

B3 CLEARINGHOUSE RULES

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TITLE I: INTRODUCTION

SOLE CHAPTER: OBJECT

Article 1. These rules govern the activities performed by B3, when acting in the capacity of **clearinghouse**, and its **participants**, covering the **acceptance, clearing, settlement** and counterparty risk management of the **transactions** executed in the financial, commodity and equities **derivatives markets**, in the cash markets for equities and corporate debt, whether **exchange-traded markets** or **organized OTC markets**, as well as **securities lending transactions** and other related activities.

Paragraph 1. In performing its activities, the **clearinghouse** prioritizes the security, efficiency, integrity and maintenance of stability in the financial system.

Paragraph 2. For the purposes of these rules, **clearinghouse** means B3 when providing, as a primary function, services associated with the **acceptance, clearing, settlement** and risk management of the **transactions**, in addition to other related activities.

Article 2. Title II addresses the situations where B3 acts as **central counterparty** through the **clearinghouse**, pursuant to applicable legislation.

Sole paragraph. The **clearinghouse** acts as **central counterparty** for the **transactions** subject to **multilateral net settlement**.

Article 3. Title III addresses the situations where B3 does not act as **central counterparty** for the **transactions** settled through the **clearinghouse**.

Article 4. These rules are supplemented by:

- I. The B3 access rules and access manual;
- II. The appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**;
- III. The **clearinghouse** operating procedures manual;
- IV. The **clearinghouse** risk management manual;
- V. The **B3 central depository** rules;
- VI. The **B3 central depository** operating procedures manual;
- VII. The B3 glossary;
- VIII. The specifications of the contracts subject to **acceptance, clearing, settlement** and counterparty risk management by the **clearinghouse**; and
- IX. Circular letters and external communications published by B3 and in force.

Sole paragraph. The appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral** apply only to eligible nonresident **investors** domiciled in the respective jurisdictions to which such appendices refer, subject to the provisions of the **clearinghouse** risk management manual, and take precedence over the provisions set forth in these rules.

Article 5. The terms in bold type, both in the singular and plural forms, as well as the acronyms used in these rules are subject to the definitions and meanings contained in the B3 glossary of terms and acronyms, which is independent from other rules and regulations issued by B3.

Paragraph 1. The terms commonly used in the financial and capital markets, as well as legal, economic and accounting terms, and any other technical terms used in these rules and not included in the B3 glossary of terms and acronyms have the meanings generally accepted in Brazil.

Paragraph 2. The terms that are not included in the B3 glossary of terms and acronyms, but are used in the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, have the meanings generally accepted in the jurisdiction to which such appendices refer, and the terms defined in any such appendix have the meanings defined in the relevant appendix.

TITLE II: CLEARINGHOUSE OPERATIONS AS CENTRAL COUNTERPARTY

CHAPTER I: THE CLEARINGHOUSE

Sole section: General provisions

Article 6. The **clearinghouse** performs the **acceptance, clearing, settlement** and counterparty risk management for the **transactions** executed in the **trading environments** and **securities lending environments**, or registered in the **registration environments** managed by B3 or by other **external system** managing entities.

Article 7. In carrying out its activities, the **clearinghouse**:

- I. Acts as **central counterparty** in the **settlement** of obligations solely to **clearing members**;
- II. Implements **safeguards**, constituted under the terms and for the purposes provided for in Law #10214, of March 27, 2001, and risk management and control tools, in order to ensure the fulfillment of its obligations; and
- III. Performs the activities and provides the services deemed necessary for the fulfillment of the obligations deriving from these rules.

Article 8. B3 may enter into covenants, agreements, or other contractual relationships for the performance of **clearinghouse** obligations.

Article 9. The following **transactions**, carried out in the **trading environment** and **securities lending environment**, or registered in the **registration environment** managed by B3, are liable to be accepted by the **clearinghouse**:

- I. Those executed in the cash equities market;
- II. Those executed in the cash corporate debt market;
- III. Those executed in the equities **derivatives market** — exchange-traded and OTC;
- IV. Those associated with **securities lending**; and
- V. Those executed in the financial and commodity **derivatives markets** — exchange-traded and OTC.

Sole paragraph. The types and characteristics of the **transactions** accepted by the **clearinghouse** are described in the **clearinghouse** operating procedures manual.

Article 10. **Acceptance, clearing, settlement** and counterparty risk management of **transactions** in the cash **equities market** and **securities lending transactions** executed,

respectively, in **trading system** and **lending system** operated by **external system** managing entities are subject to the following provisions:

- I. The managing entity must hold an **access authorization** to act as **external system** at the **clearinghouse**, pursuant to the B3 access rules and manual;
- II. The **clearinghouse** must be able to calculate and manage the risk of the **assets** traded at the managing entity in a manner that is considered technically satisfactory and does not pose risks to the **clearinghouse** regular functioning and stability;
- III. For the **trading systems**, the managing entity must provide the use of the processes and the pre-trade risk management systems that are the same or equivalent of those employed by B3, in order to ensure the **clearinghouse** integrity and protection;
- IV. For the the **lending system**, in order to ensure the **clearinghouse** integrity and protection, the **external system** managing entity must: (i) use of the processes and the pre-trade risk management systems that are the same or equivalent of those employed by B3, considering **accepted** the **transaction** at the closing of the **securities lending** deal; or (ii) refrain to use those processes and the pre-trade risk management systems, considering **accepted** the **transaction** by being **captured** by the **clearinghouse** and restricted by compliance of the **clearinghouse** criteria of risk evaluation;
- V. If the **external system** managing entity chose to not employ the same processes and the pre-trade risk management systems used by B3, (i) those shall be previously approved by B3, which will assess the equivalency of the system and (ii) being periodically audited by a company appointed by B3, in order to verify its suitability;
- VI. The managing entity participants must establish contractual and registration links with **clearinghouse participants** allowing for the identification of the **clearinghouse participants** that are responsible for the **clearing, settlement** and risk management of the **transactions** carried out at the managing entity; and
- VII. Prior to the commencement of the provision of the services referred to in the opening paragraph of this article, B3 and the managing entity must execute a service agreement where further operating, risk management and technological conditions associated with the provision of services by the **clearinghouse** must be detailed, as well as the relevant commercial conditions.

Article 11. Transaction acceptance, clearing, settlement and counterparty risk management are subject to the provisions set forth in these rules and to the procedures prescribed in the **clearinghouse** operating procedures and risk management manuals.

Sole paragraph. The activities to which the appendices to these rules refer, in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, are subject to the

rules and procedures set forth in any such appendix, pursuant to the provisions of the **clearinghouse** risk management manual.

Article 12. The **settlement** of the results calculated by the **clearinghouse** in local currency (or **foreign currency**, in the case of nonresident **investors** under CMN Resolution #2687, of January 26, 2000) and **assets** is final and irrevocable upon the simultaneous transfers of the relevant balances between the **clearinghouse settlement accounts** and the **participants' Settlement accounts**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures manual.

CHAPTER II: CLEARINGHOUSE PARTICIPANTS IN THE MULTILATERAL NET SETTLEMENT SYSTEM

Section I: General provisions

Article 13. B3's **authorized participants** and **registered participants** that operate in the **clearinghouse** to carry out the **multilateral net settlement** process are:

- I. The **clearing members**;
- II. The **settlement agents**;
- III. The **full trading participants**;
- IV. The **settlement participants**;
- V. The **trading participants**;
- VI. The **custody agents**;
- VII. The **agribusiness depositaries**;
- VIII. The **guarantee issuing banks**
- IX. The **controlling guarantor**; and
- X. The **investors**.

Paragraph 1. The **clearing members**, **full trading participants**, **settlement participants**, **trading participants**, **custody agents** and **external system** are **authorized participants**, pursuant to the provisions of the B3 access rules and manual, and their respective **access authorizations** must be granted by the B3's Central Counterparty Risk Internal Committee.

Paragraph 2. The **settlement agents**, **agribusiness depositaries**, **guarantee issuing banks**, **controlling guarantor** and **investors** are **registered participants**, pursuant to the provisions of the B3 access rules and manual.

Article 14. Any individuals, legal entities, funds structured with a single class, investment funds structured with multiple classes and collective investment entities may operate as **clearinghouse participants** in the **multilateral net settlement** system, provided they comply with the following, as the case may be:

- I. Requirements and procedures for **participant** admission, as established in the B3 access rules and manual, as well as in applicable legislation and regulations; or
- II. Requirements and procedures for **participant registration**, as established in the B3 access rules and manual, as well as in applicable legislation and regulations.

Section II: Clearing member

Article 15. **Clearing member** is the **participant** that holds an **access authorization** to provide cash **settlement** directly with the **clearinghouse**, and it may be engaged by **full trading participants** or **settlement participants**, subject to the provisions and requirements defined in the B3 access rules and manual.

Article 16. The **clearing member** is liable:

- I. For settling with the **clearinghouse**, in the manner and time frames prescribed by the **clearinghouse**, the obligations deriving from the **transactions** assigned to the **clearing member** and to the other **participants** that utilize its **clearing** and **settlement** services, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals;
- II. For settling its obligations with the **full trading participants** and **settlement participants** that utilize its **clearing** and **settlement** services, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals;
- III. For **posting collateral** required by the **clearinghouse**, in the prescribed manner, amount and time frames, including **collateral** earmarked for the **settlement fund**, pursuant to the provisions of the **clearinghouse** operating procedures and risk management manuals;
- IV. For the authenticity and legitimacy of **collateral**, **assets** and documents delivered to the **clearinghouse**, whether directly or through the **participants** that use its **clearing** and **settlement** services, as well as the credit risk of the issue and the improvement and enforceability of **collateral**;
- V. For submitting to the **operational limits** established in the **clearinghouse** operating procedures and risk management manuals;
- VI. For providing the information required by B3 and for complying with the procedures established in B3 regulations, manuals, circular letters and external communications; and
- VII. For making sure that effective control mechanisms exist and are implemented by the **full trading participants** and **settlement participants** under its responsibility, in connection with risk management, and other controls designed to guarantee **asset** and cash **settlement** by the **investors**, in the manner and time frames prescribed in the **clearinghouse** operating procedures manual.

Paragraph 1. The **clearing member** becomes responsible for the obligations deriving from a **transaction** upon the **acceptance** thereof by the **clearinghouse**, subject to the **give-up** rules established herein and in the **clearinghouse** operating procedures manual.

Paragraph 2. The **clearing member** remains liable for the obligations it assumes before the **clearinghouse** even in case any of the **full trading participants**, **settlement participants**, **trading participants** and **investors** linked to the **clearing member** fails or is unable to make any **payments** or **deliveries**.

Paragraph 3. The **clearing member** remains liable to the **clearinghouse** for the **transactions** registered under its responsibility until all the obligations resulting from any such **transactions** are fully met, regardless of the sufficiency and quality of posted **collateral**.

Paragraph 4. The **clearing member** must develop, document and perform liquidity stress testing daily to assess its stock of liquid assets that can be used to meet potential cash outflows under adverse scenarios and its ability to settle obligations to the **clearinghouse** in the event of failure of **payment** or **collateral posting** by one or more **full trading participants** and **settlement participants** linked to it.

Article 17. In order to transfer funds through the **clearinghouse**, which include making and receiving **payments**, the **clearing member** must also be a **settlement agent** or engage the services of a **settlement agent**.

Paragraph 1. The **clearing member** remains liable for the obligations it assumes before the **clearinghouse** in case its **settlement agent** fails or is unable to make any **payments**.

Paragraph 2. The **clearing member** is responsible for choosing and engaging its **settlement agent**.

Paragraph 3. The **clearinghouse** is not liable for the credit risk existing between the **clearing member** and its **settlement agent**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals.

Article 18. When the **clearing member** does not act as a **custody agent**, it must engage and appoint a **custody agent** for the receipt of **assets**.

Paragraph 1. The **clearing member** is responsible for choosing and engaging its **custody agent**.

Paragraph 2. The **clearinghouse** is not liable for the credit risk existing between the **clearing member** and its **custody agent**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals.

Article 19. At least twenty (20) business days before ceasing to provide services to any **full trading participants** or **settlement participants** that may have engaged its services, the **clearing member** must give notice thereof to the **clearinghouse** and corresponding **full trading participants** and **settlement participants**, without prejudice to the **clearing member's** responsibility for the **settlement** of the **transactions** executed while the relevant contractual relationship was in force, until all the obligations deriving from any such **transaction** are fully met.

Sole paragraph. The twenty (20) business-day notice stipulated in this article can be reduced by the **clearing member** should the concerned **full trading participant** or the concerned **settlement participant** breach the relevant contractual relationship and/or **operational limits**.

Article 20. Without prejudice to other provisions established by B3, the contractual instrument entered into between the **clearing member** and any **full trading participant** or **settlement participant** must contain at least the following provisions:

- I. The minimum twenty (20) business-day notice of the **clearing member's** intent to terminate the relevant contractual instrument and the mandatory prompt notification thereof to the **clearinghouse**;
- II. The mandatory compliance with the **settlement window** time frames, as established by the **clearinghouse**;
- III. The mandatory compliance with the **operational limits** imposed by the **clearinghouse** on the **participants**, as well as with the **operational limits** imposed by the **clearing member** on the concerned **full trading participant** or **settlement participant**; and
- IV. A declaration by the **participants** that they have read, accepted and undertaken to abide by these rules, the **clearinghouse** operating procedures and risk management manuals, the B3 access rules and access manual, circular letters, external communications and other rules and regulations issued by B3, and all the amendments thereto.

Section III: Settlement agent

Article 21. **Settlement agent** is the **participant** that uses its **Bank Reserves account** or **Settlement account** to make or receive **payments** associated with the **clearing members' settlement** processes with the **clearinghouse**, subject to the provisions and requirements defined in the B3 access rules and manual.

Paragraph 1. The **settlement agent** that holds a **Settlement account** can only make or receive **payments** associated with its own **settlement** process as a **clearing member**.

Paragraph 2. The **settlement agent** that holds a **Bank Reserves account** can use this account to make or receive **payments** associated with:

- I. Its own **settlement** process as a **clearing member**; and
- II. The **settlement** processes of other **clearing members**.

Article 22. The **settlement agent** is liable:

- I. For making **payments** to and receiving **payments** from the **clearinghouse settlement account**, in its own name and on behalf of third parties, within the time frames defined in the **clearinghouse** operating procedures manual; and

- II. For communicating to the **clearinghouse** the full or partial availability of the funds required to meet the **clearing members'** obligations, within the time frames defined in the **clearinghouse** operating procedures manual.

Sole paragraph. The **settlement agent** is prohibited from **netting** the **payments** made by the **clearing members** to which it provides services.

Section IV: Full trading participant

Article 23. Full trading participant is the **participant** that holds an **access authorization** for trading, subject to the provisions and requirements established in the B3 access rules and manual, executing proprietary and third-party **transactions** and using the services provided by a **clearing member** to settle any such **transaction** with the **clearinghouse**.

Article 24. In order to perform its activities, the **full trading participant** that is not a **clearing member** must engage the services of and appoint the **clearing member** that will take responsibility for the **settlement** of the **full trading participant's** proprietary and third-party **transactions** at the **clearinghouse**.

Paragraph 1. The **full trading participant** is responsible for choosing and engaging its **clearing member**.

Paragraph 2. The **clearinghouse** is not liable for the credit risk existing between the **full trading participant** and its **clearing member**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals.

Article 25. When the **full trading participant** does not act as a **custody agent**, it must engage and appoint a **custody agent** for the **delivery** and receipt of **assets**.

Paragraph 1. The **full trading participant** is responsible for choosing and engaging its **custody agent**.

Paragraph 2. The **clearinghouse** is not liable for the credit risk existing between the **full trading participant** and its **custody agent**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals.

Article 26. The **full trading participant** is liable:

- I. For settling with the **clearing member**, in the prescribed manner, amount and time frames, the obligations deriving from the **transactions** assigned to the **full trading participant** and to the **investors** linked to the **full trading participant**, whether directly or through a **trading participant**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals;

- II. For settling its obligations to the **trading participants** and to the **investors** linked to the **full trading participant**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals;
- III. For **posting collateral** required by the **clearing member** and the **clearinghouse**, in the prescribed manner, amount and time frames, including **collateral** earmarked for the **settlement fund**, pursuant to the provisions of these rules and of the **clearinghouse** risk management manual;
- IV. For the authenticity and legitimacy of **collateral**, **assets** and documents delivered to the **clearinghouse**, whether directly or through the **trading participants** and the **investors** linked to the **full trading participant**, as well as the credit risk of the issue and the improvement and enforceability of **collateral**;
- V. For submitting to the **operational limits** established by the **clearing member** and the **clearinghouse**; and
- VI. For providing the information required by B3 and for complying with the procedures established in B3 regulations, manuals, circular letters and external communications.

Paragraph 1. The **full trading participant** remains liable for the obligations it assumes before the **clearing member** and the **clearinghouse** even in case any of the **investors** and **trading participants** linked to the **full trading participant** fails or is unable to make any **payments** or **deliveries**.

Paragraph 2. The **full trading participant** must develop, document and perform liquidity stress testing daily to assess its stock of liquid assets that can be used to meet potential cash outflows under adverse scenarios and its ability to settle obligations to the **clearing member** and to the **clearinghouse** in the event of failure of **payment** or **collateral posting** by one or more **invertors** and **trading participants** linked to it.

Section V: Settlement participant

Article 27. **Settlement participant** is the **participant** that holds an **access authorization** to operate in the **clearing** and **settlement** process, holding direct access to the **lending environment** managed by B3 but not to the **trading environment**, but receiving **transactions** executed in said **trading environment** through **give-ups**, as well as taking responsibility for the **settlement** of proprietary and third-party **transactions**, and also acting as a **clearing member** or using the services provided by a **clearing member**, with which it must be linked by contract, subject to the provisions and requirements defined in the B3 access rules and manual.

Article 28. In order to perform its activities, the **settlement participant** that is not a **clearing member** must engage the services of and appoint the **clearing member** that will take

responsibility for the **settlement** of the **settlement participant's** proprietary and third-party **transactions** at the **clearinghouse**.

Paragraph 1. The **settlement participant** is responsible for choosing and engaging its **clearing member**.

Paragraph 2. The **clearinghouse** is not liable for the credit risk existing between the **settlement participant** and its **clearing member**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals.

Article 29. When the **settlement participant** does not act as a **custody agent**, it must engage and appoint a **custody agent** for the **delivery** and receipt of **assets**.

Paragraph 1. The **settlement participant** is responsible for choosing and engaging its **custody agent**.

Paragraph 2. The **clearinghouse** is not liable for the credit risk existing between the **settlement participant** and its **custody agent**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals.

Article 30. The **settlement participant** is liable:

- I. For settling with the **clearing member**, in the prescribed manner, amount and time frames, the obligations deriving from the **transactions** assigned to the **settlement participant** and to the **investors** linked to the **settlement participant**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals;
- II. For settling its obligations to the **investors** linked to the **settlement participant**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals;
- III. For **posting collateral** required by the **clearing member** and the **clearinghouse**, in the prescribed manner, amount and time frames, including **collateral** earmarked for the **settlement fund**, pursuant to the provisions of these rules and of the **clearinghouse** risk management manual;
- IV. For the authenticity and legitimacy of **collateral**, **assets** and documents delivered to the **clearinghouse**, whether directly or through the **investors** linked to the **settlement participant**, as well as the credit risk of the issue and the improvement and enforceability of **collateral**;
- V. For submitting to the **operational limits** established by the **clearing member** and the **clearinghouse**; and
- VI. For providing the information required by B3 and for complying with the procedures established in B3 regulations, manuals, circular letters and external communications.

Paragraph 1. The **settlement participant** remains liable for the obligations it assumes before the **clearing member** and the **clearinghouse** even in case any of the **investors** linked to the **settlement participant** fails or is unable to make any **payments** or **deliveries**.

