the board on an annual basis. Periodically, the Governance Department submits to the Board of Directors, through the Risks and Finance Committee (CRIF) the outcome of the monitoring of how the company's risks have been evolving and, every six months, an evaluation of its controls environment. For 2019, 7 meetings of the CRIF are scheduled (including ordinary and extraordinary meetings). Every six months, the internal controls report is submitted for evaluation by the Audit Committee. Just like the corporate risk management policy, all other policies adopted by the company are submitted for approval by the Board of Directors.  The company's code of conduct, approved by the Board of Directors, sets out the values and ethical principles expected of all managers, employees and interns, as well as those of its affiliates and subsidiaries. Likewise, our partners and suppliers of goods and services are required to adopt the same standards. There is an additional requirement for everyone to embrace the best professional practices when engaging with stakeholders, whether they are participants, investors, regulatory bodies, the government, service providers or suppliers. See section 5 of the latest version of the 2019 reference form.

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				with a view to improving it.		
	<b>2.2</b>	<b>Composition of the Board of Directors</b> The board of directors must have members with diverse profiles, an appropriate number of independent members and a size that enables the creation of committees, effective debate about ideas and technical, impartial and well-argued decisions to be taken.	2.2.1	The Bylaws should establish that:  (i) the board of directors is made up for the most part of external members, with at least one third of the members being independent;  (ii) the board of directors should assess and annually disclose who the independent directors are, as well as indicate and justify any circumstances that might threaten their independence.	Partially	Prior to election or reelection, candidates to board membership must submit statements beforehand confirming that they meet the independence criteria, as the case may be. After the election, the bylaws and the internal rules and regulations of the CA stipulate, as an obligation of the Independent Members, notifying the company and the Board of Directors non-fulfilment of the independence criteria.
			2.2.2	The board of directors should approve a nomination policy that establishes:  (i) the process for the nomination of the members of the board of directors, including the indication of participation of the company's other management bodies in the aforesaid process;  (ii) that the board of directors should be composed bearing in mind the availability of time for its members to perform their duties and the diversity of knowledge, experiences, behaviors, cultural aspects, age group and gender.	No	The company's bylaws and the Internal Rules and Regulations of the Board of Directors establish certain rules on availability and knowledge of the members of the Board of Directors, although the company does not yet have a formal indication policy. See section 12 of the latest version of the 2019 Reference Form.
	<b>2.3</b>	<b>Chairman of the Board</b> The chairman of the board must oversee the activities of the board of directors, striving for the efficacy and good performance of the body and of each of its members,	2.3.1	The Chief Executive Officer should not also hold the position of Chairman of the Board of Directors.	Yes	Nothing to add

		<p>serving as the link between the board of directors and the chief executive officer.</p>				
	<b>2.4</b>	<p><b>Assessment of the Board and the Board members</b> The board of directors must set up mechanisms for periodic performance appraisals that contribute to their effectiveness and to enhancing the company's governance.</p>	2.4.1	<p>The company should implement an annual process to assess the performance of the board of directors and its committees, such as joint decision-making bodies, the chairman of the board of directors, the board members individually, and the governance secretariat, if there is any.</p>	Yes	<p>See section 12 of the latest version of the 2019 reference form. The Governance Secretariat was formally instituted in January 2018 and its members are assessed once a year according to the performance appraisal methodology adopted by the company.</p>
	<b>2.5</b>	<p><b>Succession Planning</b> The board of directors must strive for the continuity of the company's management, preventing the succession of its main leaders from affecting the company's performance and destroying its value.</p>	2.5.1	<p>The board of directors should approve and keep up to date a succession plan for the CEO, the preparation of which should be coordinated by the chairman of the board of directors.</p>	No	<p>Given the merger of the operations of BM&amp;FBOVESPA and CETIP in 2017, the company undertook its first succession process for the position of chief executive and it is still in the phase of integrating the structures. In 2019 the plan of succession for the position of chief executive was added to the agenda of the company's Governance and Appointments Committee (CGI) which is discussing its content. This notwithstanding, and still within the scope of this process, the succession plans for the other positions within the company have already been discussed and defined.</p>
	<b>2.6</b>	<p><b>Integration of New Directors</b> To be able to perform their functions well, directors must understand the company's business.</p>	2.6.1	<p>The company should have a previously structured program for the integration of new members of the board so that the aforesaid members are presented to the company's key people and to its facilities, and by means of which subjects that are essential in order to understand the company's business are addressed.</p>	Yes	<p>New directors receive material about the company's governance, as well as about how the meetings of the Board of Directors and of the Committees in which they participate are planned, in addition to information and material about the company's key activities and business. Live meetings are also organized with the Vice Presidents and Officers responsible for the company's core business.</p>
	<b>2.7</b>	<p><b>Compensation of the Members of the Board</b> The compensation of the members of the board of directors must align with the company's strategic objectives, with the emphasis on</p>	2.7.1	<p>The compensation of the members of the board of directors should be proportional to their duties, responsibilities and demand in terms of time. There should not be any compensation based on participation in meetings, and the</p>	Yes	<p>Nothing to add</p>

