

# FINANCIAL INVESTMENT POLICY

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## 1 PURPOSE

The purpose of this policy is to establish principles, guidelines, and responsibilities to be observed in managing financial investments.

## 2 SCOPE

### 2.1 Scope

This policy applies to B3 S.A. – Brasil, Bolsa, Balcão (Company) its subsidiaries abroad, as well as Cetip Info Tecnologia S.A. and associations linked to the company<sup>1</sup> (“Company”).

The policy will apply automatically to new subsidiaries and associations linked to the Company unless the competent authority decides otherwise upon the incorporation of or investment in such entities.

### 2.2 Exceptions

- a. Given the operational, administrative, and financial autonomy required by the applicable regulatory framework, BSM Market Supervision (BSM) and Investor Compensation 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. In the event of approval of their own policies, these will prevail for the aforementioned entities, given the specificity of the matter.

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<sup>1</sup> The following associations are covered by this policy: BSM, BVRJ, Bovespa Association, BM&F Association, BM&FBovespa Job Training Association – APBM&FBovespa, São Paulo Commodities Exchange, Cetip Educacional, Rio de Janeiro Stock Exchange Guarantee Fund and B3 Social

- b. Given the operational, administrative, and financial autonomy required by the applicable regulatory framework, this Policy does not apply to Banco B3.
- c. Investments where the Company controls, individually or jointly, the investee or has significant influence over it are not considered financial investments for the purposes of this policy<sup>2</sup>. Therefore, the equity holdings in entities, or any financial instruments purchased by the Company (and other companies under this policy) as a consequence of such investments with the characteristics found in this item, including derivatives, are also not covered by this policy and will be subject to the applicable governance.
- 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. Cash deposits in domestic bank accounts linked to judicial deposits not yet withdrawn or 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 that are not listed under Authorized Assets (item 4.2 below) and commodities is permitted only to discharge specific clearinghouse obligations, comply with court orders, or hedge liabilities and contingent liabilities against market fluctuations.

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<sup>2</sup> As established in Technical Pronouncement CPC 18 (R2) - Investment in Affiliates, Subsidiaries and Joint Ventures.

- g. Financial investments with fixed-rate or inflation return backed by financial liabilities of the same index up to the total maximum limit equivalent to BRL700 million are not covered for the purposes of this policy<sup>3</sup>.

## 2.3 Prohibitions

- a. The Company, comprising all the entities related to it according to the Scope of this policy, 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 positions<sup>4</sup>. Directional positions and leveraged transactions are prohibited.
- c. Investment is prohibited in linked 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.
- d. Purchase of private credit securities is prohibited for the Company.
- e. Whenever permitted, entities 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 Institution<sup>5</sup>.

## 2.4 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

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<sup>3</sup> Financial investments with fixed-rate or inflation return that are carried out as a result of structured funding to increase the Company's liquidity and that have similar characteristics and indices to the investments made must have been submitted and approved by the Company's Financial & Risk Committee.

<sup>4</sup> 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).

<sup>5</sup> Applies to publicly issued private credit securities.

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.
- d. Investments in funds and/or partnerships or entities are considered authorized assets, whether or not the Company deems to be of strategic interest, provided that it does not hold ownership control over them, individually or jointly, or has significant influence, with the exception of investments that are outside the scope of this policy, pursuant to item 2.2., “c”, above. The execution of the investment must be decided upon by the competent governance bodies. The assets mentioned in this paragraph will not be subject to the allocation limits expressed in this policy (item 5.2 below).

### 3 REFERENCE

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

## 4 DEFINITIONS

### 4.1 Third-Party Funds, the Company's Own Funds and Own Funds of Subsidiaries and Other Associations, in Brazil and Abroad under this Policy

- 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.
- 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 management.
- 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 Other Associations in Brazil under this Policy:** funds belonging to subsidiaries and other associations held in Brazil.
- f. **Own Funds of Subsidiaries and Entities Abroad:** funds belonging to subsidiaries and other associations held abroad.

### 4.2 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-bearing<sup>6</sup> 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, besides those indicated in item 2.4.d. above.
- d. **Authorized Assets for the Company's Own Funds Abroad:** demand deposits (interest-bearing or non-interest-bearing) and sovereign bonds, besides those indicated in item 2.4.d. above.
- e. **Authorized Assets for Own Funds of Subsidiaries and Other Associations in Brazil under this Policy:** federal government debt securities, repos in federal government debt securities and Authorized Private Credit Securities, besides those indicated in item 2.4.d. above.
- f. **Authorized Assets for Own Funds of Subsidiaries and Other Associations Abroad:** demand deposits (interest-bearing or non-interest-bearing), sovereign bonds and Authorized Private Credit Securities, besides those indicated in item 2.4.d. above.

## 4.3 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.

## 4.4 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

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<sup>6</sup> 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.



on the scale used by S&P. For an entity rated by both agencies, Rating shall mean the lower of the two ratings.

## 4.5 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<sup>7</sup> and Letras Financeiras do Tesouro (LFTs) is deemed to be one day.

## 4.6 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.
- 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.

## 4.7 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, SOFR, €STR).

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<sup>7</sup> Provided that open investment funds do not account for more than 5% of the total respective portfolio (Company’s Own Funds in Brazil, Third-Party Funds in Brazil, etc.) and provided that the investment in a given open fund does not account for more than 20% of the respective fund’s net worth. If one of the preceding conditions is not met, the Modified Duration will be calculated considering the assets included in the portfolio of the respective open investment funds.