Paragraph 2. The **settlement participant** must develop, document and perform liquidity stress testing daily to assess its stock of liquid assets that can be used to meet potential cash outflows under adverse scenarios and its ability to settle obligations to the **clearing member** and to the **clearinghouse** in the event of failure of **payment** or **collateral posting** by one or more **invertors** linked to it.

Section VI: Trading participant

Article 31. **Trading participant** is the **participant** that holds an **access authorization** to intermediate **investor transactions** and to execute proprietary **transactions**, pursuant to the provisions and requirements defined in the B3 access rules and manual, accessing the **trading environment** through one or more **full trading participants** and settling its **transactions** through and under the responsibility of one or more **full trading participants** and relevant **clearing members**.

Article 32. In order to perform its activities, the **trading participant** must engage and appoint the **full trading participant** that will take responsibility for the execution of the **trading participant's** proprietary and third-party **transactions** in the B3 environments, systems and markets, and also for the **settlement** of its **transactions** with the **clearing member**.

Paragraph 1. The **trading participant** is responsible for choosing and engaging the **full trading participant**.

Paragraph 2. The **clearinghouse** is not liable for the credit risk existing between the **trading participant** and its **full trading participant**, or the latter's **clearing member**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals.

Article 33. When the **trading participant** does not act as a **custody agent**, it must, at the discretion of its **full trading participant**, engage and appoint a **custody agent** for the receipt of **assets**.

Paragraph 1. The **trading participant** is responsible for choosing and engaging its **custody agent**.

Paragraph 2. The **clearinghouse** is not liable for the credit risk existing between the **trading participant** and its **custody agent**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals.

Article 34. The **trading participant** is liable:

- I. For settling with the **full trading participant**, in the prescribed manner, amount and time frames, the obligations deriving from the **transactions** assigned to the **trading participant** and to the **investors** linked to the **trading participant**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals;
- II. For settling its obligations to the **investors** linked to the **trading participant**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals;
- III. For **posting collateral** required by the **full trading participant**, **clearing member** and the **clearinghouse**, in the prescribed manner, amount and time frames, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals;
- IV. For the authenticity and legitimacy of **collateral**, **assets** and documents delivered to the **clearinghouse**, whether directly or through the **investors** linked to the **trading participant**, as well as the credit risk of the issue and the improvement and enforceability of **collateral**;
- V. For submitting to the **operational limits** established by the **full trading participant**, **clearing member** and the **clearinghouse**; and
- VI. For providing the information required by B3 and for complying with the procedures established in B3 regulations, manuals, circular letters and external communications.

Paragraph 1. The **trading participant** remains liable for the obligations it assumes before the **full trading participant**, **clearing member** and the **clearinghouse** even in case any of the **investors** linked to the **trading participant** fails or is unable to make any **payments** or **deliveries**.

Paragraph 2. The **trading participant** must develop, document and perform liquidity stress testing daily to assess its stock of liquid assets that can be used to meet potential cash outflows under adverse scenarios and its ability to settle obligations to the **clearing member** and to the **clearinghouse** in the event of failure of **payment** or **collateral posting** by one or more **invertors** linked to it.

Section VII: Custody agent

Article 35. **Custody agent** is the **participant** that holds an **access authorization** to provide custody services at the **B3 central depository** and/or SELIC, pursuant to the provisions and requirements defined in the B3 access rules and manual.

Article 36. The **custody agent** is liable:

- I. Upon the relevant **investor's** request, for making **deliveries** to the **clearinghouse asset settlement accounts** held with the **B3 central depository** and/or SELIC, within the time frames defined in the **clearinghouse** operating procedures manual;
- II. Upon the relevant **investor's** request, for taking **deliveries** from the **clearinghouse asset settlement accounts** held with the **B3 central depository** and/or SELIC, within the time frames defined in the **clearinghouse** operating procedures manual;
- III. For confirming the full or partial availability of the **asset** balances required to meet its obligations, within the time frames defined by the **clearinghouse**; and
- IV. For reviewing and notifying its acceptance or rejection of the receipt and **delivery** of any **assets**.

Article 37. Other duties and rights of the **custody agent** are described in the **B3 central depository** rules and operating procedures manual and in the **clearinghouse** operating procedures manual.

Section VIII: Agribusiness depository

Article 38. **Agribusiness depository** is the **participant** that provides **commodity** storage and maintenance services, and operates in the **settlement** of **derivatives** by physical **delivery** of **commodities**, subject to the provisions and requirements defined in the B3 access rules and manual.

Article 39. The **agribusiness depository** is liable:

- I. For holding the required authorizations to perform storage activities;
- II. For operating in the **settlement** of **derivatives** by physical **delivery** of **commodities**, pursuant to the **clearinghouse** operating procedures manual;
- III. For assuming the liability towards the depositing **participant** in the case of cancellation of the **commodities** certificates by B3, motivated for alteration in the **quality** and/or quantity of the **commodity**, arising from irregularity verified in the **agrobusiness depository**;
- IV. For providing information on the **commodity** deposited at its facilities, when requested by B3, being the **commodities** certified or in process of certifying, and for providing services of sampling and classification of the **commodity** to B3 and its clients, granting access to the laboratory during the adopted process of sampling and classification;
- V. For receiving, storing and maintenance the **commodities**, as the sole responsible for the storage, control, and maintenance of the **quality** of the **commodities**;
- VI. For delivering, readily and faithful, the **commodities** entrusted to its custody pursuant to applicable regulations of B3;

- VII.** For assuming the liability, civilly and criminally, pursuant to applicable legislation and regulations, for any kind of damage that the **commodities** deposited at its facilities may suffer, such as damages arising from fires, losses, product deterioration, robbery and theft, from the receiving moment of the **commodities** until departure;
- VIII.** For communicating to B3, immediately after its verification, any (i) event arising from act of god or force majeure; (ii) alterations verified in the **commodities** deposited at its facilities; or (iii) the need to reallocate or to manipulate the **commodities** deposited at its facilities;
- IX.** For managing the **commodities** inventory related to physical **delivery** operations, keeping segregated register of the **commodities** deposited at its facilities, pursuant to the terms and conditions of contracts of **derivatives** by physical **delivery**;
- X.** If the responsible for obtaining the samples of the **commodities** for the certification by B3 is the own **agrobusiness depositary**, the samples must be sent to B3 in the time frames, conditions and procedures established through the contracts of **derivatives** by physical **delivery**, owning full liability for the identification, compliance and veracity about the sample's origin extracted from the batches to be classified;
- XI.** For receiving **commodities** for deposit from the **investors** that participate of the physical **delivery** of **commodities** of B3, whenever there is, proved warehousing capacity;
- XII.** For requesting the certification of the **commodity** only when prepared and standardized, pursuant to the terms and conditions defined in contracts of **derivatives**, not being allowed to recertify the **commodity** before the cancellation of its certificate.

Article 40. B3, BSM or the independent auditors appointed by B3 may carry out inspections at the facilities of the **agrobusiness depositary**, verify the conditions for storage of the **commodities** deposited at its facilities, sample and evaluate the **commodities** pursuant to all its requirements and issue technical report containing data on the inspection.

Paragraph 1. Upon verifying any irregularity and/or infraction, it's up to B3, as the case may be, to determine the immediate corrections, request justification from the **agrobusiness depositary** and, at its own discretion, warn, fine, suspend and/or cancel the register of the **agrobusiness depositary**, and may also cancel the certificate of the **commodity** deposited in its facilities.

Paragraph 2. Upon penalty of suspension, according to B3 access rules and access manual, the **agrobusiness depositary** is disqualified, for the period of suspension, to receive **commodities** for **settlement** of **derivatives** by physical **delivery**.

Paragraph 3. In any event, the **agrobusiness depositary** remains responsible for the obligations assumed to B3 and to **participants** for **settlement** of **derivatives** by physical **delivery** and must ensure the regular and effective **delivery** are met.

Article 41. B3 is not liable to **participants** or to third parties for any losses or damages arising from failure to perform **agrobusiness depositary** obligations established in this regulation and other B3's manuals.

Section IX: Guarantee issuing bank

Article 42. **Guarantee issuing bank** is the **registered participant** that issues **assets** eligible to be accepted by the **clearinghouse** as **collateral**, pursuant to the provisions of the **clearinghouse** risk management manual, subject to the provisions and requirements defined in the B3 access rules and manual.

Paragraph 1. The **guarantee issuing bank** is subject to **operational limits** associated with the use of **collateral** it issues, pursuant to the provisions of the **clearinghouse** risk management manual.

Paragraph 2. In order to extend the **operational limits** to which it is subject, the **guarantee issuing bank** may deposit cash funds or federal government bonds as **collateral** in favor of the **clearinghouse**, pursuant to the **clearinghouse** risk management manual.

Paragraph 3. **Collateral** posted by any given **guarantee issuing bank** pursuant to the previous paragraph may be used by the **clearinghouse** should the **guarantee issuing bank** not meet its obligations as a **guarantee issuing bank**.

Paragraph 4. The **guarantee issuing bank** must redeem an **asset**, except an **asset** with no early redemption clause or with an early redemption clause after a future date, whenever required by the **clearinghouse**, pursuant to the provisions of the **clearinghouse** risk management manual.

Paragraph 5. At any time, the **clearinghouse** may modify the **operational limits** imposed on the **guarantee issuing bank**.

Section X: Controlling guarantor

Article 43. The **controlling guarantor** is the **registered participant** that has control over a **full trading participant**, **settlement participant** or **clearing member** and deposits **assets** under its ownership as **collateral** in favor of the **clearinghouse**, in the event of non-compliance by said controlled **participant** with the economic and financial requirements for granting and maintaining **access authorization**, pursuant to the provisions and requirements defined in the B3 access rules and manual and the **clearinghouse** risk management manual.

Paragraph 1. **Collateral** posted by the **controlling guarantor**, under the terms referred to in this article, may be used by the **clearinghouse** in the event of a **default** by the controlled **participant**.

Paragraph 2. The **controlling guarantor** remains co-responsible for the obligations assumed by the controlled **participant** up to the limit of the **collateral** it holds.

Paragraph 3. The **controlling guarantor** must ensure and be responsible for the authenticity and legitimacy of the **collaterals** and documents delivered to the **clearinghouse**, directly or through **participantes** linked to it, as well as being responsible for the credit risk of the issue and for the improvement and enforceability of **collateral**.

Paragraph 4. The **controlling guarantor** must provide the required information and comply with the procedures established in B3 regulations, manuals, circular letters and external communications.

Section XI: Investor

Article 44. **Investor** is the **participant** whose proprietary **transactions** are settled at the **clearinghouse** through the **clearing member** engaged by the **full trading participant** or **settlement participant**. The **investor** also utilizes the services of a **custody agent** to manage the movement of the **assets** the **investor** holds at the **B3 central depository** and/or SELIC, depending on the **asset**, subject to the provisions and requirements defined in the B3 access rules and manual.

Paragraph 1. The eligible nonresident **investor** domiciled in any of the jurisdictions referred to in the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, pursuant to the provisions of the **clearinghouse** risk management manual, is also subject to the provisions of any such appendix.

Paragraph 2. A list containing the types of **investors** eligible to post **collateral** abroad, subject to the provisions of the appendices to these rules, is included in the **clearinghouse** risk management manual.

Article 45. The **investor** is liable:

- I. For maintaining a contractual relationship with a **full trading participant**, **settlement participant**, or **trading participant**, as the case may be;
- II. For keeping registration details up to date with the **full trading participant**, **settlement participant** and **trading participant**, as the case may be, pursuant to applicable legislation;
- III. For settling with the **full trading participant**, **settlement participant** and **trading participant**, as the case may be, in the prescribed manner, amount and time frames, the obligations deriving from the **transactions** assigned to the **investor**, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals.

- IV. For **posting collateral** required by the **full trading participant, settlement participant, trading participant, clearing member** and the **clearinghouse**, in the prescribed manner, amount and time frames, pursuant to the provisions of these rules and of the appendices to these rules, and of the **clearinghouse** operating procedures and risk management manuals;
- V. For the authenticity and legitimacy of **collateral, assets** and documents delivered to the **clearinghouse**, whether directly or through other **participants**, as well as the credit risk of the issue and the improvement and enforceability of **collateral**;
- VI. For submitting to the **operational limits** established by the **clearing member, full trading participant, settlement participant, trading participant** and the **clearinghouse**, as the case may be; and
- VII. For providing the information required by B3 and for complying with the procedures established in B3 regulations, manuals, circular letters and external communications.

Paragraph 1. For the purpose of mitigating credit risk, the **investor** may be subject to rules, criteria and limits imposed by the **clearinghouse, clearing member, full trading participant, settlement participant** and **trading participant**, as the case may be.

Paragraph 2. The **investor** is responsible for choosing and engaging its **trading participant, full trading participant** or **settlement participant**.

Paragraph 3. The **clearinghouse** is not liable for the credit risk existing between the **investor** and the **full trading participant, settlement participant** or **trading participant** with which the **investor** is linked, pursuant to the provisions of these rules and of the **clearinghouse** operating procedures and risk management manuals.

Section XII: BCB in the capacity of a participant

Article 46. In the capacity of a **clearinghouse participant**, BCB acts as a **clearing member, full trading participant** and **investor**, but is not subject:

- I. To the BSM supervision;
- II. To the economic, financial, operating and functional requirements, as well as the technical, information security and **collateral posting** requirements defined in the B3 access manual;
- III. To the control of the operating balance, when acting in the capacity of a **full trading participant** and **clearing member**; and
- IV. To the **position** limits.

Section XIII: Trading-on-behalf link

Article 47. When a **full trading participant** (participant A) acts on behalf of another **full trading participant** (participant B) or of a **settlement participant** (participant C) by using a trading-on-behalf **link** without later giving up the resulting **transactions**, pursuant to the **clearinghouse** operating procedures manual, then:

- I. The same obligations, responsibilities and provisions applicable under these rules to any **full trading participant** in connection with any **trading participant** apply to participant A in connection with participant B or C, including in regard to the declaration of a **default** or **operational defaulter** event and also to the use of **collateral**; and
- II. The same obligations, responsibilities and provisions applicable under these rules to any **trading participant** apply to participants B and C, including in regard to the declaration of a **default** or **operational defaulter** event and also to the use of **collateral**.

CHAPTER III: MULTILATERAL NET SETTLEMENT

Section I: Acceptance of transactions

Article 48. As a result of the **acceptance of transactions**, B3 assumes the role of **central counterparty** exclusively to the **clearing members** for the **settlement of transactions** for **multilateral net balance** purposes.

Article 49. The **clearinghouse** operating procedures manual identifies the **transactions in assets and derivatives** for which the **clearinghouse** acts as **central counterparty**.

Article 50. The **transactions** executed in the **trading environment** managed by B3 or by an **external system** managing entity for which the **clearinghouse** acts as **central counterparty** are considered to be accepted by the **clearinghouse** upon order matching, except in the situations provided for in articles 53-A and 53-B.

Sole paragraph. The **clearing members, full trading participants and settlement participants** are notified of the trades that were matched in the **trading environment** and accepted by the **clearinghouse** via electronic and on-screen messaging, pursuant to the provisions of the **clearinghouse** operating procedures manual.

Article 51. The **derivatives transactions** executed in the **organized OTC market** managed by B3 and registered with B3 for which the **clearinghouse** acts as **central counterparty** are considered to be accepted by the **clearinghouse** when the **clearinghouse** confirms **collateral posting** by the original counterparties to the **transaction** as well as the adherence to the **position limits** criteria, except in the situations provided for in articles 53-A and 53-B.

Paragraph 1. The **clearing members, full trading participants and settlement participants** are notified of the trades that were executed in OTC markets, registered with B3 and accepted by the **clearinghouse** via electronic and on-screen messaging, pursuant to the provisions of the **clearinghouse** operating procedures manual.

Paragraph 2. In the event of trade rejection, the **clearinghouse** informs the **registration environment** of the trades that were not accepted, which cease to integrate the parties' **positions** for **clearinghouse settlement** purposes and are handled, in the **registration environment**, according to the provisions of specific **registration environment** regulations.

Article 52. The **transactions** executed in the **lending environment** for which the **clearinghouse** acts as **central counterparty** are considered to be accepted by the **clearinghouse** when (i) the **securities lending** deal is closed; or (ii) by being **captured** and subjected to the risk evaluation criteria of the **clearinghouse**, as stated in the article 10 of this rulebook, as well the other

provisions described both in the operating procedures and risk management manuals of the **clearinghouse** and , with exception in the situations provided for in articles 53-A and 53-B.

Article 53-A. Before the **multilateral net settlement** takes place, the **clearinghouse** may reverse the **acceptance** of a **transaction** and suspend the effects thereof both to the **clearinghouse** and to the other **participants**, in the following situations:

- I. Whenever the **transaction** is cancelled in the **trading environment** or in the **lending environment**, by B3 or by the managing entity of the said environment, pursuant to the rules and operating procedures manual of said environment;
- II. Whenever a fraud or a violation occurs against applicable laws and norms, at the discretion of B3; and/or
- III. Whenever a court order or a regulatory order is issued.

Art. 53-B. Until the end of the day on which the **transaction** was executed, the **clearinghouse** may reverse the **acceptance** of the **transaction** and suspend the effects thereof both the **clearinghouse** and to the other **participants**, should the **transaction** has been carried out without performing the mandatory pre-trade risk assessment or adopting other mandatory risk mitigation controls and mechanisms in the **trading environment** or in the **lending environment**, pursuant to the provisions of these rules, especially article 10, and the **clearinghouse** risk management manual.

Section II: Give-up of transactions

Article 54. A **give-up** must be done by the **full trading participant**, pursuant to the **clearinghouse** operating procedures manual.

Paragraph 1. B3 establishes the markets where the **give-up of transactions** is permitted, subject to applicable legislation and regulations.

Paragraph 2. The time frames and procedures for **give-ups** are stipulated in the **clearinghouse** operating procedures manual.

Article 55. Any **full trading participant** submitting a **give-up** request must appoint another **full trading participant** or a **settlement participant** to which the **transaction** is to be given up.

Article 56. **Give-up** relations must be previously identified in the **participant account** structure through the **links** available in the B3 **participant registration** system.

Sole paragraph. The types of **give-up links** are defined in the **clearinghouse** operating procedures manual.

Article 57. The **participant** that receives a **give-up** request may reject the underlying **transactions**, by providing sufficient reason to justify such a rejection, pursuant to the provisions of the **clearinghouse** operating procedures manual.

Paragraph 1. The acceptance of a **give-up** request makes the receiving **participant** and relevant **clearing member** liable for the obligations deriving from the **transaction** given up.

Paragraph 2. Whenever a **give-up** request is rejected, the executing **full trading participant** and relevant **clearing member** remain liable for the **transaction**.

Section III: Allocation of transactions

Article 58. The **full trading participant** or the **settlement participant**, the latter when receiving given up **transactions**, must provide the **allocation** of such **transactions**, pursuant to the provisions of the **clearinghouse** operating procedures manual.

Sole paragraph. The **trading participant** must provide the **full trading participant** with the information required for the **allocation** of **investor transactions**, in the manner and time frames prescribed by the **clearinghouse**.

Article 59. In order to manage counterparty risk, the **clearinghouse** may require **participants**:

- I. To provide the **allocation** of **transactions** to **investors** immediately after the **capture** thereof; and
- II. To identify previously the **investors** in the orders transmitted to the electronic trading platform.

Article 60. In the absence of **allocation** or whenever an **allocation** is inadequate, the corresponding **transactions** are assigned to the concerned **trading participant**, **full trading participant**, or **settlement participant** via **registration** in a specific **account** held by the relevant **participant**, subject to the provisions of the **clearinghouse** operating procedures and risk management manuals.