		its perennial status and on the creation of long-term value.		directors' variable compensation, if any, should not be linked to short-term results.		
	<b>2.8</b>	<b>Internal Rules and Regulations of the Board of Directors</b> The board of directors must act guided by a document containing rules that govern its structure and modus operandi.	2.8.1	The board of directors should have internal regulations that regulate its responsibilities, duties and rules of operation, including:  (i) the duties of the chairman of the board of directors;  (ii) the rules for the substitution of the chairman of the board in the case of his or her absence or vacancy;  (iii) the measures to be taken in situations where there is a conflict of interest; and  (iv) the definition of sufficient advance notice for the receipt of the materials to be discussed at the meetings, with the appropriate depth.	Yes	Nothing to add
	<b>2.9</b>	<b>Meetings of the Board of Directors</b> The board of directors must adopt a set of actions that render its meetings effective, facilitate the work of the outside board members and lend transparency to its work.	2.9.1	The board of directors should define an annual calendar with the dates of the ordinary meetings, of which there should not be less than six or more than twelve, in addition to convening extraordinary meetings whenever necessary. This timetable should provide for an annual thematic agenda with relevant subjects and discussion dates.	Yes	Nothing to add
			2.9.2	Board meetings should regularly provide exclusive sessions for external directors, without the presence of executives and other guests, in order to align the external directors and for the discussion of issues that may generate discomfort.	Yes	Nothing to add

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			2.9.3	The minutes of the board's meetings should be clearly drafted and record the decisions taken, the people who were present, the dissenting votes and those who abstained from voting.	Yes	The Internal Rules and Regulations stipulate the taking of minutes of the meeting, containing the issues raised, the decisions taken and the actions to be undertaken, while the dissenting votes and relevant discussions must be included in the minutes when so required.
3 Executive Board	3.1	<b>Duties</b> The executive board must manage the company's business, abiding by the risk limits and the guidelines approved by the board of directors.	3.1.1	The Executive Board should, without prejudice to its legal and statutory duties and other practices provided in the Code:  (i) implement the risk management policy and, whenever necessary, put proposals forward to the board for any necessary revision of this policy, as a result of changes in the risks to which the company is exposed;  (ii) implement and maintain effective mechanisms, processes and programs for monitoring and disclosing the financial and operational performance and the impacts of the company's activities on society and the environment.	Yes	Nothing to add
			3.1.2	The executive board should have its own internal regulations that establish its structure, its functioning and its roles and responsibilities.	Yes	Nothing to add
	3.2	<b>Indication of the Officers</b> The process for indicating and filling positions on the executive board, as well as managerial positions, must seek to create a group aligned with the company's principles and ethical values, given the diversity, including that of gender, aiming	3.2.1	There should be no reserve of management positions or management positions for direct indication by shareholders.	Yes	Nothing to add