- 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.

## 4.8 Authorized Private Credit Securities

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

## 5 GUIDELINES

### 5.1 THIS 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. Prohibits speculative exposure to exchange-rate risk in financial investments.<sup>8</sup>

### 5.2 ALLOCATION LIMITS

#### 5.2.1 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.

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<sup>8</sup> 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.

- 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.

## 5.2.2 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.

## 5.2.3 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 70% and 100% to financial investments with Floating-Rate Return; and between 0% and maximum<sup>9</sup> 30% to financial investments with Fixed-Rate Return or Inflation Return.
- c. Between 70% and 100% of financial investments must have immediate Liquidity (T0); and between 0% and 30% of financial investments must have Liquidity between 1BD and 5BD.
- d. The portfolio of financial investments with Fixed-Rate Return or Inflation Return must have a Modified Duration of maximum 1,440CD.

## 5.2.4 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

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<sup>9</sup> The allocation limit for financial investments with Fixed-Rate Return or Inflation Return will be periodically reviewed and ratified by the Financial & Risk Committee within the maximum limit provided for in this policy (i.e. up to 30%). On the date of approval of the 9th draft of this policy, this limit was up to 15%, limited to the notional amount of BRL1.5 billion.

- (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 1BD and 90BD.
  - 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.

## **5.2.5 Own Funds of Subsidiaries and Other Associations in Brazil under this Policy**

- a. Allocation of 100% to Authorized Assets for Own Funds of Subsidiaries and Other Associations 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 1BD and 90BD.
- d. The portfolio of financial investments must have a Modified Duration of between 1CD and 180CD.

## 5.2.6 Own Funds of Subsidiaries and Other Associations Abroad under this Policy

- a. Allocation of 100% to Authorized Assets for Own Funds of Subsidiaries and Other Associations 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 1BD and 90BD.
- d. The portfolio of financial investments must have a Modified Duration of between 1CD and 180CD.

## 6 RESPONSIBILITIES

### 6.1 Board of Directors

- Approves the Financial Investment Policy, besides deciding on its revisions.

### 6.2 Risk and Financial Committee of the Board of Directors

- Analyzes the Financial Investment Policy, as well as any revisions.

### 6.3 Corporate Governance and Nomination Committee

- Analyzes the Financial Investment Policy, as well as any revisions, and submits it to the Board of Director's decision.

## 6.4 Executive Board

- Analyzes the Financial Investment Policy and any revisions, submitting to decisions of the Board of Directors.
- Identifies risks preventively and performs risk management as needed, evaluating the probability of occurrence, and taking measures to prevent and minimize.

## 6.5 Chief Financial and Investor Relations Officer

- Enforces the Financial Investment Policy, managing the Company's funds and those of its subsidiaries and other associations under this policy.
- Regularly reviews the suitability of the Financial Investment Policy to the requirements of the Company, its subsidiaries, and other associations under this policy.

## 7 FINAL PROVISIONS

The above provisions apply immediately to the entire Company, its subsidiaries, and other associations under this policy as of the date of its publication.

## 8 CHANGE LOG

**Validity:** As of February 04, 2022,

**1<sup>st</sup> draft:** August 20, 2015.

### Responsible for the document:

Responsible for	Area
Drafting	Planning and Treasury Department
Revision	Executive Board Legal Department Governance and Integrated Management Department Risk and Financial Committee Corporate Governance and Nomination Committee
Approval	Executive Board Board of Directors

### Updates:

Version	Item Changed	Reason	Date
1	NA	NA	Aug. 20, 2015
2	4.7 (a) and (b)	S&P ratings downgrade of financial institutions	Oct. 01, 2015

	Change to S&P's global foreign currency scale minimum rating from BBB- to BB+		
3	Miscellaneous Text enhancements		Feb. 18, 2016
4	3.2 © 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	
	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	Exclusion of item 5.3	Eliminates the derivatives limit.	Sep. 16, 2019
	Exclusion of item 4.4 b	Refers to item 5.3 which has been eliminated.	
8	Change to item 2.2. (formerly 3.2)	Inclusion of a new investment exception not covered by this Policy (item g)	Jun. 26, 2020
	Change to item 5.5. (formerly 4.5)	Inclusion of explanatory footnote	



	Change to item 6.3 (formerly 5.3)	Change to percentages of own funds allocation in financial investments and inclusion of a footnote and inclusion of the maximum modified duration for financial investment portfolio with Fixed-Rate Return or Inflation Return	
	Change to item 6.4 (formerly 5.4) and item 6.5 (formerly 5.5)	Change to the liquidity of financial investments.	
	Miscellaneous	Adjustment to new template	
9	<p>Purpose</p> <p>Scope</p> <p>Definitions</p> <p>Guidelines</p> <p>Responsibility</p> <p>Final Provisions</p> <p>Change Log</p>	<p>Inclusion of the possibility of investing in funds and/or entities and/or companies that the Company deems to be of strategic interest or not, provided that it does not hold ownership control, individually or jointly, or significant influence as decided by the competent governance bodies</p> <p>General review of the text</p> <p>Adaptation to the standard policy template</p>	February 04 2022