Sole paragraph. The **transactions** registered in specific **accounts** are reviewed and monitored by the **clearinghouse**, and they must be closed out, subject to the provisions of the **clearinghouse** operating procedures manual, without prejudice to the requirements for **posting collateral** being met.

Section IV: Position control

Article 61. The **clearinghouse** performs **position control** in order to identify, register and update the rights and obligations of **participants**, including **investors**, associated with:

- I. Cash market **transactions** accepted and pending **settlement**;
- II. Open **positions** in markets for future **settlement**; and
- III. Posted **collateral**.

Article 62. Position control is performed by the **clearinghouse** for each individual **investor** account registered under each **full trading participant**, **settlement participant**, **trading participant** and **clearing member**, pursuant to the provisions of the **clearinghouse** operating procedures manual, involving:

- I. The details of each **investor's positions** deriving from each **investor's transactions** to be settled and guaranteed by the **clearinghouse**;
- II. The management of **positions** throughout the life cycle thereof and **position** updates associated with each and every event that affects the **participants' rights** and obligations, such as:
 - (a) Any new **transaction** accepted by the **clearinghouse**;
 - (b) Events associated with an **allocation**, a **position** transfer, a **give-up**, corporate actions, price updates, contract maturity, extinction of rights and obligations, options exercise, **settlement** failures; and
 - (c) Other events defined by B3; and
- III. The provision of information on **positions** to the **participants**.

Section V: Netting

Article 63. At each **settlement** date, the **clearinghouse** calculates the **multilateral net balances** of **clearing members**, **full trading participants**, **settlement participants** and **investors**, by **netting** the rights and obligations deriving from the executed **transactions** and open **positions**.

Article 64. For each and every **participant** and **settlement** date, the **clearinghouse** calculates the following balances, as the case may be:

- I. The **multilateral net balance** in local currency; and
- II. The **multilateral net balance** in each of the **assets** traded.

Paragraph 1. The elements making up the **multilateral net balances** in local currency and **assets** are described in the **clearinghouse** operating procedures manual.

Paragraph 2. The **multilateral net balances** of **investors** whose **transactions** are registered under different **full trading participants**, **settlement participants**, **trading participants** and

clearing members are calculated in a segregated manner for each combination of **full trading participant**, **settlement participant**, **trading participant** and **clearing member**.

Paragraph 3. The portions of obligations and rights that are subject to **netting**, whether in local currency or in **assets**, are considered to be settled on the date **netting** and the corresponding **multilateral net balances** are calculated.

Article 65. The **clearinghouse** informs **participants** of their respective **multilateral net balances** to be settled, pursuant to the provisions of the **clearinghouse** operating procedures manual.

Section VI: Settlement of multilateral net balances in local currency

Article 66. The **settlement of multilateral net balances** in local currency between the **clearing members** and the **clearinghouse** is made by means of **payments** and receipts of **payments** in the **settlement window**, via STR, to the **settlement agents' Settlement accounts** or **Bank Reserves accounts**, as the case may be, and to the **clearinghouse settlement account**, pursuant to the time frames and procedures established in the **clearinghouse** operating procedures manual, subject to applicable legislation and regulations.

Article 67. Any **clearing member's payment** obligation to the **clearinghouse** is considered to be extinguished when BCB confirms that the balance due by the **clearing member** has been credited to the **clearinghouse settlement account** in STR.

Article 68. The **clearinghouse's payment** obligation to any **clearing member** is considered to be extinguished when BCB confirms that the corresponding balance has been debited to the **clearinghouse settlement account** in STR and credited to the **Bank Reserves account** or **Settlement account**, as the case may be, held by the **clearing member's settlement agent**.

Article 69. The **settlement of multilateral net balances** in local currency between (a) **full trading participants**, **settlement participants** and (b) **clearing members** is made directly between the **participants** involved on each **settlement date**, in the manner they establish, subject to the time grid for **settlement** between **participants** established in the **clearinghouse** operating procedures manual, subject to applicable legislation and regulations.

Sole paragraph. Without prejudice to the responsibilities and obligations originally assumed by the **participants**, the **settlement of multilateral net balance** in local currency by the **full trading participant** or **settlement participant** shall, by decision of B3, be carried out directly with the **clearinghouse**, via the **CELP account**, should the **clearinghouse** identify, at its sole discretion, that an operational, liquidity or credit situation involving the **clearing member** makes it impossible, or implies a reasonable probability of making it impossible, to:

- I. Effect the **settlement** of the **multilateral net balance** in local currency between the **full trading participant** or **settlement participant** and the relevant **clearing member**; or
- II. Effect the **settlement** of the **multilateral net balance** in local currency between the relevant **clearing member** and the **clearinghouse**.

Article 70. The **settlement** of **multilateral net balances** in local currency between (a) **full trading participants** and (b) **trading participants** is made directly between the **participants** involved on each **settlement** date, in the manner they establish, pursuant to the time grid for **settlement** between **participants** established in the **clearinghouse** operating procedures manual, subject to applicable legislation and regulations.

Article 71. The **settlement** of **multilateral net balances** in local currency between (a) **full trading participants, settlement participants, trading participants** and (b) **investors** is made directly between the **participants** involved on each **settlement** date, in the manner they establish, pursuant to the time grid for **settlement** between **participants** established in the **clearinghouse** operating procedures manual, subject to applicable legislation and regulations.

Section VII: Settlement of multilateral net balances in assets deposited in the B3 central depository or SELIC

Article 72. The **settlement** of **multilateral net balances** in **assets** deposited in the **B3 central depository** or SELIC is made by means of transfers in the **settlement window**, respectively:

- I. Between the **investors' deposit accounts** and the **clearinghouse asset settlement account**, all such **accounts** held with the **B3 central depository**; or
- II. Between the **investor's Selic deposit accounts** and the **clearinghouse asset settlement account**, all such **accounts** held with SELIC.

Article 73. The **assets** are transferred from the **investor's deposit account** with the **B3 central depository** or the **investor's Selic deposit account** to the **clearinghouse asset settlement account** upon authorization of the **investor** to his/her/its **custody agent**, which shall process the relevant instructions pursuant to the procedures and time frames stipulated in the **clearinghouse** operating procedures manual and the provisions of the **B3 central depository** rules and operating procedures manual.

Article 74. The **delivery** obligation of the **investor** holding a **multilateral net debit balance** in **assets** is considered to be extinguished after either the **B3 central depository** or the SELIC, depending on the **asset** confirms the transfer of the **asset** balance from the **investor's account** to the **clearinghouse asset settlement account**.

Article 75. The **clearing member** is jointly accountable for the **delivery** of the **multilateral net balance** in **assets** owed by the **investor**.

Sole paragraph. The joint accountability referred to in this article means that the **clearing member** is liable to the **clearinghouse** for the **costs, charges** and other obligations deriving from any **asset delivery failure** committed by the **investor**, pursuant to the provisions of the **clearinghouse** operating procedures and risk management manuals.

Article 76. The **full trading participant** and **settlement participant**, as the case may be, are jointly accountable for the **delivery** of the **multilateral net balance** in **assets** owed by the **investor**.

Sole paragraph. The joint accountability referred to in this article means that:

- I. The **full trading participant** and **settlement participant**, as the case may be, are liable to the **clearing member** for the **costs, charges** and other obligations deriving from any **asset delivery failure** committed by the **investor**, pursuant to the provisions of the **clearinghouse** operating procedures and risk management manuals; and
- II. The **full trading participant** and **settlement participant** are also responsible for the implementation of risk management processes and other controls designed to ensure the **settlement** of **assets** by the **investor**, in the manner and time frames prescribed in the **clearinghouse** operating procedures and risk management manuals.

Article 77. The **trading participant** is jointly accountable for the **delivery** of the **multilateral net balance** in **assets** owed by the **investor**.

Sole paragraph. The joint accountability referred to in this article means that:

- I. The **trading participant** is liable to the **full trading participant** for the **costs, charges** and other obligations deriving from the **asset delivery failure** committed by the **investor**, pursuant to the provisions of the **clearinghouse** operating procedures and risk management manuals; and
- II. The **trading participant** is responsible for the implementation of risk management processes and other controls designed to ensure the **settlement** of **assets** by the **investor**, in the manner and time frames prescribed in the **clearinghouse** operating procedures and risk management manuals.

Article 78. The **delivery** obligation of **assets** by the **clearinghouse** is considered to be extinguished after:

- I. Either the **B3 central depository** or the SELIC, depending on the **asset**, confirms the transfer of the **multilateral net balance** in **assets** from the **clearinghouse asset**

settlement account to the **investor's deposit account** with the **B3 central depository** or the **investor's Selic deposit account**, respectively; or

- II. The **clearinghouse** completes the **asset delivery failure** management process described in the **clearinghouse** operating procedures and risk management manuals, which process may include the following procedures:
- (a) Suspending the transfer of funds that originally represented rights of the **participant** that failed to perform the **delivery** obligation;
 - (b) In the case of **assets** deposited in the **B3 central depository**, granting extra time to the **delivery** of the relevant **assets**;
 - (c) In the case of **assets** deposited in SELIC, acquiring the undelivered **assets** through a **purchase and sale transaction** or a **repo transaction** and/or obtaining the **assets** from BCB through combined **repo transactions**;
 - (d) Issuing a buy-in order for the **assets** in favor of the **participant** that holds the right to receive such **assets**, which buy-in order may be executed, at the discretion of the **clearinghouse**, by the **clearinghouse** itself or by the **trading participant**, when applicable, or by the **full trading participant** of the **investor** holding the right to receive the **assets**;
 - (e) Cancelling the buy-in order against the **delivery** of the relevant **assets** by the failing **participant**, upon the consent by the **participant** that holds the right to receive such **assets** and by the **clearinghouse**;
 - (f) Cash settling the **transaction** should the buy-in **transaction** not be executed by the **participant** that holds the right to receive the **assets**;
 - (g) Requiring additional **collateral**; and
 - (h) Levying **fin**es and penalties, as provided for in the **clearinghouse** operating procedures manual and in other rules and regulations issued by B3.

Section VIII: Settlement of derivatives by physical delivery of the underlying commodity

Article 79. The **settlement of derivatives** by physical **delivery** of the underlying **commodity** is operated via the **clearinghouse** using **delivery** versus **payment**, pursuant to the procedures, time frames and documentation stipulated in the **clearinghouse** operating procedures manual, which are specific to each type of contract and comprise:

- I. The transfer of ownership of the **commodity** from the **investor** that holds the **delivery** obligation to the buying **investor** that holds the right to take **delivery** thereof;

- II. The transfer of the funds, corresponding to the principal amount of the **transaction**, from the buying **investor** to the **investor** selling the **commodity**; and
- III. The use of the services provided by **agribusiness depositaries**, which are registered entities responsible for **commodity** storage and maintenance.

Article 80. The selling **investor's commodity delivery** obligation is considered to be extinguished after the **clearinghouse** approves the documentation received from such selling **investor** and also the information registered in the **clearinghouse** system, under the time frames, procedures and conditions specific to each contract, pursuant to the provisions of the **clearinghouse** operating procedures manual.

Article 81. The **clearing member** is jointly accountable for the **delivery** of the **commodity** owed by the **investor**.

Sole paragraph. The joint accountability referred to in this article means that the **clearing member** is liable to the **clearinghouse** for the **costs, charges** and other obligations deriving from any **commodity delivery failure** committed by the **investor**, pursuant to the provisions of the **clearinghouse** operating procedures and risk management manuals.

Article 82. The **full trading participants** and **settlement participants** are jointly accountable for the **delivery** of the **commodity** owed by the **investor**.

Sole paragraph. The joint accountability referred to in this article means that:

- I. The **full trading participants** and **settlement participants** are liable to the **clearing member** for the **costs, charges** and other obligations deriving from any **commodity delivery failure** committed by the **investor**, pursuant to the provisions of the **clearinghouse** operating procedures and risk management manuals; and
- II. The **full trading participants** and **settlement participants** are responsible for the implementation of risk management processes and other controls designed to ensure the **delivery** of the **commodity** by the **investor**, in the manner and time frames prescribed in the **clearinghouse** operating procedures.

Article 83. The **trading participant** is jointly accountable for the **delivery** of the **commodity** owed by the **investor**.

Sole paragraph. The joint accountability referred to in this article means that:

- I. The **trading participant** is liable to the **full trading participant** for the **costs, charges** and other obligations deriving from any **commodity delivery failure** committed by the **investor**, pursuant to the provisions of the **clearinghouse** operating procedures and risk management manuals; and

- II. The **trading participant** is responsible for the implementation of risk management processes and other controls designed to ensure the **delivery** of the **commodity** by the **investor**, in the manner and time frames prescribed in the **clearinghouse** operating procedures and risk management manuals.

Article 84. The **delivery** obligation of **commodities** by the **clearinghouse** is considered to be extinguished after:

- I. The **participant** responsible for the buying **investor** confirms that both the buying **investor** and the storage company have received the document attesting to the transfer of **commodity** ownership from seller to buyer; or
- II. The **clearinghouse** completes the **commodity delivery failure** management process described in the **clearinghouse** operating procedures manual, which process may include the following procedures:
- (a) Blocking the transfer of funds that originally represented rights of the **participant** that failed to perform the **delivery** obligation;
 - (b) Granting extra time to the **delivery** of the relevant **commodity**;
 - (c) Issuing a buy-in order for the **commodity** in favor of the **participant** that holds the right to receive such **commodity**, which buy-in order may be executed, at the discretion of the **clearinghouse**, by the **clearinghouse** itself or by the **participant** holding the right to receive the **commodity**;
 - (d) Cancelling the buy-in order against the **delivery** of the relevant **commodity** by the selling **participant**, upon the consent by the **participant** that holds the right to receive such **commodity** and by the **clearinghouse**;
 - (e) Cash settling the **transaction** should the buy-in **transaction** not be executed by the **participant** that holds the right to receive the **commodity**;
 - (f) Requiring additional **collateral**; and
 - (g) Levying **fin**es and penalties, as provided for in the **clearinghouse** operating procedures manual and in other rules and regulations issued by B3.

CHAPTER IV: RISK MANAGEMENT

Section I: General provisions

Article 85. Because it acts as **central counterparty** and is consequently exposed to the **clearing members'** credit risk, the **clearinghouse** develops and maintains counterparty risk management processes and systems designed to ensure that the obligations it assumes are met, pursuant to these rules, to the appendices hereto and to the **clearinghouse** operating procedures and risk management manuals.

Article 86. The counterparty risk management processes maintained by the **clearinghouse** are managed by the following bodies:

- I. B3's Central Counterparty Risk Internal Committee, which includes members of the B3 staff appointed by the Joint Board of Officers and is responsible for deciding on **participants** access requests, and also for the periodic assessment and recommendation concerning (i) models and parameters used in **margin** calculation, contributions to the **settlement fund**, nonoperating **collateral** and prices of **assets** accepted as **collateral**; (ii) **collateral** modes; (iii) **collateral** management policy; (iv) degree of leverage in the system; (v) criteria, limits and parameters for credit risk control and additional **collateral** requirements for **participants**; (vi) **operational limits** assigned to the **clearinghouse participants**, such as **intraday risk limits**, **position** limits, limits for use of **collateral** with private **issuer** risk, among other limits established in the **clearinghouse** risk management manual; and (vii) counterparty risk posed by the **participants**; and also decide on such matters when the relevant authority is delegated to said committee by the B3 Joint Board of Officers;
- II. The B3 Joint Board of Officers, which is responsible for approving operating rules in connection with the **clearinghouse**, authorizing the contracting and/or renewal of liquidity assistance facilities and **asset** monetization mechanisms, and deciding on the recommendations of the Central Counterparty Risk Internal Committee, and it may also delegate such an authority to the relevant committee; and
- III. The Vice President of Operations – Electronic Trading and CCP, which is responsible for implementing and conducting risk management activities, pursuant to these rules and to the **clearinghouse** operating procedures and risk management manuals, in conformity with the decisions of B3's Joint Board of Officers, Board of Directors, Central Counterparty Risk Internal Committee.

Sole paragraph. Also forming an integral part of the **clearinghouse** risk management governance are the Risks and Financial Committee, which is a permanent advisory body to the B3 Board of Directors and comprises members of the Board and external members, and which is responsible for the assessment and proposition to the Board of Directors of strategic guidelines

for risk management; and B3's Risk Analysis Advisory Committee, which includes representatives of market institutions invited by the B3 Joint Board of Officers and is responsible for the periodic evaluation and presentation of suggestions regarding the risk models and parameters adopted by B3.

Article 87. In order to mitigate the credit risk to which it is exposed, the **clearinghouse** takes responsibility for maintaining risk protection and mitigation mechanisms, among which the following stand out:

- I. The use of **delivery** versus **payment** mechanism in the **settlement** process, in order to mitigate principal risk;
- II. **Collateral** calculation and **collateral posting** by **clearing members, full trading participants, settlement participants, trading participants** and **investors**;
- III. The maintenance of the **settlement fund**, which is made up of **collateral** deposited by the **full trading participants, settlement participants** and **clearing members** and resources deposited by B3;
- IV. The **operational limits** assigned to **participants**, such as **intraday risk limit, positions limit, utilization limit** for **collateral** bearing corporate **issuer** risk, among other limits established in the **clearinghouse** risk management manual;
- V. The liquidity fund, which is set up as an investment fund whose capital is made up of **assets** deposited by the **full trading participants, settlement participants, clearing members** and B3, and whose shares are deposited in favor of the **settlement fund**, pursuant to the **clearinghouse** risk management manual;
- VI. The liquidity facilities in local currency and **foreign currency** provided by financial institutions; and
- VII. Other mechanisms for controlling and mitigating credit risk.

Article 88. The functioning of the risk control and mitigation mechanisms, as well as the risk management rules, parameters and other procedures adopted by the **clearinghouse** are detailed in the **clearinghouse** risk management manual, with the **clearinghouse** periodically assessing the performance of such systems by using backtesting reports.

Section II: Credit risk assessment and coverage

Article 89. The credit risk associated with the **participants'** open **positions** must be covered by **collateral posting** in favor of the **clearinghouse**, and complementarily by the other components of the **clearinghouse safeguard** structure.

Paragraph 1. The credit risk associated with the **positions** registered until the end of any given trading session must be covered by **collateral** posted by the relevant **participants** by the next business day, pursuant to the time frames and procedures established in the **clearinghouse** risk management manual.

Paragraph 2. During the day, and throughout any trading session, the credit risk deriving from newly accepted **transactions** is controlled by the **intraday risk management system**, pursuant to the provisions of these rules and of the **clearinghouse** risk management manual.

Paragraph 3. **Collateral** is constituted in favor of B3, pursuant to applicable legislation and regulations in Brazil, and also in any of the jurisdictions to which the appendices to these rules refer, as the case may be, in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, in order to mitigate both credit risk and systemic risk, pursuant to the provisions of the legislation and regulations governing the Brazilian Payment System, as well as the international principles applicable to financial market infrastructures.

Article 90. The **clearinghouse** may require **participants** to post nonoperating **collateral**, that is, at amounts not directly associated with the risk posed by the **participants'** open **positions**, as a condition for preserving the **participants'** access to the **clearinghouse**.

Article 91. The **clearinghouse** may require different **collateral** amounts of **participants**, including **participants** of the same type, as a result of the **clearinghouse's** perception of the credit risk posed by each **participant**, and the decision involving any such requirements is incumbent on the B3 Joint Board of Officers, after reviewing the Central Counterparty Risk Internal Committee's recommendations, or on such committee itself by delegation.

Article 92. The **clearinghouse** risk management manual specifies the **assets** acceptable as **collateral** by the **clearinghouse**, as well as the criteria for their pricing, haircuts, utilization limits as a function of liquidity and of the **issuer's** credit risk, time frames and criteria for **collateral** posting and withdrawing, and also procedures for constituting **collateral**.