		to fill the positions with people who have the supplementary competencies and skills to take on the challenges facing the company.				
	<b>3.3</b>	<b>Assessment of the Chief Executive Officer and the Executive Board</b> The chief executive officer and the executive board of must be assessed based on financial and non-financial performance goals (including environmental, social and governance aspects), aligned with the company's values and ethical principles.	3.3.1	The CEO should be assessed on a yearly basis by means of a formal process carried out by the board of directors based on the verification of the achievement of the financial and non-financial performance goals established by the board of directors for the company.	Yes	The assessments of the Chief Executive Officer for the year 2018 were undertaken in February 2019.
			3.3.2	The results of the assessment of the other officers, including the CEO's proposals regarding the goals to be agreed and the continuation, promotion or dismissal of executives in their respective positions, should be presented, analyzed, discussed and approved at a meeting of the board of directors.	Yes	The assessment of the statutory officers for the year 2018 were undertaken in February 2019, having been perused by the CA at the meeting on February 21, 2019.
	<b>3.4</b>	<b>Compensation of the Executive Board</b> The compensation of the executive board must be aligned with the company's strategic objectives, with the emphasis on its perennial status and on the creation of long-term value.	3.4.1	The compensation of the Executive Board should be fixed by means of a compensation policy approved by the board of directors through a formal and transparent procedure that takes into account the costs and risks involved.	Yes	The company has a Human Resources Policy approved by the CA on April 13, 2018, covering the recommended compensation practices.

			3.4.2	The executive board's compensation should be linked to results, with medium- and long-term goals clearly and objectively related to the generation of long-term economic value for the company.	Yes	Our compensation strategy for the statutory and non-statutory executive board is to balance the short, medium and long-term elements that ensure alignment with the company's objectives, maintenance of market-competitive compensation, attraction and retention of executives and compensation of the professionals according to the responsibilities allocated to their respective positions and according to their performance. This way, our compensation strategy positions the fixed compensation of our Statutory and Non-Statutory Officers within the mean of the market, the differential being the variable short-term compensation and the long-term incentives that are linked to the company's global performance and the individual performance of the Statutory and Non-Statutory Officers. For further details see section 13 of the latest version of the 2019 Reference Form.
			3.4.3	The incentive structure should be aligned with the risk limits defined by the board of directors and prohibit the same person from controlling the decision-making process and its respective oversight. No one should make decisions in relation to their own compensation.	Yes	The compensation of the Board of Directors and the Statutory Executive Board is reassessed on an annual basis by the Personnel and Compensation Committee and approved at the Shareholders' Meeting. In the case of the Statutory Executive Board, the monthly fixed compensation is adjusted according to the collective bargaining agreement with the trade union and, as the case may be, there may increases within the salary practices defined by the company on individual merit. Regarding the short-term variable compensation policy (PLR) and the long-term incentives (Shares Programs established according to the guidelines of the Shares Plan), the respective rules and definitions are proposed by the Compensation Committee within the scope of its remit and approved by the Board of Directors. For further details see section 13 of the latest version of the 2019 Reference Form.

4 Oversight and Control Bodies	4.1	<b>Audit Committee</b> The company must have an independent and qualified statutory audit committee.	4.1.1 The statutory audit committee should:  (i) include among its duties advising the board of directors on the monitoring and control of the quality of the financial statements, internal controls as well as on risk management and compliance;  (ii) be made up for the most part of independent members and coordinated by an independent board member;  (iii) have at least one of its independent members with proven experience in the corporate-accounting, internal controls, financial and audit areas, cumulatively; and  (iv) have its own budget for hiring consultants for accounting, legal or other matters, when the opinion of an external specialist is required.	Yes	See item 5 and section 12.7 of the latest version of the 2019 Reference Form.
	4.2	<b>Fiscal Council</b> The fiscal council, if installed, must be equipped with the resources and have the support of the management required by its members to effectively perform their individual independent oversight duties.	4.2.1 The fiscal council should have its own internal regulations that describe its structure, operation, work program, roles and responsibilities, without creating barriers to the individual performance of its members.	Yes	Nothing to add
			4.2.2 The minutes of the fiscal council's meetings should adhere to the same disclosure rules as the board of directors' minutes.	Yes	Nothing to add

	<b>4.3</b>	<b>Independent Auditors</b> The independent auditors must report to the board of directors. The latter must ensure the independence of the independent auditors as they go about their work.	4.3.1	The company should establish a policy for the contracting of extra-audit services from its independent auditors, approved by the board of directors, which prohibits the contracting of any extra-audit services that may compromise the auditors' independence. The company should not contract as an independent auditor any audit firm that has carried out internal audit services for the company during the last three years.	No	The company does not have a formal policy of hiring extra-audit services, however, according to the Internal Rules and Regulations of the Audit Committee, it is forbidden to hire extra-audit services that could prejudice the auditors' independence. For further details see section 5 of the latest version of the 2019 Reference Form.
			4.3.2	The independent audit team should report to the board of directors, by means of the audit committee, if there is one. The audit committee should monitor the effectiveness of the independent auditors' work, as well as their independence. It should also assess and discuss the independent auditor's annual work plan and forward it to the Board of Directors for consideration.	Yes	Nothing to add
	<b>4.4</b>	<b>Internal Audit</b> The company must structure its internal audit in a manner compatible with the extent and complexity of its business risks, with the board of directors ensuring the qualification and independence of the professionals on the internal audit team in relation to the executive board.	4.4.1	The company should have an internal audit area that is directly tied to the board of directors.	Yes	See section 5 of the latest version of the 2019 Reference Form.

			4.4.2	In the case of outsourcing of this activity, the internal audit services should not be performed by the same company that provides audit services of the financial statements. The company should not hire anyone for internal auditing services who has provided the company with independent audit services during the last three years.	Not applicable	Nothing to add
	<b>4.5</b>	<b>Risk Management, Internal Controls and Integrity/Compliance</b> The company must have an appropriate risk management process and maintain internal controls and integrity/compliance programs appropriate for its size, the risk and the complexity of its business.	4.5.1	The company should adopt a risk management policy approved by the board of directors, which includes a definition of the risks for which protection is sought, the instruments used to do so, the organizational structure for risk management, the assessment of the adequacy of the operational structure and the internal controls in confirming their effectiveness, in addition to establishing guidelines for establishing acceptable limits for the company's exposure to these risks.	Yes	<p>The Corporate Risk Management Policy of B3 defines the procedures identifying, assessing, treating and notifying the risks for which the company seeks to hedge, subject to annual review and submission for approval by the Board of Directors. It must be pointed out that the credit, liquidity and market risks related to the operations of the clearing and settlement chambers in their role as central counterparty are covered in the clearinghouse regulations and manuals and are outside the scope of the remit of this Policy. The document stipulates that the Board of Directors is responsible for defining the level of risk appetite to be observed when doing business, under the advisory of the Risks and Finance Committee (CRIF) and the Audit Committee (COAUD), so as to maintain the risks at levels compatible with the risk appetite established. Additionally, the Internal Corporate Risks Committee (CIRC), subordinate to the collegiate executive board, assesses the results of risk tolerance indicators, while the Governance and Integrated Management Department is responsible for setting out the process to be used in the management of internal controls, compliance and corporate risks.</p> <p>For information about the organizational corporate risk management structure and adequacy assessment of the operational structure and internal controls in assuring their effectiveness, see section 5.1.b.iii of the latest version of the 2019 reference form.</p>