Article 93. The **clearinghouse** calculates the credit risk deriving from a **participant's** open **positions** as the highest potential cost for closing out said **participant's** **positions** in the market, considering the stress scenarios defined based on the recommendations of the B3 Central Counterparty Risk Internal Committee and the risk calculation methodology described in the **clearinghouse** risk management manual.

Article 94. For the **transactions** in **assets** traded in the cash market, pursuant to the classification established by B3, the calculated credit risk:

- I. May be based on the **investor's** **position** segregated under any **full trading participant**, **trading participant**, or **settlement participant**, and it must be covered by **collateral**

posted by the **investor** in favor of the **clearinghouse** through the **full trading participant**, **trading participant**, or **settlement participant**; or

- II. May be based on the set of **investors' positions** registered under the **full trading participant** or **settlement participant**, and it must be covered by **collateral** posted in favor of the **clearinghouse** by the **full trading participant** or **settlement participant**.

Paragraph 1. The choice between the alternatives provided for in the foregoing indents I and II, or a combination thereof, is incumbent on the **full trading participant** or **settlement participant**, as indicated in the B3 **participant registration** system.

Paragraph 2. The credit risk calculated according to the alternative provided for in indent I can also be covered by **collateral** posted in favor of the **clearinghouse** by the **clearing member**, **full trading participant**, **trading participant** or **settlement participant**, constituted by federal government bonds owned by this **participant**, subject to the conditions and limits established in the **clearinghouse** risk management manual.

Article 95. For the **transactions** in on- and off- exchange **derivatives** contracts and **securities lending** agreements, the calculated credit risk is based on the segregated **positions** held by the **investor** under the **full trading participant**, **trading participant**, or **settlement participant**, and it must be covered by **collateral** posted by the same **investor** in favor of the **clearinghouse** through the **full trading participant**, **trading participant**, or **settlement participant**.

Sole paragraph. The credit risk mentioned in the caput can also be covered by **collateral** posted in favor of the **clearinghouse** by the **clearing member**, **full trading participant**, **trading participant** or **settlement participant**, constituted by federal government bonds owned by this **participant**, subject to the conditions and the limits established in the **clearinghouse** risk management manual.

Section III: Intraday risk management

Article 96. The **clearinghouse** monitors the evolution of the **participants'** credit risk from opening to closing of the **trading environment**, **lending environment** and **registration environment**, updating the calculations of the **participants'** risk several times during the day via the **intraday risk management system**.

Article 97. The B3 Joint Board of Officers or, by delegation, the B3 Central Counterparty Risk Internal Committee establishes an **intraday risk limit** for each **full trading participant** and **settlement participant**, which may be accepted or reduced by the corresponding **clearing member**.

Paragraph 1. In order to extend the **intraday risk limits** to which they are subject, the **full trading participants** and **settlement participants** may post **collateral** with the **clearinghouse**.

Paragraph 2. In order to extend the **intraday risk limits** to which they are subject, the **clearing members** responsible for the **full trading participants** or **settlement participants** may post **collateral** with the **clearinghouse**.

Article 98. In light of the time frames established for **give-ups** and for **transaction allocation to investors**, the **intraday risk management system** employs special procedures to calculate the **participants'** credit risk, pursuant to the provisions of the **clearinghouse** risk management manual.

Article 99. The **intraday risk management system** calculates the operating balance of the **full trading participants** and **settlement participants** several times a day, said balance being defined as the difference between:

- I. The sum of the **intraday risk limit** and the amount of **collateral** posted by the **full trading participant** or **settlement participant** and by the relevant **clearing member** to extend an **intraday risk limit**; and
- II. The **full trading participant's** or the **settlement participant's** credit risk, calculated according to the methodology described in the **clearinghouse** risk management manual.

Article 100. The **full trading participants** and **settlement participants** must implement internal processes and controls to ensure that their operating balances are always positive.

Article 101. If a **full trading participant's** or a **settlement participant's** operating balance becomes negative, the **clearinghouse** determines the actions needed to adjust the level thereof and the time frames for such actions to be taken, among which the following may be included, whether singly or jointly, pursuant to the provisions of the **clearinghouse** risk management manual:

- I. **Transaction allocation to investors**;
- II. **Transaction allocation to master accounts**;
- III. **Allocation of transactions** originally allocated to **master accounts** to **investors**, linked to such **accounts**;
- IV. **Collateral posting by investors**;
- V. **Collateral posting by the full trading participant or settlement participant**;
- VI. **Collateral posting by the relevant clearing member**;
- VII. Debiting the amount corresponding to the operating balance from the relevant **clearing member's multilateral net balance**;
- VIII. Closing out **positions** in the market; and

IX. Prohibiting the execution of new **transactions** liable to increase the **full trading participant's** or **settlement participant's** risk exposure.

Article 102. At its sole discretion, the **clearing member** may also require the **full trading participant** or **settlement participant** to take action to adjust the relevant **participant's** operating balance.

Article 103. Without prejudice to the actions taken according to the provisions of article 101, the **clearinghouse** may:

- I. Levy a **fine** on the **full trading participant** or **settlement participant** showing a negative operating balance, debiting the amount of the **fine** to the **clearing member's** **multilateral net balance**;
- II. As a precautionary measure, prohibit new **transactions** from being executed by the **full trading participant** or **settlement participant**.

Article 104. Complementarily to the **intraday risk management system**, the **clearinghouse** also utilizes the **pre-trade risk management system**, which enables **full trading participants**, individually for each **investor** and **master account**, to:

- I. Set limits pursuant to the provisions of the **clearinghouse** risk management manual; and
- II. Apply risk limits to the orders entered by the **investors** and **master account** users, preventing such orders from being submitted to the **trading environment** whenever they violate one or more of the defined risk limits.

Sole paragraph. The **full trading participant** must ensure that the risk limits assigned to each **investor** are compatible with the economic capacity and investment profile of the relevant **investor**, and also with the liquidity of the **assets** and contracts traded.

Article 105. The **investors** are required to submit orders to the **pre-trade risk management system** maintained by B3.

Article 106. The **clearinghouse** monitors the pre-trade risk limits set by the **full trading participants** for **investors**.

Sole paragraph. The B3 Joint Board of Officers, or by delegation the B3 Central Counterparty Risk Internal Committee may determine that:

- I. Pre-trade risk limits be reduced for one or more **investors**;
- II. Additional **collateral** be posted, in order to mitigate credit risk; and
- III. Other prudential risk management measures be adopted.

Article 107. The **clearinghouse** may require **participants** to use the **pre-trade risk management system** maintained by B3 as a necessary condition for access to the **trading environment** and for the **acceptance of transactions** by the **clearinghouse**.

Article 108. Without prejudice to the use of the **intraday risk management system** and the **pre-traded risk management system** provided by B3, the **trading participants, full trading participants, settlement participants** and **clearing members**, each within the corresponding sphere of activity, must develop and implement internal processes to monitor, supervise, control and mitigate the credit risks to which they are exposed as a way of ensuring compliance with their obligations to the **clearinghouse** and **participants**.

Sole paragraph. The **clearing members, full trading participants** and **settlement participants** are required to know the functioning of the intraday risk monitoring and **pre-traded risk management system**, and the calculation criteria of both, and to always keep track of the evolution of the information generated and supplied by the **clearinghouse** during the day.

Section IV: Settlement fund

Article 109. As a complementary mechanism to mitigate the credit risk to which it is exposed, the **clearinghouse** maintains the **settlement fund**, whose purpose is:

- I. to cover, in a mutualized manner, the losses associated with the **default** of one or more **clearing members** to the **clearinghouse**; and
- II. to cover, in a not mutualized manner, the losses associated with the **default** of one or more **full trading participants** or **settlement participants** to the respective **clearing member**.

Article 110. The resources of the **settlement fund** shall be used in the following manner, subject to the provisions of section VII of this chapter:

- I. by the **clearinghouse**, in the event of **default** by a **clearing member**, only after **collateral** posted by the **participants** declared as **defaulters** under the **clearing member** is used and the amount of such **collateral** is not sufficient to cover the amounts due to the **clearinghouse** by the concerned **clearing member**; and
- II. by the **clearing member**, in the event of **default** by a **full trading participant** or **settlement participant**, only after **collateral** posted by the **participants** declared as **defaulters** under the **full trading participant** or **settlement participant** is used and the amount of such **collateral** is not sufficient to cover the amounts due to the **clearinghouse** by the concerned **full trading participant** or **settlement participant**.

Article 111. The **settlement fund** is made up of the following contributions:

- I. The contribution made by B3 in the amount of, at least, BRL600,000,000.00 (six hundred million Brazilian reals), subject to the provisions of article 113;
- II. The contributions deposited as **collateral** by the **full trading participants** and **settlement participants** to cover the losses associated with the **default** of the depositing **full trading participant** or the **settlement participant** or to mutualize the losses associated with the **default** of one or more **clearing members**; and
- III. The contributions deposited as **collateral** by the **clearing members** to cover the losses associated with the **default** of the depositing **clearing member** or to mutualize the losses associated with the **default** of other **clearing members**.

Paragraph 1. The contribution is required for the **full trading participant** or the **settlement participant** for each **chain of responsibilities** for the **settlement** of **transactions** that one or the other integrates, that is, for **clearing member** nominated to settle the **transactions** of such **participant**.

Paragraph 2. Every three months, the B3 Board of Directors' Risks and Financial Committee shall review the amount of the B3 contribution, based on the criteria defined in the **clearinghouse** risk management manual, and if applicable submit a recommendation for the modification thereof to the Board of Directors' decision.

Paragraph 3. Until the fifteenth calendar day of each year, the amounts required as contribution from both B3 and from **full trading participants**, **settlement participants** and **clearing members** will be updated at sixty-six percent (by 66%) of the cumulative SELIC Rate in the period from January to December of the previous year.

Paragraph 4. The eligible **assets** and the methodology employed to calculate the contributions required by B3 to the **settlement fund** are described in the **clearinghouse** risk management manual.

Article 112. The **clearinghouse** utilizes the **settlement fund** resources in the following order, until no more losses occur or the **settlement fund** is exhausted:

- I. The **defaulter full trading participant's** or the **defaulter settlement participant's** contribution linked to the **defaulting clearing member**;
- II. Any free **defaulter full trading participant's** or the **defaulter settlement participant's** contribution linked to the non-defaulting **clearing members**, upon the authorization of such **clearing members**;
- III. The **defaulter clearing member's** contribution;
- IV. B3's contribution; and
- V. Other contributions, simultaneously, and in proportion to the required contribution of each **participant**, that is, the contribution of other **full trading participants**, **settlement**

participants and **clearing members**; and the contribution of the **defaulters full trading participants** or **settlement participants**, declared in **default** by the **clearing member CM**, linked to other nondefaulting **clearing members**, that has not been used.

Article 113. In the event that B3's contribution to the **settlement fund** is fully or partially used, the B3 Board of Directors may determine that the value of B3's contribution to the **settlement fund** be fully or partially replenished, contingent on the availability of B3's own funds, and in the case of a partial replenishment submit to BCB the relevant justifications and regularization plan.

Article 114. In the event that the nondefaulting **full trading participants'**, **settlement participants'** and **clearing members'** contributions to the **settlement fund** is fully or partially used:

- I. The **clearinghouse** will set a time frame for the replenishment of the value of the referred **participants'** contributions to the **settlement fund**; and
- II. The new contributions deposited by the referred **participants** for replenishment purposes can only be used to cover the **defaults** that may occur after the date on which they are notified of the newly required deposits.

Paragraph 1. The value of each new contribution to be made by any **full trading participant**, **settlement participant** or **clearing member** to replenish the **settlement fund** is limited to the portion that has been used of the individual contribution assigned to the relevant **participant**.

Paragraph 2. The total value of the new contributions to be made by any **full trading participant**, **settlement participant** or **clearing member** to replenish the **settlement fund** in any period of twenty (20) consecutive business days is limited to three (3) times the amount of the individual contribution required of the relevant **participant** at the beginning of said period.

Paragraph 3. The obligation to replenish the value of a contribution also applies to the **full trading participant**, **settlement participant** and **clearing member** that submits an **access authorization** cancellation request, in case the replenishment refers to a **default** occurring prior to such **participant** proving that it has met all of the conditions for the obligations derived from its **access authorization** to be deemed extinct, pursuant to the B3 access manual.

Article 115. In the event of use of **settlement fund** resources, and without prejudice to the nondefaulting **clearing members'** obligation to replenish the **settlement fund** or the replenishment by B3, as the case may be, B3 may charge back the amount required to replenish the **settlement fund** from the **defaulter full trading participants**, **settlement participants** and **clearing members**, as well as from the **full trading participant**, **settlement participant**, **trading participant**, or **defaulter investor** linked to the **defaulter clearing member**, in which case the recovered amount will be returned to B3 and to the nondefaulting **full trading participants**,

settlement participants and **clearing members**, in proportion to the **settlement fund** contributions made by each and that have been used.

Article 116. The **clearinghouse** may review and modify the methodology and parameters that define the value of its own contribution and that of the individual contributions of each **full trading participant**, **settlement participant** and **clearing member** to the **settlement fund**, in order to update the parameters, improve the methodology and adjust the amount of **settlement fund** resources so that the **clearinghouse safeguard** structure presents the desired level of protection. If the value of any such contribution is modified, the referred **participants** will be notified of the new amounts required.

Paragraph 1. If the values of the contributions required of the referred **participants** are increased due to a methodology and/or parameter modification, the new value required of each **participant** cannot exceed three (3) times the value required before the concerned increase.

Paragraph 2. If the values of the contributions required of the referred **participant** are increased due to a methodology and/or parameter modification, each **participant** must deposit the resources necessary to provide the adjustment of its contribution to the new value required within twenty (20) consecutive business days of the date on which it is notified of such new value required.

Paragraph 3. The time frame between two consecutive increases in the values of the contributions required of the **participants** due to a methodology and/or parameter modification must be at least 20 (twenty) consecutive business days.

Paragraph 4. The obligation to adjust a contribution to the new value required due to a methodology and/or parameter modification will also apply to the **participant** that submits an **access authorization** cancellation request and which, by the end of the time period referred to in paragraph 2, still does not meet the conditions for the obligations derived from its **access authorization** to be deemed extinct, pursuant to the B3 access manual.

Paragraph 5. The funds deposited in the **settlement fund** due to a methodology and/or parameter modification cannot be used to cover losses derived from any **defaults** occurring before the date on which the new values required as a result of any such review are notified.

Section V: Liquidity fund

Article 117. As a complementary mechanism to mitigate the liquidity risk to which it is exposed, the **clearinghouse** might use the liquidity fund, which is set up as an investment fund, pursuant to applicable regulations, that is administered and managed by, and held in the custody of the B3 Bank.

Article 118. The shares of the liquidity fund are exclusively held by the **full trading participants**, **settlement participants**, **clearing members** and B3.

Article 119. The shares that represent the liquidity fund capital are exclusively used in contributions to the **settlement fund** constitution, remaining deposited in favor of the **clearinghouse safeguard** structure.

Article 120. The liquidity fund's investment policy must limit the types of transactions the fund is allowed to execute to those listed below:

- I. Purchase and sale transactions or repo transactions in fixed-rate or SELIC-indexed floating-rate federal government bonds accepted by BCB's discount window;
- II. Lending transactions on the fund's **assets**, which are guaranteed by **assets** subject to **settlement** and/or acceptance as **collateral** by the **clearinghouse**; and
- III. Sales or redemptions of **assets** subject to **settlement** and/or acceptance as **collateral** by the **clearinghouse** that will make up the liquidity fund capital.

Paragraph 1. The transactions referred to in indent **II** can only be performed by the fund with the **clearinghouse** as its counterparty and with the purpose of providing liquidity to the **clearinghouse** in case of a **default** or **operational defaulter** event faced by one or more **clearing members**, and said transactions must be registered in a **registration system** managed by B3.

Paragraph 2. The same haircut factors employed by the **clearinghouse** in the valuation process for **collateral** posted by **participants** in its favor also apply to the **assets** deposited in the liquidity fund as collateral for the transactions referred to in indent **II**.

Section VI: Use of collateral

Article 121. **Collateral** posted by the **clearing member** is constituted, and can be used by the **clearinghouse**, to ensure that the obligations assumed by the **clearing member** before the **clearinghouse** are met, in the prescribed time and manner.

Sole paragraph. The assets that make up the capital of the liquidity fund, whose shares are also held by the **clearing member**, may be used to carry out transactions aimed at providing liquidity to the **clearinghouse**, in the manner indicated in article 120.

Article 122. **Collateral** posted by the **full trading participant** is constituted, and can be used:

- I. By the **clearing member**, to ensure that the **full trading participant's** obligations to the **clearing member** are met, in the prescribed time and manner; and/or

- II. By the **clearinghouse**, to ensure that the **clearing member's** obligations to the **clearinghouse** associated with the **full trading participant's transactions** are met in case:
- (a) The funds transferred by the **full trading participant** to the **clearing member** are not transferred by the **clearing member** to the **clearinghouse**, in the time and manner prescribed by the **clearinghouse**; or
 - (b) The funds owed by the **full trading participant** to the **clearing member** are not transferred to the latter, and as a result the funds owed by the **clearing member** to the **clearinghouse** are not transferred to the latter, in the time and manner prescribed by the **clearinghouse**.

Sole paragraph. The assets that make up the capital of the liquidity fund, whose shares are also held by the **full trading participant**, may be used to carry out transactions aimed at providing liquidity to the **clearinghouse**, in the manner indicated in article 120.

Article 123. Collateral posted by the **settlement participant** is constituted, and can be used:

- I. By the **clearing member**, to ensure that the **settlement participant's** obligations to the **clearing member** are met, in the prescribed time and manner; and/or
- II. By the **clearinghouse**, to ensure that the **clearing member's** obligations to the **clearinghouse** associated with the **settlement participant's transactions** are met in case:
 - (a) The funds transferred by the **settlement participant** to the **clearing member** are not transferred by the **clearing member** to the **clearinghouse**, in the time and manner prescribed by the **clearinghouse**; or
 - (b) The funds owed by the **settlement participant** to the **clearing member** are not transferred to the latter, and as a result the funds owed by the **clearing member** to the **clearinghouse** are not transferred to the latter, in the time and manner prescribed by the **clearinghouse**.

Sole paragraph. The assets that make up the capital of the liquidity fund, whose shares are also held by the **settlement participant**, may be used to carry out transactions aimed at providing liquidity to the **clearinghouse**, in the manner indicated in article 120.

Article 124. Collateral posted by the **trading participant** is constituted, and can be used:

- I. By the **full trading participant**, to ensure that the **trading participant's** obligations to the **full trading participant** are met, in the prescribed time and manner; and/or
- II. By the **clearing member**, to ensure that the **full trading participant's** obligations to the **clearing member** associated with the **trading participant's transactions** are met in case:

- (a) The funds transferred by the **trading participant** to the **full trading participant** are not transferred by the **full trading participant** to the **clearing member**, in the prescribed time and manner; or
 - (b) The funds owed by the **trading participant** to the **full trading participant** are not transferred to the latter, and as a result the funds owed by the **full trading participant** to the **clearing member** are not transferred to the latter, in the prescribed time and manner; and/or
- III. By the **clearinghouse**, to ensure that the **clearing member's** obligations to the **clearinghouse** associated with the **trading participant's transactions** are met in case:
 - (a) The funds transferred by the **trading participant** are not transferred by the chain of **participants** involved to the **clearinghouse**, in the time and manner prescribed by the **clearinghouse**; or
 - (b) The funds owed by the **trading participant** to the **full trading participant** are not transferred to the latter, and as a result the funds owed by the **clearing member** to the **clearinghouse** are not transferred to the latter, in the time and manner prescribed by the **clearinghouse**.

Article 125. Collateral posted by the **investors** is constituted, and can be used:

- I. By the **trading participant**, to ensure that the **investor's** obligations to the **trading participant** are met, in the prescribed time and manner; and/or
- II. By the **full trading participant**, to ensure that the **investor's** obligations to the **full trading participant** are met, in the prescribed time and manner; and/or
- III. By the **full trading participant**, to ensure that the **trading participant's** obligations to the **full trading participant** associated with the **investor's transactions** are met in case:
 - (a) The funds transferred by the **investor** to the **trading participant** are not transferred by the **trading participant** to the **full trading participant**, in the prescribed time and manner; or
 - (b) The funds owed by the **investor** to the **trading participant** are not transferred to the latter, and as a result the funds owed by the **trading participant** to the **full trading participant** are not transferred to the latter, in the prescribed time and manner; and/or
- IV. By the **settlement participant**, to ensure that the **investor's** obligations to the **settlement participant** are met, in the prescribed time and manner; and/or
- V. By the **clearing member**, to ensure that the **full trading participant's** or the **settlement participant's** obligations to the **clearing member** associated with the **investor's transactions** are met in case:

- (a) The funds transferred by the **investor** are not transferred by the chain of **participants** involved to the **clearing member**, in the prescribed time and manner; or
- (b) The funds owed by the **investor** to the **trading participant**, **full trading participant**, or **settlement participant** are not transferred to the relevant **participant**, and as a result the funds owed to the **clearing member** are not transferred to the latter, in the prescribed time and manner; and/or

VI. By the **clearinghouse**, to ensure that the **clearing member's** obligations to the **clearinghouse** associated with the **investor's transactions** are met in case:

- (a) The funds transferred by the **investor** are not transferred by the chain of **participants** involved to the **clearinghouse**, in the prescribed time and manner; or
- (b) The funds owed by the **investor** to the **trading participant**, **full trading participant**, or **settlement participant** are not transferred to the relevant **participant**, and as a result the funds owed by the **clearing member** to the **clearinghouse** are not transferred to the latter, in the time and manner prescribed by the **clearinghouse**.

Sole paragraph. If **collateral** posted by the **investor** through other **participants** is free, it might be used by the **clearinghouse** to compensate for any losses incurred by any **clearinghouse participants** or by the **clearinghouse** itself, as a result of the **default** of said **investor**.

Article 126. In the event that **collateral** is used as provided for in this section, and in order to mitigate liquidity and market risks, whose materialization may reduce the values of **collateral**, any and all **collateral** posted by the **participant** in favor of the **clearinghouse** can be monetized at any time, and after meeting the foregoing obligations any unused amounts will remain as cash **collateral**, subject to withdrawal pursuant to the criteria defined in the **clearinghouse** risk management manual.

Sole paragraph. The **trading participant**, **full trading participant** or **settlement participant** and the **clearing member** are responsible for execution and/or receipt of the **collateral**, including in relation to **collateral** deposited abroad, as well as for its immediate replacement or payment in cash of its value, if determined by B3.

Section VII: Sequence of use of collateral

Article 127. In the event that the **default** of an **investor** causes the **default** of a **trading participant**, **full trading participant**, **settlement participant** and/or **clearing member**, and provided that all these **participants** are duly identified to the **clearinghouse**, **collateral** posted by the **participants**, **settlement fund** resources and B3's own resources exclusively earmarked for the **clearinghouse** are used in the following order, until no further losses remain:

- I. **Collateral** posted by the **investor** linked to the **trading participant, full trading participant, or settlement participant, and clearing member;**
- II. Any free **collateral** posted by the **investor** through other **participants**, upon the authorization of such **participant;**
- III. **Collateral** posted by the **trading participant** linked to the **full trading participant and clearing member;**
- IV. **Collateral** posted by the **full trading participant, or settlement participant,** linked to the **clearing member;**
- V. **Collateral** posted by the **controlling guarantor** of the **full trading participant or settlement participant** linked to the **full trading participant or settlement participant;**
- VI. **Full trading participant's or settlement participant's** contributions to the **settlement fund** linked to the **clearing member;**
- VII. Any free **collateral** posted by the **full trading participant, or settlement participant,** linked to other **clearing members,** upon the authorization of such **clearing members;**
- VIII. Any free **contributions** of the **full trading participant, or settlement participant,** to the **settlement fund** linked to other **clearing members,** upon the authorization of such **clearing members;**
- IX. **Collateral** posted by the **clearing member;**
- X. **Collateral** posted by the **clearing member's controlling guarantor** linked to the **clearing member;**
- XI. The **clearing member's** contribution to the **settlement fund;**
- XII. B3's contribution to the **settlement fund;**
- XIII. Futher contributions to the **settlement fund,** simultaneously and in proportion to the contribution required of each **participant,** meaning the contributions of other **full trading participants, settlement participants and clearing members;** and the still not used contributions of the **full trading participants or settlement participants** declared as **defaulters** by **clearing member CM** and linked to **nondefaulting clearing members;** and
- XIV. B3's own resources exclusively earmarked for the **clearinghouse.**

Paragraph 1. In order to mitigate its liquidity risk and the liquidity risk of **participants,** and also ensure compliance with **settlement window** hours, the **clearinghouse** may change the sequence of use of **collateral** established in this article, in the event that the **assets** posted as **collateral** by the **participants** show distinct characteristics in terms of liquidity or **settlement** date.

Paragraph 2. Without prejudice to the provisions of paragraph 1, the final allocation of losses among **participants**, if any, must adhere to the applicable sequence of use of **collateral**.

Paragraph 3. If losses still remain after the resources referred to in indents I thru XII hereof have been exhausted, B3 may activate the **recovery plan** to obtain additional resources, pursuant to the provisions of these rules.

Paragraph 4. The **collateral** and resources that make up the **safeguard** structure are intended exclusively for the performance of obligations associated with the **transactions** for which the **clearinghouse** acts as **central counterparty**, as a result of **default** by **participants**, being forbidden the use to cover losses not associated with event of **default** by **participants**.

Paragraph 5. B3 may, in the event of the use of its own resources exclusively earmarked to the **clearinghouse**, referred to in item XII of the opening paragraph, charge back the amount necessary to replenish such resources from the defaulting **clearing member**, as well as from the **full trading participant**, **settlement participant**, **trading participant** or **investor** linked to the defaulting **clearing member**.

Article 128. Should the information referred to in the opening paragraph of the previous article concerning the identification of **participants** not be readily available to the **clearinghouse** due to an omission or any other event, the sequence of use of **collateral** and of **settlement fund** resources prescribed in the **clearinghouse** risk management manual will apply.

CHAPTER V: FAILURE TO PERFORM OBLIGATIONS

Section I: General provisions

Article 129. For the purposes of these rules, the following are considered failures to perform obligations by the **clearing members, full trading participants, settlement participants, trading participants** and **investors**, as the case may be:

- I. The nonpayment or the partial **payment** of funds owed for any purpose, in the prescribed time and manner;
- II. The failure to transfer the total **assets** and **commodities** or a sufficient quantity of **assets** and **commodities** to be delivered by any **participant** for any purpose, in the prescribed time, place and manner;
- III. The nonperformance or the partial performance of an obligation to post **collateral**, in the prescribed time, place and manner;
- IV. The noncompliance with the **operational limits** established by the **clearinghouse**, pursuant to the provisions of these rules and of the **clearinghouse** risk management manual; and
- V. The nonpayment or the partial **payment** of **costs** and **charges**, pursuant to the prescribed rules, procedures and time frames.

Sole paragraph. For the purposes of the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, subject to the provisions of the **clearinghouse** risk management manual, the situations indicated in the specific appendix corresponding to a certain jurisdiction are also considered failures to perform obligations by eligible nonresident **investors** domiciled in any of the jurisdictions to which such appendices refer.

Article 130. The **clearing member** is accountable to the **clearinghouse** for the **payment** of its **multilateral net balance** and also for any losses, damages, **costs, charges** and expenses deriving from any failure to perform the obligations assumed by the **clearing member** or by the **full trading participants, settlement participants, trading participants** and **investors** linked to the **clearing member**, pursuant to the provisions of these rules and, as the case may be, in the appendices to that rules, relating to the deposit of **collateral** abroad and the maintenance and execution of these **collateral**, and of the **clearinghouse** operating procedures and risk management manuals.

Article 131. The **full trading participants** and **settlement participants** are accountable to the **clearing member** for the **payment** of their **multilateral net balances** and also for any losses, damages, **costs, charges** and expenses deriving from any failure to perform the obligations

assumed by such **participants**, by the **trading participant**, or by the **investors** linked to such **participants**, pursuant to the provisions of these rules and, as the case may be, in the appendices to that rules, relating to the deposit of **collateral** abroad and the maintenance and execution of these **collateral**, and of the **clearinghouse** operating procedures and risk management manuals.

Article 132. The **trading participants** are accountable to the **full trading participant** for the **payment** of their **multilateral net balances** and also for any losses, damages, **costs**, **charges** and expenses deriving from any failure to perform the obligations assumed by the **trading participants** or by the **investors** linked to the **trading participants**, pursuant to the provisions of these rules and, as the case may be, in the appendices to that rules, relating to the deposit of **collateral** abroad and the maintenance and execution of these **collateral**, and of the **clearinghouse** operating procedures and risk management manuals.

Article 133. The **investors** are accountable to the **full trading participant**, **settlement participant** and **trading participant**, as the case may be, for the **payment** of their **multilateral net balances** and also for any losses, damages, **costs**, **charges** and expenses deriving from any failure to perform the obligations assumed by the **investors**, pursuant to the provisions of these rules and, as the case may be, of the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, as well as of the **clearinghouse** operating procedures and risk management manuals.

Article 134. In the event of failure of any **clearing member** to perform obligations to the **clearinghouse**, and should the **participants** responsible for the **clearing member's** failure not be identified, the **clearinghouse** may use **collateral** posted by the **participants** linked in a chain to said **clearing member**, up to the limit of the amount possibly owed by each **participant**, pursuant to the procedures and rules contained in these rules and, as the case may be, in the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, as well as in the **clearinghouse** risk management manual.

Section II: Characterization of a participant as an operational defaulter and as a defaulter

Article 135. The **clearing member**, **full trading participant**, **settlement participant**, **trading participant** and **investor** may be declared **operational defaulters** whenever, for operational reasons, they fail to perform their obligations, whether fully or partially, in the prescribed time, place and manner.

Paragraph 1. It is incumbent on B3 to declare the **clearing member** as an **operational defaulter** and, at the sole discretion of B3, to characterize as operational the reasons for the relevant **clearing member's** failure to perform obligations.

Paragraph 2. It is incumbent on the **clearing member** to declare the **full trading participant** and the **settlement participant** as an **operational defaulter** and, at the sole discretion of the **clearing member**, to characterize as operational the reasons for the relevant **participant's** failure to perform obligations.

Paragraph 3. It is incumbent on the **full trading participant** to declare the **trading participant** as an **operational defaulter** and, at the sole discretion of the **full trading participant**, to characterize as operational the reasons for the **trading participant's** failure to perform obligations.

Paragraph 4. It is incumbent on the **full trading participant, settlement participant** and **trading participant**, as the case may be, to declare the **investor** as an **operational defaulter** and, at their sole discretion, to characterize as operational the reasons for the **investor's** failure to perform obligations.

Article 136. The **clearinghouse** may establish new conditions for the **clearing member** declared an **operational defaulter** to perform its obligations, without prejudice to the application of the penalties stipulated in these rules and in the **clearinghouse** operating procedures manual, as well as in other rules and regulations issued by B3, and also to the use of the **safeguard** structure and available risk management mechanisms.

Article 137. The status of the **participant** declared an **operational defaulter** is regularized when the performance of its obligations is confirmed.

Sole paragraph. The obligations of a **participant** declared an **operational defaulter** include the **payment of costs and charges**, and also the full replenishment of **collateral** and **settlement fund** resources, in case the **safeguard** structure is used.

Article 138. The **clearing member, full trading participant, settlement participant, trading participant** and **investor** are declared **defaulters** whenever they fail to perform obligations, whether fully or partially, in the prescribed time, place and manner, and are not or are no longer declared **operational defaulters**.

Paragraph 1. It is incumbent on B3 to declare the **clearing member** as a **defaulter**.

Paragraph 2. It is incumbent on the **clearing member** to declare the **full trading participant** and the **settlement participant** as **defaulters**.

Paragraph 3. It is incumbent on the **full trading participant** to declare the **trading participant** as a **defaulter**.

Paragraph 4. It is incumbent on the **full trading participant, settlement participant** and **trading participant**, as the case may be, to declare the **investor** as a **defaulter**.

Paragraph 5. For the purposes of the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, the **full trading participant**, **settlement participant** and **trading participant**, as the case may be, must comply with the provisions of the specific appendix corresponding to the jurisdiction of the eligible nonresident **investor** domiciled in any of the jurisdictions to which such appendices refer, in order to declare such **investor** as a **defaulter**, being also subject to the provisions of the **clearinghouse** risk management manual.

Article 138-A. The **investor** will no longer be considered a **defaulter** when all of his/her/its obligations are performed, being incumbent on the **clearing member**, **full trading participant**, **settlement participant**, or **trading participant**, as the case may be, to submit a request to B3 for the exclusion of said **investor** from the list of **defaulters**.

Sole paragraph. In the event that the obligations of the **defaulter investor** have been met by liquidating a personal or secured guarantee, the exclusion of said **investor** from the list of **defaulters** will be subject to the performance of all the **investor's** obligations to the **guarantee issuing bank** or the **participant** that provided the relevant **collateral**. The request referred to in the opening paragraph of this article must be accompanied by a statement from the **guarantee issuing bank** or the **participant** that provided the relevant **collateral**, as the case may be, that the concerned obligations were met, and it is not incumbent on B3 to investigate whether or not the obligations were satisfied by the **investor** to the **guarantee issuing bank** or to the **participant** that provided the **collateral**.

Section III: Failure to settle multilateral net balance in local currency

Article 139. If the **clearing member** fails to carry out the **settlement** of its **multilateral net balance** in local currency with the **clearinghouse**, said **clearing member** must promptly inform the **clearinghouse** whether the **settlement** failure derived from the **settlement** failure by a **full trading participant** or a **settlement participant** linked to the **clearing member** and identify, if applicable, all the **participants** and amounts involved.

Paragraph 1. Should a **full trading participant** or **settlement participant** fail to carry out the **settlement** of the corresponding **multilateral net balance** in local currency with the **clearing member**, the **full trading participant** or **settlement participant**, as the case may be, must promptly inform the **clearinghouse** whether the **settlement** failure derived from the **settlement** failure by a **trading participant** or an **investor**, as the case may be, and if necessary identify all the **participants** and amounts involved.

Paragraph 2. Should a **trading participant** fail to carry out the **settlement** of its **multilateral net balance** in local currency with the **full trading participant**, the **trading participant** must promptly inform the **clearinghouse** whether the **settlement** failure derived from the **settlement** failure by an **investor**, and if necessary identify all the **investors** and amounts involved.

Paragraph 3. The fact that a **participant's** failure may derive from another **participant's** failure does not exempt the first **participant** from liability to the **clearinghouse** and to the other **participants**, or from the **payment** obligations associated with all the **costs, charges** and expenses arising from such **participant's** failure.

Article 140. Should the **clearing member** fail to carry out the **settlement** of its **multilateral net balance** in local currency with the **clearinghouse**, in which case said **clearing member** may be declared an **operational defaulter** or a **defaulter**, and based on the information stipulated in the previous article, the **clearinghouse** may adopt the following actions, either singly or jointly:

- I. Suspend the **delivery** obligations in favor of the **clearing member** and of the **full trading participants, settlement participants, trading participants** and **investors** linked to the **clearing member**, until the failure management process is completed;
- II. Block the movement of **collateral** posted in the name of the **clearing member** and of the **full trading participants, settlement participants, trading participants** and **investors** linked to the **clearing member**, until the failure management process is completed;
- III. Use **collateral, assets, commodities** and cash resources carrying rights of the **participants** that failed to meet their respective **payment** obligations, in order to perform the **clearinghouse's** obligations to the other **clearing members** or associated with **transactions** that allow such obligations to be fulfilled;
- IV. Use other resources available in the **safeguard** structure to perform the **clearinghouse's** obligations to the other **clearing members** or associated with **transactions** that allow such obligations to be fulfilled;
- V. Prohibit the **participant** that failed to meet **payment** obligations from executing or registering, under said **participant's** responsibility, new **transactions** that may cause an increase to **positions** or to credit risk;
- VI. Require additional **collateral posting**;
- VII. Order that **settlement** be directly effected between the **clearinghouse** and **full trading participants** and **settlement participants** under the responsibility of the **clearing member** declared as defaulter, through the B3 Bank, via the **CELP account**;
- VIII. Levy a **fine**, pursuant to the provisions of these rules, of the **clearinghouse** operating procedures manual and of other rules and regulations issued by B3; and/or
- IX. Take other prudential and risk management measures.

Sole paragraph. The **clearinghouse** notifies the regulatory bodies of the **clearing member's settlement** failure, pursuant to applicable legislation and regulations, describing the occurrence and the procedures that were implemented.

Article 141. Should the **clearing member, full trading participant, settlement participant, trading participant** and/or **investor** be declared a **defaulter**, in addition to the actions stipulated in the previous article, the **clearinghouse** may adopt the following actions, either singly or jointly:

- I. Prohibit the **defaulter participant** from executing or registering new **transactions** under the **defaulter participant's** responsibility;
- II. Close out in the market the open **positions** registered in the name of the **defaulter participant**;
- III. Transfer open **positions** held and **collateral** posted by the nondefaulting **investors** linked to the **defaulter clearing member, full trading participant, settlement participant, or trading participant** to other nondefaulting **participants**, under the latter's authorization;
- IV. Close out in the market the open **positions** held by the nondefaulting **investors** linked to the **defaulter participants** if, at B3's sole discretion, it is not possible or not viable to transfer the **positions** held by such **investors** to other **participants** within the time frame established by the **clearinghouse**; and/or
- V. Take other prudential and risk management measures.

Paragraph 1. Should the **clearinghouse** deem it necessary, the **clearinghouse** may order **transactions** to be carried out with the purpose of reducing the risk, to the **clearinghouse**, of open **positions** registered on behalf of the **participants** whose **positions** are subject to closeout, pursuant to the provisions of indents **II** and **IV** of this article, even if such **transactions** result in the opening of new **positions** to be registered on their behalf.

Paragraph 2. Regarding the transfer referred to in indent **III**, **collateral** posted to the **clearinghouse** for the benefit of the **investor**, consisting of **assets** owned by the **clearing member, full trading participant, settlement participant, or trading participant**, may be transferred to the **participant** of destination, with the holder of the **assets** posted as **collateral** remaining co-responsible for the obligations of said **investor**, jointly with the **investor** and **participant** of destination, up to the limit of the **collateral** of its ownership, subject to the obligations and restrictions contained in the following indents, in case the **asset** holder does not belong to the same **chain of responsibilities** of the **participant** of destination.

- (i) The **investor** must provide the replacement of **collateral**, consisting of **assets** held by the **clearing member, full trading participant, settlement participant, or trading participant**, within sixty (60) calendar days of the date said **collateral** is transferred. If the **investor** does not perform such a replacement within the prescribed period, the **clearinghouse** may determine that the **positions** of the **investor** linked to such **collateral** be closed out, and this **collateral**, along the closeout process, can only be withdrawn according to the applicable criteria for releasing **collateral**, as established in the **clearinghouse** risk management manual.