			<p>4.5.2 It is up to the board of directors to ensure that the executive board has mechanisms and internal controls to enable it to know, assess and control the risks in order to keep them at levels which are compatible with the limits established, including integrity/compliance program, with a view to complying with the laws, regulations and external and internal standards.</p>	<p>Yes</p>	<p>The Board of Directors of B3 is the governance body which, upon recommendation of the Governance and Appointment Committee (CGI), approves the policies on Corporate Risk Management, Compliance and Internal Controls and Prevention and Combatting of Corruption and Fraud covering compliance with laws, regulations and internal and external rules and regulations, as well as the integrity/compliance program.</p> <p>The Internal Controls, Compliance and Corporate Risk Departments establish the bearings and provide assessments for internal controls, risks and compliance, providing support for the business areas and for the Company's management to take decisions. Under the governance structure approved by the Board of Directors, the DGI reports directly to the CEO of B3, which grants him autonomy and independence in his assessments.</p> <p>Lastly, the risks limits of B3, which include issues involving integrity/compliance, are governed by the statement of risk appetite and approved by the Board of Directors. Cases where risk limits are exceeded are submitted to the Board of Directors, which sponsors the actions required for returning to the established standard risk limits.</p>
			<p>4.5.3 The Executive Board should assess at least once a year the effectiveness of the risk management policies and systems and internal controls as well as the integrity/compliance program and provide the board of directors with a report regarding this evaluation.</p>	<p>Yes</p>	<p>Once a year, the collegiate executive board reassesses the efficacy of the Corporate Risk Management, Compliance and Internal Control Policies.</p> <p>Every six months, the collegiate executive board evaluates the efficacy of the risk management systems and internal controls by reviewing the risks that impact the company and the efficacy of the controls for mitigating them. The results of these assessments are presented to the Board of Directors through the Risks and Finance Committee.</p> <p>With regard to the integrity program, without prejudice to the reports on the internal controls that also cover the processes of this program, at least once a year the results and progress of the initiatives referring to the integrity program are presented to the Audit Committee.</p> <p>The most recent version of the policies on Corporate Risk Management, Compliance and Internal Controls and Prevention and Combatting of Corruption and Fraud was approved by the Board of Directors in June 2019.</p>

<p>5 Ethics and Conflict of Interests.</p>	<p>5.1</p>	<p><b>Code of Conduct and Whistleblower Channel</b> The company must have a code of conduct that fosters its values and ethical principles while reflecting the identity and culture of the organization, and a whistleblower channel for receiving criticisms, doubts, and complaints.</p>	<p>5.1.1 The company should have a conduct committee, equipped with independence and autonomy and directly linked to the board of directors, responsible for the implementation, dissemination, training, revision and updating of the code of conduct and the whistleblowing channel, as well as how reports are handled and the corrective measures proposed in relation to breaches of the code of conduct.</p>	<p>Partially</p>	<p>The Company has an Internal Conduct and Ethics Committee within its governance structure, while the Audit Officer reports to the COAUD on complaints involving corruption and fraud. The Committee pertains to the Executive Board, but the document setting out its rules of operation was approved by the Board of Directors.</p>
			<p>5.1.2 The code of conduct drawn up by the executive board, with the support of the conduct committee, and approved by the board of directors, should:</p> <p>(i) regulate the company's internal and external relations, expressing the commitment that is expected from the company, its board members, executive officers, shareholders, employees, suppliers and stakeholders with the adoption of appropriate standards of conduct;</p> <p>(ii) administer conflicts of interest and make provision for the abstention of a member of the board of directors, audit committee or conduct committee, as the case may be, if there is any conflict of interest;</p> <p>(iii) to clearly define the scope and coverage of the actions designed to ascertain the occurrence of situations understood as having been carried out with the use of inside information (for example, the use of</p>	<p>Yes</p>	<p>The code of conduct and ethics of B3 covers the items recommended, with the caveat for item (ii), referring to the question of abstention by the members of the board of directors, the audit committee or the internal conduct and ethics committee when these find themselves in conflict. However, this issue is covered in the rules and regulations of the board of directors, the audit committee and the internal advisory committees to the collegiate executive board of B3.</p>

			<p>inside information for commercial purposes or to obtain advantages in the trading of securities);</p> <p>(iv) to establish that ethical principles are the basis of the negotiation of contracts, agreements, proposed amendments to the Bylaws, as well as the policies that guide the whole company, and to establish a maximum value in terms of goods or services that managers and employees can accept as a gift or on advantageous terms from third parties.</p>		
			<p>5.1.3 The whistleblowing channel should be equipped with independence, autonomy and impartiality, using operating guidelines defined by the executive board and approved by the board of directors. It should be operated independently and impartially, and ensure the anonymity of its users, in addition to promoting, in a timely fashion, the necessary investigations and measures. This service may be provided by a third party that has acknowledged capacity.</p>	Yes	<p>The whistleblower channels of B3 are managed by an independent and impartial outsourced company, ensuring, in accordance with the guidelines approved by the Board of Directors, the anonymous nature of the complaints, if the whistleblower so wishes.</p> <p>Currently, investigations are undertaken by the Internal Audit team of B3, which takes timely measures bearing in mind also the complexity of the facts reported.</p>
	5.2	<p><b>Conflict of Interests</b> The company must create mechanisms for dealing with situations of conflict of interests within the company's management or at shareholder meetings.</p>	<p>5.2.1 The company's governance rules should ensure the separation and clear definition of tasks, roles and responsibilities associated with the mandates of all the governance agents. The decision-making approvals authority at each level should also be defined, in order to minimize potential points of conflicts of interest.</p>	Yes	<p>See sections 12.3 and 16 of the latest version of the 2019 Reference Form.</p>

			5.2.2	The company's governance rules should be made public and determine that any person who is not independent in relation to the matter under discussion or resolution by the company's management or supervisory bodies should give notice of his or her conflict of interests or particular interest, in a timely fashion. If he or she does not do so, the aforesaid rules should provide for another person to give notification of the conflict if he or she is aware of it and that, as soon as the conflict of interest is identified in relation to a specific matter, the person involved withdraws himself or herself, even physically, from the discussions and resolutions. The rules should provide for this temporary withdrawal to be recorded in the minutes.	Yes	Under the terms of the Policy on Transactions with Related Parties and Other Situations of Potential Conflict of interest to the company, as well as Internal Rules and Regulations of the company's Board of Directors, upon identifying a subject matter involving possible conflict of interests, the members of the board must immediately manifest their conflict of interests. Additionally, they must withdraw from discussions on the issue and abstain from voting. Also, under the terms of the Policy on Transactions with Related Parties and other Situations of Potential Conflict of interest to the company, if requested by the Chairman of the Board, said board members may participate partially in the discussion, so as to provide more information about the transaction and the parties involved. In this case, they must withdraw from the final part of the discussion, including the voting process of the subject matter.
			5.2.3	The company should have mechanisms for managing conflicts of interest in the votes submitted to the general meeting, for receiving and processing allegations of conflicts of interest, and for annulling votes cast in conflict, even after the meeting.	Partially	Notwithstanding the governance documents covering situations of potential conflict of interest, we have not formally provided for the mechanisms for receiving and processing allegations of conflicts of interests in relation to the votes given at the Shareholders' Meeting, which would be verified should an actual case arise. However, bearing in mind that the Company has no controlling shareholder and managers with relevant shareholding positions, the interests of the minority shareholders is assured, mitigating the risk of conflict. The bylaws also state that shareholders can only vote with a maximum of 7% of the company's capital stock.
	<b>5.3</b>	<b>Transactions with Related Parties</b> The company must have governance policies and practices to ensure that all and every transaction with the related party is always	5.3.1	The Bylaws should define which related party transactions need to be approved by the board of directors, to the exclusion of any members with potentially conflicting interests.	No	The criteria for submitting transactions with related parties to the Board of Directors is defined in the Policy on Transactions with Related Parties approved by the Board of Directors itself and available on the company's investor relations site ( <a href="http://ri.bmfbovespa.com.br/static/ptb/estatutos-codigos-politicas.asp?idioma=ptb">http://ri.bmfbovespa.com.br/static/ptb/estatutos-codigos-politicas.asp?idioma=ptb</a> ).

		undertaken in the company's best interests, with total independence and absolute transparency.				
			5.3.2	<p>The board of directors should approve and implement a related party transactions policy, which should include, among other rules:</p> <p>(i) a provision that prior to the approval of specific transactions or guidelines for contracting transactions, the board of directors make a request to the executive board for market alternatives to the related party transaction in question, adjusted for the risk factors involved;</p> <p>(ii) a ban on types of compensation for advisors, consultants or intermediaries who generate conflicts of interest with the company, the managers, the shareholders or classes of shareholders;</p> <p>(iii) a prohibition on loans on behalf of the controlling shareholder and management;</p> <p>(iv) the assumptions that transactions with related parties should be based on independent appraisal reports, drafted without the participation of any party involved in the transaction in question, whether it be a bank, lawyer, specialized consulting firm, among others, based on realistic</p>	Partially	<p>The company adopts a policy on Transactions with Related Parties described in section 16 of the latest version of the 2019 reference form. Notwithstanding the fact that the text does not cover the entire content recommended by the Code of Governance, the policy expressly stipulates that all transactions with related parties must be contracted on market conditions with due regard for the principle of competition (prices and conditions compatible with those prevailing on the market), and must abide by the same principles and procedures governing the company's negotiations with independent parties. In addition, this policy stipulates that all transactions with related parties must be approved by the Collegiate Executive Board and also by the Board of Directors, depending on the amount) and reported on a quarterly basis to the Audit Committee. It is also worth mentioning that the company's policies are constantly revised to enhance the governance practices adopted by the company's management.</p>