- (ii) The **investor** is prohibited from modifying, by means of the execution of new **transactions**, the **portfolio** subject to transfer whose credit risk is covered by **collateral** held by the **clearing member, full trading participant, settlement participant, or trading participant**, unless so authorized by B3, at its sole discretion, (a) in the event the **portfolio positions** expire during the **collateral** replacement period, or (b) with the purpose of totally or partially closing out **portfolio positions**. When the **participant** posts **collateral** it holds for the benefit of a third party, the **participant** authorizes such **collateral** to be used to cover the credit risk of the **portfolio**, calculated after new **transactions** are executed, until **collateral** is replaced, pursuant to item (i).
- (iii) In order to ensure full compliance with item (ii), the **participant** of destination must segregate in separate **accounts**, in the name of the **investor**, (a) the **investor's assets, transactions and positions** originating or deriving from the **portfolio** subject to transfer to the **participant** of destination, associated with obligations guaranteed by **assets** held by the **clearing member, full trading participant, settlement participant, or trading participant**, and (b) the **investor's further assets, transactions and positions** carried out in the **participant** of destination. The **participant** of destination will be co-responsible, jointly with the **investor**, for the **portfolio** transferred in excess of the limit of posted **collateral**.

Paragraph 3. The **participant** of destination of the transfer referred to in paragraph 2 of this article must take the appropriate measures, including closing out the **investor's positions** in the **portfolio** whose credit risk is covered by **collateral** consisting of **assets** held by the **clearing member, full trading participant, settlement participant, or trading participant**, in the event the **investor** fails to comply with obligations to the **participant** of destination, with the same diligence it applies in relation to the other **positions** of the **investor**.

Article 142. If:

- (i) The **clearing member** fails to carry out any cash **settlements** with the **clearinghouse**;
- (ii) The **clearing member's multilateral net debit balance** exceeds any debit amount linked to the **clearing member's proprietary positions**, when acting in the capacity of **investor**;
and
- (iii) The **clearing member** does not promptly notify the **clearinghouse** of the **settlement** failure by any **full trading participant** or **settlement participant**, then:
- I. The **clearinghouse** may assign the amount of the **clearing member's cash settlement** failure in excess of the balance owed by the **clearing member's proprietary positions** to all the **full trading participants** and **settlement participants** linked to said **clearing member** and holding **multilateral net debit balances** not settled through **CELP account settlement**, declaring all such

participants as **operational defaulters** to all ends, regardless of whether or not they have also failed to settle with the **clearing member**;

- II. The **clearinghouse** performs the assignment stipulated in indent I in proportion to the financial debit balance of each **full trading participant** and **settlement participant**, pursuant to the criteria described in the **clearinghouse** risk management manual or to other criteria defined by the **clearinghouse**, at the discretion of the B3 Joint Board of Officers; and
- III. Both **collateral** and **assets** that originally carried rights of the **full trading participants** and **settlement participants** declared **operational defaulters** may be used by the **clearinghouse** to meet the **clearing member's** obligations to the **clearinghouse**, up to the amount stipulated in indent II.

Sole paragraph. In the situation described in the opening paragraph of this article, the **clearing member** is responsible for compensating the **full trading participants** and **settlement participants** for any losses sustained.

Article 143. If:

- (i) The **full trading participant** or the **settlement participant** fails to carry out any cash **settlements** with the **clearing member** or is declared an **operational defaulter**, by reason of the provisions of article 142;
- (ii) The **full trading participant's** or the **settlement participant's** **multilateral net debit balance** exceeds any debit amount linked to the **full trading participant's** or to the **settlement participant's** proprietary **positions**, when acting in the capacity of **investor**; and
- (iii) The **full trading participant** or the **settlement participant** does not promptly notify the **clearinghouse** of the **settlement** failure by any **trading participant** or **investor**, as the case may be, then:
 - I. The **clearinghouse** may assign the amount of the **full trading participant's** or the **settlement participant's** cash **settlement** failure in excess of the balance owed by the relevant **participant's** proprietary **positions** to all the **trading participants** or **investors**, as the case may be, linked to said **full trading participant** or **settlement participant**, declaring all such **participants** as **operational defaulters** to all ends, regardless of whether or not they have also failed to settle with the **full trading participant** or **settlement participant**;
 - II. The **clearinghouse** performs the assignment stipulated in indent I in proportion to the financial debit balance of each **trading participant** and **investor**, as the case may be, pursuant to the criteria described in the **clearinghouse** risk management

manual or to other criteria defined by the **clearinghouse**, at the discretion of the B3 Joint Board Officers; and

- III. Both **collateral** and **assets** that originally carried rights of the **trading participants** and **investors** declared **operational defaulters** may be used by the **clearinghouse** to meet obligations to the **clearing member** and the **clearinghouse**, up to the amount stipulated in indent II.

Sole paragraph. In the situation described in the opening paragraph of this article, the **full trading participant** or the **settlement participant**, as the case may be, is responsible for compensating the **trading participants** and **investors** for any losses sustained.

Article 144. If:

- (i) The **trading participant** fails to carry out any cash **settlements** with the **full trading participant** or is declared an **operational defaulter**, by reason of the provisions of article 143;
- (ii) The **trading participant's** **multilateral net debit balance** exceeds any debit amount linked to the **trading participant's** proprietary **positions**, when acting in the capacity of **investor**; and
- (iii) The **trading participant** does not promptly notify the **clearinghouse** and the **full trading participant** of the **settlement** failure by any **investor**, then:
- I. The **clearinghouse** may assign the amount of the **trading participant's** cash **settlement** failure in excess of the balance owed by the **trading participant's** proprietary **positions** to all the **investors** linked to said **trading participant**, declaring all such **investors** as **operational defaulters** to all ends, regardless of whether or not they have also failed to settle with the **trading participant**;
 - II. The **clearinghouse** performs the assignment stipulated in indent I in proportion to the financial debit balance of each **investor**, pursuant to the criteria described in the **clearinghouse** risk management manual or to other criteria defined by the **clearinghouse**, at the discretion of the B3 Joint Board Officers; and
 - III. Both **collateral** and **assets** that originally carried rights of the **investors** declared **operational defaulters** may be used by the **clearinghouse** to meet obligations to the **full trading participant**, the **clearing member** and the **clearinghouse**, up to the amount stipulated in indent II.

Sole paragraph. In the situation described in the opening paragraph of this article, the **trading participant** is responsible for compensating the **investors** for any losses sustained.

Section IV: Failure to settle multilateral net balances in assets deposited with the B3 central depository or SELIC

Article 145. In the event of an **asset delivery failure** by any **investor** with a **multilateral net debit balance** in **assets** deposited with the **B3 central depository** or SELIC, the **clearinghouse** initiates the **delivery failure** management process.

Article 146. The **delivery failure** management process for **assets** deposited with the **B3 central depository** comprises the following stages:

- I. The **investor** that owes **assets** mandatorily executes a **securities lending transaction** under the responsibility of the **full trading participant, settlement participant, trading participant** and **clearing member**, as the case may be, in the **securities lending system** managed by B3;
- II. If the **transaction** described in indent I cannot be executed, the **clearinghouse** enters a debit to the failing **investor's multilateral net balance** corresponding to the amount of the undelivered **assets**, and this is followed by **collateral** being required of said **investor**, who/which will also be levied a **fine** and granted extra time to make **delivery** of the **assets**, pursuant to the provisions of the **clearinghouse** operating procedures manual;
- III. If the **delivery** referred to in indent II does not occur, the stage described in indent I applies, but if the **assets** are once again not delivered a new **fine** is imposed on the **investor** that owes **assets** and an order to buy-in the **assets** in the market is issued in favor of the **investor** that is a creditor thereof, which order might be executed, at the discretion of the **clearinghouse**, by the **clearinghouse** itself or by the **participant** that is a creditor of **assets**;
- IV. The order to buy-in the **assets** referred to in indent III might be cancelled if the debtor **investor** delivers the **assets** and the creditor **investor** accepts the buy-in order cancellation, subject to the time limit stipulated in the **clearinghouse** operating procedures manual; and
- V. If the **investor** in whose favor the buy-in order was issued does not execute such an order within the time frame stipulated by the **clearinghouse**, the buy-in order is cancelled and the **transaction** is cash settled at market price, pursuant to the provisions of the **clearinghouse** risk management manual.

Sole paragraph. In case a **delivery failure** is committed by a **defaulter investor** along the closeout process of the **positions** held by said **investor**, the **delivery failure** management process stipulated in the **clearinghouse** risk management manual is applied.

Article 146(A). The **delivery failure** management process for **assets** deposited with SELIC

comprises the following stages:

- I. The **investor** that owes **assets** mandatorily executes a **securities lending transaction** under the responsibility of the **full trading participant, settlement participant, trading participant** and **clearing member**, as the case may be, in the **securities lending system** managed by B3;
- II. If the **transaction** described in indent I cannot be executed, the **clearinghouse** enters a debit to the failing **investor's multilateral net balance** corresponding to the amount of the undelivered **assets**, and this is followed by **collateral** being required of said **investor**, who/which will also be levied a **fine**, pursuant to the provisions of the **clearinghouse** operating procedures manual;
- III. If the **assets** are once again not delivered, the **clearinghouse** tries to obtain the **assets** through a **purchase and sale transaction** or a **repo transaction**;
- IV. If the **delivery** referred to in indent III does not occur, the **clearinghouse** tries to obtain the **assets** from BCB through combined **repo transactions**;
- V. If the **assets** are once again not delivered, an order to buy-in the **assets** in the market is issued in favor of the creditor **investor**, to be executed by the **clearinghouse** itself, at the request of the creditor **investor**;
- VI. The order to buy-in the **assets** referred to in indent V might be cancelled if the debtor **investor** delivers the **assets** and the creditor **investor** accepts the buy-in order cancellation, subject to the time limit stipulated in the **clearinghouse** operating procedures manual; and
- VII. If the **investor** in whose favor the buy-in order was issued does not request the execution thereof within the time frame stipulated by the **clearinghouse**, the buy-in order is cancelled and the **transaction** is cash settled at market price, pursuant to the provisions of the **clearinghouse** operating procedures manual.

Sole paragraph. In case a **delivery failure** is committed by a **defaulter investor** along the closeout process of the **positions** held by said **investor**, the **delivery failure** management process stipulated in the **clearinghouse** risk management manual is applied.

Article 147. Any amount of the value of the buy-in **transaction** in excess of the value of the originally executed **transaction** is credited to the **investor** that holds the right to receive the **assets** and debited to the **investor** that originally held the **asset delivery** obligation, pursuant to the provisions of the **clearinghouse** operating procedures manual.

Paragraph 1. The **clearinghouse** operating procedures manual describes the **settlement** rules applicable to the situations where the **assets** underlying any buy-in **transaction** are subject to **corporate action** events or coupon payments, depending on the **asset**, and to a trading chain involving several **participants**.

Paragraph 2. The amount referred to in the opening paragraph of this article is settled from the **multilateral net balances** of the **investors**, **full trading participants**, **settlement participants**, **trading participants** and **clearing members**.

Article 148. The **clearinghouse** may block the movement of any and all **collateral** posted in its favor by the **participant** that failed to comply with the **asset delivery** obligation, and also require said **participant** to post additional **collateral**.

Article 149. **Collateral** posted by the **participants** that failed to meet their **asset delivery** obligations may be used to cover losses, **costs** and **charges** associated with the **delivery failure**, pursuant to the provisions of the **clearinghouse** risk management manual.

Article 150. The **clearinghouse** imposes a **fine** on the **investors** responsible for any **asset delivery failures**, subject to the provisions of these rules, of the **clearinghouse** operating procedures manual and of other rules and regulations issued by B3, and the amount corresponding to the **fine** is debited to the **multilateral net balance** of the relevant **clearing member**, pursuant to the provisions of the **clearinghouse** operating procedures manual.

Article 151. Other procedures associated with the **asset delivery failure** management process are described in the **clearinghouse** risk management manual and operating procedures manual.

Section V: Failure to settle transactions by physical delivery of commodities

Article 152. In the event that any **investor** fails to perform the physical **delivery** of **commodities**, the **clearinghouse** initiates the **delivery failure** management process.

Article 153. The **commodity delivery failure** management process comprises the following stages:

- I. The **payment** originally due to the **investor** that holds the obligation to deliver the **commodity** is suspended and, at the discretion of the **clearinghouse**, said **investor** is granted extra time to make **delivery** of the **commodity**, pursuant to the time frames stipulated in the **clearinghouse** risk management manual;
- II. If the **delivery** referred to in indent I does not occur, an order to buy-in the **commodity** in the market is issued in favor of the **investor** that holds the right to receive the **commodity**, which order might be executed, at the sole discretion of the **clearinghouse**, by the **investor** or by the **clearinghouse** itself; and

- III. If the buy-in order referred to in indent II is not executed, the **transaction** is cash settled at market price, pursuant to the provisions of the **clearinghouse** operating procedures manual.

Article 154. Any amount of the value of the **commodity** buy-in **transaction** in excess of the **transaction's** original **settlement** value is credited to the **investor** that holds the right to receive the **commodity** and debited to the **investor** that originally held the **commodity delivery** obligation, pursuant to the provisions of the **clearinghouse** risk management manual.

Sole paragraph. The amount referred to in the opening paragraph of this article is settled from the **multilateral net balances** of the **investors**, **full trading participants**, **settlement participants**, **trading participants** and **clearing members**.

Article 155. The **clearinghouse** may block the movement of any and all **collateral** posted in its favor by the **participant** that failed to meet his/her/its **commodity delivery** obligation, and also require said **participant** to post additional **collateral**.

Article 156. **Collateral** posted by the **investor** that failed to meet his/her/its **commodity delivery** obligation may be used to cover losses, **costs** and **charges** associated with the **delivery failure**, pursuant to the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, and to the provisions of the **clearinghouse** risk management manual.

Article 157. Other procedures associated with the **commodity delivery failure** management process are described in the **clearinghouse** risk management manual.

Section VI: Noncompliance with the operational limits established by the clearinghouse

Article 158. In case any **participant** fails to comply with any **operational limits** established by the **clearinghouse**, the **clearinghouse** may determine that:

- I. The **participant's positions** be closed out in the market;
- II. Additional **collateral** be posted by the noncompliant **participant** or by the **participant** responsible for said noncompliant **participant**;
- III. The **participant** be prohibited from executing new **transactions**;
- IV. A **fine** be levied; and
- V. Other prudential and risk management measures be taken.

CHAPTER VI: SPECIAL SITUATIONS

Section I: Clearinghouse participants submitted to court-supervised or out-of-court reorganization, intervention, bankruptcy, out-of-court liquidation or temporary special administrative proceedings

Article 159. In the event that any **clearing members, full trading participants, settlement participants, trading participants, or investors** are submitted to court-supervised or out-of-court reorganization, intervention, bankruptcy, out-of-court liquidation or temporary special administrative proceedings, their **transactions** must be regularly settled, in the manner established in these rules, pursuant to the provisions of article 7 of Law #10214, of March 27, 2001.

Paragraph 1. If any **clearing members, full trading participants, settlement participants, trading participants, or investors** submitted to the proceedings referred to in this article fail to meet their obligations, they will be subject to the **default** management process provided for in these rules and, as the case may be, in the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, in the case of eligible nonresident **investors** domiciled in the respective jurisdictions to which such appendices refer.

Paragraph 2. The provisions of the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral** apply to eligible nonresident **investors** domiciled in any of the jurisdictions to which the appendices to these rules refer, especially in case such eligible nonresident **investors** are submitted to bankruptcy proceedings, as defined under applicable legislation and regulations in the jurisdiction of their residence.

Article 160. In the event that any **clearing members, full trading participants, settlement participants, trading participants, or investors** are submitted to court-supervised or out-of-court reorganization proceedings, intervention proceedings, or temporary special administrative or similar proceedings in a foreign jurisdiction, if applicable, the **clearinghouse** may, subject to the provisions of the appendices to these rules associated with **posting collateral** abroad and maintaining and liquidating any such **collateral** in connection with eligible nonresident **investors** domiciled in the respective jurisdictions to which such appendices refer:

- I. Block the movement of **collateral** posted by the **participant**;
- II. Require the relevant **participant** to post additional **collateral** to cover credit risk;
- III. Prohibit new **transactions** from being executed by the relevant **participant**, or by the **investors** linked to said **participant**, that increase credit risk;

- IV. Cancel **securities lending** offers under the responsibility of the **participant**, except those entered under the guidance of the person responsible for running the regime; and
- V. Take any other action deemed necessary to mitigate counterparty risk and preserve the proper functioning of the **settlement** system.

Article 161. In the event that any **clearing members, full trading participants, settlement participants, trading participants, or investors** are submitted to bankruptcy or out-of-court liquidation proceedings, or similar proceedings in a foreign jurisdiction, if applicable, the **clearinghouse** may, subject to the provisions of the appendices to these rules associated with **posting collateral** abroad and maintaining and liquidating any such **collateral** in connection with eligible nonresident **investors** domiciled in the respective jurisdictions to which such appendices refer:

- I. Block the movement of **collateral** posted by the **participant**;
- II. Require the relevant **participant** to post additional **collateral** to cover credit risk;
- III. Prohibit new **transactions** from being executed by the relevant **participant**, or by the **investors** linked to said **participant**, that increase credit risk;
- IV. Cancel **securities lending** offers under the responsibility of the **participant**, except those entered under the guidance of the person responsible for running the regime; and
- V. Determine the execution of **transactions** with the purpose of closing out the relevant **participant's** proprietary **positions**;
- VI. Prompt the transfer of the **positions** held and **collateral** posted by the nondefaulting **investors** linked to the relevant **participant** to other **participants**, provided the concerned **participants** agree to receive such **positions** and **collateral**;
- VII. Prompt the closing out in the market of the **positions** held by the **investors** linked to the relevant **participant**, should the transfers referred to in indent **IV** not be possible within the time frames set by the **clearinghouse**, at its sole discretion; and/or
- VIII. Take any other action deemed necessary to mitigate counterparty risk and preserve the proper functioning of the **settlement** system.

Paragraph 1. Should the **clearinghouse** deem it necessary, the **clearinghouse** may order **transactions** to be carried out with the purpose of reducing the risk of open **positions** registered on behalf of the **participants** whose **positions** are subject to closeout, pursuant to the provisions of indents **V** and **VII** of this article, even if such **transactions** result in the opening of new **positions** to be registered on their behalf.

Paragraph 2. Regarding the transfer referred to in indent **VI**, **collateral** posted to the **clearinghouse** for the benefit of the **investor**, consisting of **assets** owned by the **participant**

submitted to a bankruptcy or out-of-court liquidation proceeding, may be transferred to the **participant** of destination, with the **participant** submitted to a bankruptcy or out-of-court liquidation proceeding remaining co-responsible for the obligations of said **investor**, jointly with the **investor** and **participant** of destination, up to the limit of the **collateral** of its ownership, subject to the obligations and restrictions contained in the following indents, in case the **asset** holder does not belong to the same **chain of responsibilities** of the **participant** of destination.

- (i) The **investor** must provide the replacement of **collateral** consisting of **assets** held by the **participant** submitted to a bankruptcy or out-of-court liquidation proceeding within sixty (60) calendar days of the date said **collateral** is transferred. If the **investor** does not perform such a replacement within the prescribed period, the **clearinghouse** may determine that the **positions** of the **investor** linked to such **collateral** be closed out, and this **collateral**, along the closeout process, can only be withdrawn according to the applicable criteria for releasing **collateral**, as established in the **clearinghouse** risk management manual.
- (ii) The **investor** is prohibited from modifying, by means of the execution of new **transactions**, the **portfolio** subject to transfer whose credit risk is covered by **collateral** held by the **participant** submitted to a bankruptcy or out-of-court liquidation proceeding, unless so authorized by B3, at its sole discretion, (a) in the event the **portfolio positions** expire during the **collateral** replacement period, or (b) with the purpose of totally or partially closing out **portfolio positions**. When the **participant** posts **collateral** it holds for the benefit of a third party, the **participant** authorizes such **collateral** to be used to cover the credit risk of the **portfolio**, calculated after new **transactions** are executed, until **collateral** is replaced, pursuant to item (i).
- (iii) In order to ensure full compliance with item (ii), the **participant** of destination must segregate in separate **accounts**, in the name of the **investor**, (a) the **investor's assets, transactions and positions** originating or deriving from the **portfolio** subject to transfer to the **participant** of destination, associated with obligations guaranteed by **assets** held by the **participant** submitted to a bankruptcy or out-of-court liquidation proceeding, and (b) the **investor's further assets, transactions and positions** carried out in the **participant** of destination. The **participant** of destination will be co-responsible, jointly with the **investor**, for the **portfolio** transferred in excess of the limit of posted **collateral**.