			<p>assumptions and information endorsed by third parties;</p> <p>(v) that corporate restructurings involving related parties should ensure an equitable treatment for all shareholders.</p>		
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	<p><b>5.4</b></p>	<p><b>Securities Trading Policy</b> Trading of the company's own shares or other securities by shareholders, managers, members of the fiscal council and other statutory bodies, and by anyone with access to information must be governed by the principles of transparency, fairness and ethics.</p>	<p>5.4.1</p>	<p>The company should adopt, by resolution of the board of directors, securities trading policy, which, without prejudice to compliance with the rules established by the CVM's regulations, establishes controls that enable the monitoring of the trades carried out, as well as the verification and punishment of those responsible in the case of non-compliance with the policy.</p>	<p>Yes</p>	<p>The Policy for Trading Securities Issued by B3 was approved by the Board of Directors. All transactions undertaken with B3SA3 are monitored and, if any violation of the guidelines provided for in the Policy is detected, the case is to the internal conduct and ethics committee for the appropriate measures and, when it involves members of the Board of Directors, Committee Members, their respected Related Parties and Third Parties, competence is attributed to the Governance and Appointments Committee which submits the appropriate measures to the Board of Directors. For the monitoring purposes, every two months all transactions undertaken in our markets with B3SA3 shares by all Persons Subject thereto, under the terms of the Policy on the Negotiation of Securities Issued by B3, are collated. Thereafter, a check is made as to whether the trade took place according to a said policy and other internal regulation of B3, and also if it was the subject of prior approval by the company's internal system. Once identified, any non-compliance with the rules on the trading of securities issued by B3 by Members of the Executive Board and Employees and their respective Related Parties under the terms of this Policy is reported to the internal conduct and ethics committee for the appropriate measures to be taken. Where non-compliance involves Members of the Board of Directors, Committee Members, their respective Related Parties and Third Parties, it is the responsibility of the Governance and Appointments Committee to analyze the measures to be adopted and submit them to the Board of Directors. The policy is described in section 20 of the latest version of the 2019 reference form and filed with the CVM, along with its principal features and controls for monitoring trades closed.</p>
	<p><b>5.5</b></p>	<p><b>Contributions and Donations Policy</b> Management must be certain that its members and other employees have a clear and objective understanding of the principles and rules on contributions and donations of cash or goods</p>	<p>5.5.1</p>	<p>In order to ensure greater transparency in relation to the use of the company's resources, a policy should be drawn up regarding its voluntary contributions, including those related to political activities, containing clear principles and rules and objectives, to be approved by the board of directors and</p>	<p>Yes</p>	<p>The company has no formal policy on contributions and donations. This notwithstanding, it must be pointed out that the bylaws prohibit donations to political campaigns. Furthermore, the company's Code of Conduct states that the Chairman of the Board and the statutory officers are forbidden to make financial donations and contributions to candidates and political parties. The bylaws can be found on the company's IR site. This answer is also valid for section 5.5.2.</p>

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		to philanthropic, cultural, social, and environmental projects or to political activities.		implemented by the executive board.		
			5.5.2	The policy should provide for the Board of Directors to be the management body responsible for approving all disbursements related to political activities.	Yes	Not applicable, since the company's bylaws prohibit donations to political campaigns.
			5.5.3	The policy regarding voluntary contributions from state-controlled companies or companies that have significant recurring business relationships with the State should prohibit contributions or donations to political parties or persons linked to them, even if this is permitted by law.	Not applicable	Nothing to add