Paragraph 3. The **participant** of destination of the transfer referred to in paragraph 2 of this article must take the appropriate measures, including closing out the **investor's positions** in the **portfolio** whose credit risk is covered by **collateral** consisting of **assets** held by the **participant** submitted to a bankruptcy or out-of-court liquidation proceeding, in the event the **investor** fails to comply with obligations to the **participant** of destination, with the same diligence it applies in relation to the other **positions** of the **investor**.

Section II: Special settlement and risk management procedures

Article 162. In order to avoid systemic risk and/or preserve the economic equilibrium of **transactions** settled through the **clearinghouse**, and/or the regular functioning of the markets managed by B3 and corresponding **clearing**, **settlement** and risk management process performed by the **clearinghouse**, the B3 Joint Board of Officers may determine the adoption of special **settlement** and risk management procedures whenever:

- I. It is not possible to determine the **settlement** values of one or more **transactions** or outstanding **derivatives**, due to technological, operational, legal or any other issues that may affect B3 or third parties and are not contemplated by the business continuity plans in force;
- II. It is not possible to process the **settlement** of **transactions** and outstanding **positions**, due to technological or operational issues that may affect B3 or the infrastructure of the Brazilian Payment System and are not contemplated by the business continuity plans in force;
- III. Trading in **assets** or contracts settled through the **clearinghouse** is suspended;
- IV. **Corporate actions** take place that may affect the trading or the pricing of **assets** or **positions** in **derivatives** contracts or **lending** agreements based on such **assets**;
- V. Sudden and significant rise in the security price, caused by the closing of short **positions** (short squeeze); and/or
- VI. Other events take place that may threaten the stability or the proper functioning of the markets managed by B3, of its risk management systems, and/or of the **transactions** settled through the **clearinghouse**.

Paragraph 1. The special **settlement** and risk management procedures referred to in the opening paragraph of this article may include, as the case may be:

- I. The modification of the hours of operation of the **clearinghouse**, upon BCB's authorization, and time frames of its **settlement window**;
- II. The postponement of the **settlement** process for one or more days, upon BCB's authorization;
- III. The postponement of **settlement** for certain groups of **transactions** or contracts for one or more days, upon BCB's authorization;
- IV. The **settlement** of **transactions** and outstanding **positions** at prices arbitrated by B3;
- V. The mandatory closeout of open **positions** at prices arbitrated by B3;
- VI. Adjustments to the value, size, strike price, underlying asset, or other features of the **transactions** or **positions** outstanding in **derivatives** contracts and/or **lending**

agreements based on any **asset** subjected to a corporate event, whenever the rules and regulations issued by B3 do not contemplate how the **transactions** and **positions** based on the **asset** associated with the concerned corporate event will be handled; and/or

- VII.** Other actions deemed necessary by B3 for the purposes defined in the opening paragraph of this article.

Paragraph 2. The B3 Joint Board of Officers must give BCB and CVM advance notice of the adoption of special **settlement** and risk management procedures.

Article 163. In order to mitigate its risk, the **clearinghouse** may, in exceptional situations, and at the discretion of the B3's Joint Board of Officers after reviewing the recommendations of the Central Counterparty Risk Internal Committee, accept as **collateral assets** other than those contemplated by the **clearinghouse** risk management manual, as well as modify the acceptance limits for **collateral** constitution, as established in the same manual.

Paragraph 1. BCB and CVM must be immediately notified by the **clearinghouse** of **collateral** deposited pursuant to the opening paragraph of this article.

Paragraph 2. In case a given **participant** deposits **collateral** pursuant to the opening paragraph of this article, the **clearinghouse** shall determine a time frame for said **participant** to replace such **collateral** with eligible **assets** and/or determine that the **positions** under the **participant's** responsibility be closed out.

Paragraph 3. Should the **clearinghouse** not determine that the **positions** under the **participant's** responsibility be closed out pursuant to the previous paragraph, it might restrict the **participant's** activities in connection with the **positions** under its responsibility to carrying out **transactions** that do not result in increased risk and to adopting further measures with the purpose of avoiding increased risk.

Paragraph 4. The **participant** who fails to comply with any of the determinations referred to in the foregoing paragraphs will be declared a **defaulter**.

Section III: Preservation of the netting of rights and obligations in the event of failure by the clearinghouse

Article 164. Pursuant to applicable legislation and subject to the **clearing members'** obligations previously contemplated by these rules, all the **positions** must be closed out and a single multilateral net result will be calculated for each **clearing member** in the event that:

- I.** A judicial recovery procedure or a court ratification of an out-of-court recovery plan is filed by B3; or

- II. B3's bankruptcy is declared by a court, provided the effects thereof are not suspended or revoked within fifteen (15) consecutive calendar days.

Paragraph 1. In the event referred to in indent I or in indent II hereof, the **clearinghouse** shall notify the **participants** and the competent regulatory authorities.

Paragraph 2. The process of closing out **positions** will be initiated after the occurrence of the event referred to in indent I or in indent II hereof, pursuant to the procedures and criteria established by the **clearinghouse**.

Paragraph 3. The multilateral net result for each **clearing member** referred to in the opening paragraph of this article shall be calculated by the **clearinghouse** and settled on the date it establishes. The multilateral net result for each **clearing member** will correspond to the **netting** of (i) the proceeds from the closeout of all the open **positions** under its responsibility, and (ii) any possible obligations not settled by the **clearing member** with the **clearinghouse** or by the **clearinghouse** with the **clearing member**, including the amount to be paid back by the **clearinghouse** to the **clearing member** as a result of the procedure referred to in indent I of article 166.

Paragraph 4. Pursuant to the provisions of these rules and of the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, the **clearinghouse** may use **collateral** posted by the **participants** in case the **clearing member** whose multilateral net result is a debit fails to settle the corresponding amount with the **clearinghouse**, in the manner and time frames contemplated by this article.

Paragraph 5. Notwithstanding the occurrence of the event referred to in indent II hereof, the obligations of the **participants** and the **clearinghouse**, pursuant to the provisions of these rules, will remain in effect and enforceable for the period of fifteen (15) consecutive calendar days referred to therein.

Article 165. Pursuant to applicable legislation and subject to the **clearing members'** obligations previously contemplated by these rules, in the event of **default** by the **clearinghouse** on the entire or partial **payment** of the **multilateral net balance** to any **clearing member** not settled within twenty (20) consecutive business days of the date on which the **clearinghouse** receives written notice from the **clearing member** that has not received the funds due, at the sole discretion of said **clearing member** its **positions** might be closed out and a single multilateral net result be calculated.

Paragraph 1. The **clearinghouse** will promptly notify the competent regulatory authorities of the **payment default** referred to in the opening paragraph of this article.

Paragraph 2. The **position** closeout process will be carried out after the end of the period of twenty (20) consecutive business days referred to in the opening paragraph of this article, pursuant to the procedures and criteria established by the **clearinghouse**.

Paragraph 3. The **clearing member's** multilateral net result referred to in the opening paragraph of this article shall be calculated by the **clearinghouse** and settled on the date it establishes. The **clearing member's** multilateral net result will correspond to the **netting** of (i) the proceeds from the closeout of the open **positions** under its responsibility, and (ii) any possible obligations not settled by the **clearing member** with the **clearinghouse** or by the **clearinghouse** with the **clearing member**, including the amount to be paid back by the **clearinghouse** to the **clearing member** as a result of the procedure referred to in indent I of article 166.

Paragraph 4. Pursuant to the provisions of these rules and of the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, the **clearinghouse** may use **collateral** posted by the **participants** in case the **clearing member** whose multilateral net result is a debit fails to settle the corresponding amount with the **clearinghouse**, in the manner and time frames contemplated by this article.

Paragraph 5. Notwithstanding the occurrence of the **payment default** referred to in the opening paragraph of this article, the obligations of the **participants** and the **clearinghouse**, pursuant to the provisions of these rules, will remain in effect and enforceable for the period of twenty (20) consecutive business days referred to therein.

Section IV: Recovery Plan

Article 166. Should the **recovery plan** be activated under a scenario of **default** of one or more **clearing members** resulting in temporary or definitive insufficiency of resources in the **clearinghouse safeguard** structure, B3 may:

- I. Require the nondefaulting **clearing members** to deposit financial resources in cash, within the time frame set by B3;
- II. Upon BCB's authorization, postpone, until a later time on the same day of regular processing, the **settlement window** hours for creditor **clearing members' multilateral net balances** in local currency and/or **settlement window** hours for creditor **multilateral net balances** in **assets**, and the **clearinghouse** will be responsible for determining the new **settlement window** hours, subject to STR's time restrictions; and
- III. Utilize, upon BCB's authorization, B3's own resources exclusively earmarked for the B3 FX Clearinghouse, whose use, in the event of **default** of a **participant**, would follow a loss mutualization process carried out among the nondefaulting B3 FX Clearinghouse **participants**.

Paragraph 1. The decision on the adoption of any of the procedures contemplated by indents I thru III of this article lies with B3, as well as the order in which they will be adopted.

Paragraph 2. Regarding the deposit of financial resources referred to in indent I:

- (i) The **clearing member** who fails to comply with the obligation to deposit the required resources within the time frame prescribed by B3 may have **collateral** deposited with the **clearinghouse** blocked and be declared an **operational defaulter** or **defaulter**;
- (ii) The amount required from each **clearing member** is proportional to the amount of the contribution required from the relevant **clearing member** to the **settlement fund**;
- (iii) The deposit of financial resources may be required several times along the **recovery plan** execution, and the amount cumulatively required from the **clearing member** is limited, as established in the **clearinghouse** risk management manual;
- (iv) The amounts received from the **clearing member** are reported as debt by B3 to such **participant** and must be paid back later, up to the deadline to be defined by B3, adjusted by the DI rate disclosed by B3 and free of fees and taxes, which costs will be incurred by B3; and
- (v) The cancellation of a **clearing member's access authorization** does not affect B3's obligation to pay back the amounts received from said **clearing member**, pursuant to the provisions of item (iv).

Paragraph 3. The adoption of the procedures stipulated in this article does not characterize the **clearinghouse** as being in **default** to the **clearing member** on the total or partial **multilateral net balance** due to said **participant**.

Article 167. Upon BCB's authorization, B3's own resources exclusively earmarked for the **clearinghouse**, whose use, in the event of **default** of a **clearing member**, would follow the use of the nondefaulting **participants'** contributions to the **settlement fund**, pursuant to article 127, may be utilized by B3 to cover insufficiency of funds at the B3 FX Clearinghouse, should the **recovery plan** be activated under a scenario of **default** before the B3 FX Clearinghouse resulting in temporary or definitive insufficiency of funds in its **safeguard** structure.

Article 168. In the event of **recovery plan** activation under a scenario of unavailability or integrity failure of B3's technology infrastructure, without prejudice to the execution of the operational continuity plan, B3 may:

- I. Totally or partially suspend **clearinghouse** operations;
- II. Extend time grids for **allocation, give-up** and other procedures;
- III. In the event of suspension of **clearinghouse** operations, not proceed, at the **B3 central depository**, with the **movement of assets** and other procedures associated with **settlement by delivery of assets**;
- IV. In the event of suspension of **clearinghouse** operations, suspend or restrict the trading of **assets** and contracts settled through the **clearinghouse, securities lending** and

transaction registration in the **organized OTC market** in both fully collateralized and partially collateralized **registration** modes;

- V. Not permit **securities lending** with no **coverage**;
- VI. Adopt alternative risk calculation procedures and suspend risk calculation for intraday risk monitoring purposes; and
- VII. Restrict the execution of procedures associated with the movement of **collateral**.

Article 169. In the event of **recovery plan** activation under the scenario of STR not functioning, except when the BCB provides an alternative system for processing **settlement** during the unavailability period, B3 may:

- I. Suspend **clearinghouse** operations; and
- II. Suspend the trading of **assets** and contracts settled through the **clearinghouse**, **securities lending** and **transaction registration** in the **organized OTC market** in both fully collateralized and partially collateralized **registration** modes.

Article 170. In the event of the suspension of **clearinghouse** operations contemplated by articles 168 and 169, operations will resume as established in the **clearinghouse** operating procedures manual.

Article 171. The decision to take action derived from **recovery plan** activation must be promptly reported to the B3 Board of Directors, the Risk and Financial Committee, BCB and CVM, as well as the **participants** in the case of actions taken that may affect them.

Article 172. **Recovery plan** activation does not waive or exempt **participants** from performing their obligations, especially those associated with the **chain of responsibilities** in the **settlement** process, nor B3 from fulfilling its obligations to the **participants**.

TITLE III: CLEARINGHOUSE GROSS SETTLEMENT AND BILATERAL NET SETTLEMENT OF TRANSACTIONS

CHAPTER I: GENERAL PROVISIONS

Article 173. The **clearinghouse** provides **gross settlement** and **bilateral net settlement** services for the **transactions** executed in the **trading environments** or registered in the **registration environments** managed by B3, therefore not acting as **central counterparty** to any such **transactions**, pursuant to the **clearinghouse** risk management manual.

Paragraph 1. The **transactions** that are subject to **gross settlement** or **bilateral net settlement** are accepted by the **clearinghouse**, pursuant to the **clearinghouse** operating procedures manual, and settled at the **gross amounts** or bilateral amounts thereof, as the case may be, not being liable to multilateral **netting**.

Paragraph 2. The **settlement** of any **transaction** subject to **gross settlement** or **bilateral net settlement**, as the case may be, is performed within the time frames predetermined by the **clearinghouse**, taking into account the conditions established for each market and each **transaction**, pursuant to the **clearinghouse** risk management manual.

Paragraph 3. The information required for the **settlement** of **transactions** subject to **gross settlement** or **bilateral net settlement** of **transactions** is described in the **clearinghouse** operating procedures manual.

Article 174. For the **transactions** that are subject to **gross settlement** or **bilateral net settlement**, the **clearinghouse** follows the **delivery-versus-payment** process wherever the relevant **settlement** involves the **delivery** of **assets**, providing the **settlement** process with the required infrastructure.

Paragraph 1. The **delivery-versus-payment** process includes:

- I. The **asset transfers** in the **B3 central depository** or SELIC, depending on the market, the **asset transfer** records in the **registration environments** managed by B3, or the **asset transfers** or **asset transfer** records in **clearinghouse accounts** with other entities where the **assets** are registered or deposited; and
- II. The **payments** in BCB via STR.

Paragraph 2. Within the time frames predetermined by the **clearinghouse** for the **settlement** of the **transaction** subject to **gross settlement** or **bilateral net settlement**, the buying **participant** must make the relevant **payment** to the **clearinghouse settlement account** and the selling **participant** must make the corresponding **delivery** to the **asset settlement account** with the **B3**

central depository or SELIC, with the **registration environments** managed by B3 and with other entities where the **assets** are registered or deposited.

Paragraph 3. After **payment** is made to the **clearinghouse settlement account** and **delivery** is made to the **clearinghouse asset settlement account** within the time frames predetermined by the **clearinghouse** for the **gross settlement** or **bilateral net settlement** of the **transaction**, the **clearinghouse** executes the **delivery-versus-payment** process in a mutually conditioned, final and irrevocable manner, synchronizing the **movement of assets** with the transfer of funds.

Paragraph 4. For the **transactions** that are subject to **gross settlement** or **bilateral net settlement** with no **asset deliveries**, the **clearinghouse** also executes the **settlement** process, but does not act as **central counterparty**, pursuant to the **clearinghouse** operating procedures manual.

Paragraph 5. For the **transactions** that are subject to **gross settlement** or **bilateral net settlement** with no **payments** due, the **clearinghouse** also executes the **delivery** process, subject to the **delivery-versus-delivery** mechanism, where applicable, but does not act as **central counterparty**, pursuant to the **clearinghouse** operating procedures manual.

Paragraph 6. In the case of **transactions** registered in the **registration environments** managed by B3, the **participants** in such environments are responsible for the safekeeping of the **assets** associated with the relevant **transactions**, the transfer and control of ownership thereof, as well as for providing accurate and complete information to such **registration environments**.

Article 175. The following **transactions** are subject to **gross settlement** and **bilateral net settlement** by the **clearinghouse**:

- I. **Equities market transactions;**
- II. **Corporate debt market transactions;**
- III. **Government bond market transactions;** and
- IV. Other market **transactions**, pursuant to the **clearinghouse** operating procedures manual.

Sole paragraph. The types and features of the **transactions** that are accepted by the **clearinghouse**, as well as the conditions for **gross settlement** and **bilateral net settlement** to be performed for each market and **transaction**, such as tender offers, special auctions and **transactions** in the secondary government bond and corporate debt markets, and **transactions** executed or registered in the **organized OTC market**, are defined in the **clearinghouse** operating procedures manual and disclosed in advance.

Article 176. The **payment** and **delivery** by the debtor **participant** are considered as performed:

- I. In the case of **payment** in local currency, when the relevant credit to the **clearinghouse settlement account** is confirmed by BCB; and

- II. In the case of **asset delivery**, when the relevant transfer to the **clearinghouse asset settlement account** is confirmed by the **B3 central depository** or SELIC, by other **central depositories**, or by other entities where the **assets** are registered or deposited.

Article 177. The **clearinghouse** provides the **payment** and **delivery** to the creditor **participant** only after the **payment** and **delivery** by the debtor **participant** are confirmed, considering, where applicable, the **delivery-versus-payment** and **delivery-versus-delivery** mechanisms.

Article 178. The **payment** and **delivery** to the creditor **participant** by the **clearinghouse** are considered final and irrevocable:

- I. In the case of **payment** in local currency, when the corresponding debit to the **clearinghouse settlement account** and credit to the **Bank Reserves account** or **Settlement account** of the **settlement agent** of the **full trading participant, settlement participant** or **custody agent**, as the case may be, are confirmed by BCB; and
- II. In the case of **asset delivery**, when the relevant transfer from the **asset settlement account** at the **B3 central depository** or SELIC, at other **central depositories**, or at other entities where the **assets** are registered or deposited is confirmed to the **deposit accounts** indicated by the **participants**.

Article 179. Should any **delivery** or **payment** not be made in the stipulated form, the **clearinghouse** considers the **transaction** as not settled, notifies the corresponding counterparties and returns the **assets** and the funds resulting from the **payments** received to the counterparty that met the relevant obligations, pursuant to the **clearinghouse** operating procedures manual.

Article 180. B3 may enter into covenants, agreements, or other contractual relationships with entities required for the performance of **clearinghouse** activities.

CHAPTER II: PARTICIPANTS IN THE GROSS SETTLEMENT AND BILATERAL NET SETTLEMENT PROCESS

Article 181. The B3 **authorized participants** and **registered participants** acting in the **gross settlement** and **bilateral net settlement** process at the **clearinghouse** are:

- I. The **full trading participants**;
- II. The **settlement participants**;
- III. The **settlement agents**; and
- IV. The **custody agents**.

Article 182. Any individuals, legal entities, funds structured with a single class, investment funds structured with multiple classes, or collective investment entities may act as **clearinghouse participants** in the **gross settlement** and **bilateral net settlement** process, provided they meet, as the case may be:

- I. The requirements and procedures for **participant** admission contemplated by the B3 access rules and manual, as well as by applicable legislation and regulations; or
- II. The **participant registration** requirements and procedures contemplated by the B3 access rules and manual, as well as by applicable legislation and regulations.

Article 183. In the **gross settlement** and **bilateral net settlement** of transactions, the **full trading participant** or **settlement participant** must:

- I. Should the relevant **participant** not be a **settlement agent** and a **custody agent**, appoint the **settlement agent** and **custody agent** engaged for the **gross settlement** and **bilateral net settlement** of proprietary **transactions** or third-party **transactions**;
- II. Provide the **clearinghouse** with the information required for the **settlement** of proprietary **transactions** or third-party **transactions** subject to **gross settlement** or **bilateral net settlement**, pursuant to the **clearinghouse** operating procedures manual; and
- III. Review and indicate, through the relevant **participant's settlement agent**, the acceptance or rejection of the **gross settlement** and **bilateral net settlement** of transactions.

Paragraph 1. In the event of rejection, pursuant to indent III hereof, with the relevant **payment** not being made within the prescribed time frame, the **transaction** subject to **gross settlement** is cancelled and the **transactions** subject to **bilateral net settlement** are broken down, becoming subject to **gross settlement**, as the case may be.

Paragraph 2. In the event of rejection, pursuant to indent **III** hereof, but with the relevant **payment** being made within the prescribed time frame, the **clearinghouse** deems the corresponding **settlement** complete.

Article 184. In the **gross settlement** and **bilateral net settlement** of **transactions**, the **settlement agent** must:

- I. Make or receive the **payments** associated with its own **gross settlement** or **bilateral net settlement**, as the case may be, whenever it holds a **Settlement account**;
- II. Make or receive the **payments** associated with the **settlement** of proprietary **transactions** and third-party **transactions**, whenever it holds a **Bank Reserves account**; and
- III. Make the **payments** to or receive the **payments** from the **clearinghouse settlement account** within the time frames established in the **clearinghouse** operating procedures manual.

Article 185. In the **gross settlement** and **bilateral net settlement** of **transactions**, the **custody agent** must:

- I. Make the **deliveries** to the **asset settlement account** or take the **deliveries** from the **asset settlement account**, within the time frames established in the **clearinghouse** operating procedures manual;
- II. Should it not be a **settlement agent**, appoint the **settlement agent** engaged to make the **payments** associated with proprietary **transactions** or third-party **transactions**;
- III. Provide the **clearinghouse** with the information required for the **settlement** of proprietary **transactions** or third-party **transactions** subject to **gross settlement** or **bilateral net settlement**, pursuant to the **clearinghouse** operating procedures manual; and
- IV. Review and indicate its acceptance or rejection of the **gross settlement** and **bilateral net settlement** of **transactions**.

Sole paragraph. In the event of rejection, pursuant to indent **IV** hereof, it will be incumbent on the **full trading participant** or **settlement participant** to provide the **clearinghouse** with the information required for making or taking the **deliveries** referred to in indent **I** hereof.

TITLE IV: GENERAL PROVISIONS**CHAPTER I: LIMITATION OF B3'S LIABILITY**

Article 186. After the duties and obligations that are assigned to B3 under these rules are performed, B3 will not indemnify any **participants** or any third parties:

- I. For any **participant's** failure to fulfill obligations to other **participants**, whatever the reasons for such failure;
- II. For any **participant's** violation of legislation and regulations in force in Brazil or in any of the jurisdictions referred to in the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, and of the rules, manuals, circular letters and external communications issued by B3;
- III. For the losses caused by **participants** as a result of any violation of these rules and applicable regulations;
- IV. For the effects of any **transaction** cancellations by CVM, BCB, and/or court order;
- V. For the effects of any **transaction** cancellations by B3 or by the managing entity of **external system** using the **clearinghouse**, for violating the provisions of laws and regulations in force in Brazil or in any of the jurisdictions referred to in the appendices to these rules in connection with **posting collateral** abroad and maintaining and liquidating any such **collateral**, and of the norms, circular letters and external communications published by B3;
- VI. For the damages arising from acts performed by the **trading participant, full trading participant, settlement participant** and **custody agent** selected and engaged by the **investor**;
- VII. For the damages arising from acts performed by the **settlement agent** selected and engaged by the **full trading participant, settlement participant** and/or **custody agent**;
- VIII. For the losses associated with the economic results deriving from the **transactions** carried out by **clearinghouse** order, with the purpose of promoting the use of **collateral** or the closeout of **positions**, pursuant to these rules and to the **clearinghouse** risk management manual, including in connection with the execution of **transactions** aimed at reducing the risk of open **positions** registered on behalf of the **participants**, in the situations provided for herein; and
- IX. For the costs associated with the execution of the **transactions** referred to in indent **VIII** hereof.

CHAPTER II: TECHNOLOGY INFRASTRUCTURE AND BUSINESS CONTINUITY POLICY

Article 187. B3's technology infrastructure is compatible with its designation as a systemically important **clearinghouse** by BCB.

Article 188. As established in its business continuity policy and other related norms, in the event of a disaster at its primary site B3 ensures the continuity of activities via a secondary data center.

Sole paragraph. The secondary data center is equipped with the same technology infrastructure as the primary site, uninterruptible power supply units and emergency power generators, and the interconnection between the two data centers enables data to be replicated in real time, making it possible to resume the **settlement** system operation in the event of an interruption at the primary site, pursuant to applicable rules.

CHAPTER III: EMERGENCY MEASURES

Article 189. B3 may take emergency measures to ensure the functioning of the markets it manages and mitigate systemic risk in the following situations:

- I. Declaration of a state of defense, state of siege, or state of calamity;
- II. War, internal unrest, or strikes;
- III. Events of any kind, including those arising from act of god or force majeure, that may pose a hazard to the functioning of the markets managed by B3 or by **external system** managing entity; and
- IV. Interruptions of B3's or third-party technology systems that lie outside the scope of B3's contingency procedures and compromise or pose a hazard to the functioning of the markets managed by B3 or by **external system** managing entity.

Article 190. Pursuant to the B3 Bylaws, the Chief Executive Officer is empowered:

- I. To define the situations or facts that require the implementation of emergency measures; and
- II. To convene the B3 Joint Board of Officers to deliberate on the measures to be taken.

Sole paragraph. Should it not be possible for the Joint Board of Officers to meet, the B3 Chief Executive Officer may take the emergency measures he/she deems necessary.

Article 191. The emergency measures that may be implemented include:

- I. Temporary modification to the rules and procedures associated with the B3 activities;
- II. Temporary modification to the rules and procedures associated with the **clearinghouse settlement** and risk management processes;
- III. Suspension of the activities of one or more **participants**; and
- IV. Suspension of the B3 activities.

Article 192. The implementation of any emergency measures does not exempt or relieve the **participants** from their obligations, especially those associated with the **chain of responsibilities** for the **settlement of transactions**, nor does it exempt or relieve B3 from its obligations to the **participants**.

CHAPTER IV: COSTS AND CHARGES

Article 193. Under its pricing policy, B3 establishes the calculation criteria, the values and the conditions for the **payment of costs and charges**.

Article 194. Without prejudice to the concerned **participant** possibly being declared an **operational defaulter** or a **defaulter**, the late **payment of costs and charges** entails the following sanctions:

- I. A **fine** and interest;
- II. Other possible penalties, as established by B3.

CHAPTER V: SANCTIONS

Article 195. It is incumbent on BSM to investigate and punish any violations of the provisions of these rules, of the norms that supplement these rules, or of applicable legislation and regulations, enforcing the sanctions contemplated by BSM's Bylaws, in the manner prescribed by its Procedural Rules, as the case may be.

Article 196. Without prejudice to BSM's competence to investigate and punish the violations of the provisions of these rules, of the norms that supplement these rules, or of applicable legislation and regulations, and without prejudice to the other provisions of these rules, it is incumbent on B3 to:

- I. Cancel the **access authorizations** of the **authorized participants** that fail to meet the requirements for the maintenance of their respective authorizations; and
- II. Levy **fin**es for late compliance with the obligations stipulated in these rules, according to the amounts and conditions established in the **clearinghouse** operating procedures manual and other rules and regulations issued by B3.

Paragraph 1. When the sanction to be applied is a **fine**, the corresponding amount is incorporated into the **multilateral net balance** of the violating **participant**, regardless of judicial or extrajudicial notification.

Paragraph 2. B3 must inform BSM when initiating proceedings to apply any of the measures indicated in items I and II above.

Article 197. BSM, BCB and CVM will be notified by B3 if any **access authorization** held by an **authorized participant** is cancelled.

CHAPTER VI: FINAL PROVISIONS

Article 198. These rules are approved by the B3 Board of Directors and by the competent regulatory bodies.

Paragraph 1. These rules can only be amended by following the same rituals of approval by the competent regulatory authorities in their respective spheres of jurisdiction and by the B3 Board of Directors, pursuant to B3's Bylaws, but for the sole purpose of disclosure any amendments to these rules may be announced to the market by other means, such as circular letters, external communications, and others.

Paragraph 2. Any proposals for the amendment of these rules that represent material changes in connection with the activities, obligations, or responsibilities of the **participants** or of the **clearinghouse**, the **safeguard** structure and further risk management mechanisms, the **multilateral net settlement**, and the management of failure in the performance of obligations will be subject to prior public consultation with the **participants** by B3 for a minimum period of thirty (30) consecutive calendar days.

Article 199. These rules are subject to the laws and regulations in force in Brazil in connection with the activities of the **clearinghouse** and its **participants**.

Sole paragraph. The laws, rules and regulations in force in any of the jurisdictions referred to in the appendices to these rules apply in connection with the activities associated with **posting collateral** abroad and maintaining and liquidating any such **collateral**, taking into account the jurisdiction of residence of the corresponding eligible nonresident **investor**.

Article 200. Without prejudice to the implementation of other measures, the **participants** must notify B3 of any evidence of irregularity in **transactions** and of any occurrences that may affect compliance with the provisions of these rules.

Article 201. B3 keeps **transactions** confidential and provides information to the competent regulatory authorities, pursuant to applicable legislation and regulations, communicating occurrences and data associated with the activities developed.

Article 202. B3 and its **participants** undertake to settle by arbitration, pursuant to the Rules of the Market Arbitration Chamber, any and all disputes or controversies that may arise between them, especially in connection with or deriving from the application, validity, effectiveness, interpretation, violation, and the effects thereof, of the provisions contemplated by these rules, by the **clearinghouse** operating procedures manual and by further rules and regulations published by B3.

Article 203. For all legal purposes, the provisions of these rules are binding upon the **participants** referred to herein and also upon B3.

Article 204. No contracts entered into by and between the **participants** may conflict with the provisions of these rules and relevant supplements.

Article 205. B3 may issue supplementary norms for the application of the provisions of these rules.

Article 206. Any matters on which these rules are silent will be resolved by the B3's Joint Board of Officers.

**APPENDIX I: DEPOSIT, MAINTENANCE AND LIQUIDATION OF
COLLATERAL ABROAD – RULES AND PROCEDURES APPLICABLE TO
CERTAIN NONRESIDENT INVESTORS DOMICILED IN THE UNITED
STATES OF AMERICA**

For the purposes of this appendix I, in case of conflict or inconsistency the English version below will prevail over the Portuguese version.

This US Module is for (i) non-resident investors who meet the eligibility criteria set forth in the B3 Clearinghouse risk management manual, as amended, supplemented or modified from time to time, and who are authorized to post collateral outside of Brazil and (ii) authorized participants (other than investors) who intermediate transactions for such non-resident investors referred to as in “i”.

1. General Provisions.

1.1. This US Module supplements and forms a part of the Rulebook, and provides for, among other things, the granting of a security interest by the US Non-Resident Investor to B3, a title transfer credit support arrangement between the US Non-Resident Investor and B3, Events of Default applicable to the US Non-Resident Investor and Intermediaries and the exercise of remedies by B3 upon an Event of Default.

1.2. The US Non-Resident Investor is required to enter into (A) an instrument adhering to the US Non-Resident Investor Rules, including this US Module, and, if applicable, (B) the SPPA Acceptance Agreement. Any delivery of securities, funds or US Module Credit Support in connection with, or otherwise entering into, any transaction or position by the US Non-Resident Investor will evidence such US Non-Resident Investor’s agreement to the terms of the US Non-Resident Investor Rules, including this US Module, and, if applicable, the SPPA Acceptance Agreement.

2. Definitions. Terms defined in this US Module supplement the definitions in the Rulebook. The terms “investor,” “position” and “transaction” have the respective meanings assigned to such term in the Rulebook. The words “include,” “includes” and “including” shall not be limiting. As used herein the following terms will have the meanings set forth below:

2.1. **B3** means B3 S.A. – Brasil, Bolsa, Balcão.

- 2.2. **B3 Representative** means any officer, affiliate, employee or agent of B3, but does not include any Intermediary.
- 2.3. **Bank** means JP Morgan Chase Bank, N.A., London Branch or such other account bank, building society, financial institution or other person with whom the Euro Cash Account is held in B3's name as notified to the US Non-Resident Investor or any Intermediary from time to time.
- 2.4. **Collateral** means all commodity contracts, financial assets, security entitlements, and other investment property (each of the foregoing as defined in the UCC), including the DTC Securities and the Euroclear Securities, securities, money (including funds on deposit in any deposit account) and other property, in each case, delivered by the US Non-Resident Investor or any agent of such US Non-Resident Investor to or for the benefit of B3 outside Brazil, pursuant to the US Non-Resident Investor Rules or in connection with any transaction or position, and all proceeds of any of the foregoing; provided that the term Collateral will not include Euro Title Transfer Credit Support.
- 2.5. **DTC Pledgee Account** means an account opened in B3's name with the Depository Trust Company.
- 2.6. **DTC Securities** means securities delivered to the DTC Pledgee Account.
- 2.7. **Eligibility Criteria** means the eligibility criteria set forth in the Rulebook or the B3 clearinghouse risk management manual, as amended, supplemented or modified from time to time, that the US Non-Resident Investor must satisfy to post collateral to B3 outside Brazil.
- 2.8. **Equivalent Assets** means cash of an identical type, currency, nominal value, description and amount to the Euro Title Transfer Credit Support delivered by the US Non-Resident Investor to B3 pursuant to Section 3.2 of this US Module.
- 2.9. **Euro Cash Account** means the euro deposit account held with Bank in B3's name as notified to the US Non-Resident Investor or any Intermediary from time to time.
- 2.10. **Euro Title Transfer Credit Support** means all cash delivered by the US Non-Resident Investor or any agent of such US Non-Resident Investor to or for the benefit of B3 outside Brazil into the Euro Cash Account, pursuant to the US Non-Resident Investor Rules or in connection with any transaction or position, and all proceeds of any of the foregoing.

2.11. **Euroclear** means Euroclear Bank SA/NV.

2.12. **Euroclear Agreement** means, as applicable, (1) the Multi Pledged Pledge Account Terms and Conditions, Pledgee's Representative Version, together with the Agreement to the Multi Pledgor Pledged Account Terms and Conditions executed by B3 and governing the MPPA, each as amended, supplemented, replaced or modified from time to time; and/or (2) the Single Pledgor Pledged Account Terms and Conditions (Pledgee's Representative Version) among the US Non-Resident Investor as pledgor, B3 as pledgee and Euroclear with respect to the SPPA, as amended, supplemented, replaced or modified from time to time.

2.13. **Euroclear Pledge Account** means MPPA and/or the SPPA, as applicable.

2.14. **Euroclear Securities** means securities delivered to any Euroclear Pledge Account.

2.15. **Event of Default** means the occurrence of an Insolvency Default or Non-Insolvency Default.

2.16. **Insolvency Default** means a US Non-Resident Investor or Intermediary (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof, (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger), (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other

similar official for it or for all or substantially all its assets, (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter, (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive), or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

2.17. **Intermediary** means any “authorized participant” (as defined in the Rulebook) other than the US Non-Resident Investor, that is liable for settling the obligations deriving from the transactions of the US Non-Resident Investor.

2.18. **MPPA** means the multi pledgor pledged account opened in B3’s name with Euroclear.

2.19. **Non-Insolvency Default** means, other than an Insolvency Default, (1) any default, event of default, termination event or other similar event or condition (howsoever described) under the US Non-Resident Investor Rules, including, without limitation, any “default,” as defined in the Rulebook, (2) any representation or warranty set forth in the Rulebook or this US Module made or repeated or deemed to have been made or repeated by the US Non-Resident Investor proves to have been incorrect or misleading in any respect when made or repeated or deemed to have been made or repeated or (3) any breach of any agreement or obligation set forth in the Rulebook or this US Module.

2.20. **Rulebook** means the B3 Clearinghouse Rules, as supplemented by any related operating procedures, risk manuals, circular letters or any other document or instrument issued by B3 (other than this US Module or any other rule module for a non-Brazilian jurisdiction), and as each of the foregoing may be amended, supplemented, replaced or modified from time to time.

2.21. **SPPA** means the single pledgor pledged account opened in B3’s name with Euroclear for the purposes of holding only the Collateral posted by the US Non-Resident Investor.

2.22. **SPPA Acceptance Agreement** means an acceptance agreement to Euroclear’s Single Pledgor Pledged Account Terms and Conditions (Pledgee’s Representative Version) among the US Non-Resident Investor as pledgor, B3 as pledgee and Euroclear with respect to the SPPA, as amended, supplemented, replaced or modified from time to time.

2.23. **UCC** means the Uniform Commercial Code as in effect in the State of New York from time to time.

2.24. **US Module** means these rules.

2.25. **US Module Credit Support** means Collateral and Euro Title Transfer Credit Support.

2.26. **US Non-Resident Investor** means an investor that has delivered US Module Credit Support to or for the benefit of B3.

2.27. **US Non-Resident Investor Rules** means this US Module and the Rulebook.

3. US Module Credit Support.

3.1. This Section 3.1 shall apply in respect of the Collateral. The US Non-Resident Investor hereby grants a continuing first priority security interest in all Collateral to B3, acting for itself and as representative of each Intermediary, as security for the payment and performance by such US Non-Resident Investor of all of its obligations to B3 and each Intermediary arising under or in connection with the US Non-Resident Investor Rules and any transaction or position.

3.1.1. The US Non-Resident Investor acknowledges and agrees that B3 will have no duties or responsibilities with respect to the Collateral (including, without limitation, any duty to collect any distributions or enforce or preserve any rights pertaining thereto), other than those expressly set forth in the US Non-Resident Investor Rules.

3.1.2. To the extent permitted by applicable law, the US Non-Resident Investor acknowledges and agrees that it shall retain any and all risk of loss of the Collateral and that in no event shall B3 bear such risk.

3.1.3. The US Non-Resident Investor agrees to treat any Euroclear Pledgee Account for all purposes as a special account specifically opened for the purpose of holding Collateral.

3.1.4. With respect to Euroclear Securities, the US Non-Resident Investor, on each day that the US Non-Resident Investor's Collateral includes Euroclear Securities, represents, warrants and agrees that (i) it has the full power and authority to grant

the security interest in such Collateral and it is the beneficial owner of the Collateral or the owner of such Collateral has duly authorized it to grant the security interests in the Collateral, (ii) it authorizes Euroclear to accept any instructions of B3 with respect to the Euroclear Securities, including instructions to deliver Euroclear Securities or any proceeds thereof to any account or person, whether or not outside the control of Euroclear, (iii) it authorizes Euroclear to treat B3 as being fully and irrevocably authorized by it to exercise all subscription, voting and other rights with respect to the Euroclear Securities, (iv) it shall provide to B3 or Euroclear such certifications or documentation, accurately and fully completed, by it or the beneficial owners of the Euroclear Securities (if different from it), in order to obtain payment of principal or income, or to obtain exemption from or reduction or refund of withholding tax, on any Euroclear Securities, and (v) it hereby indemnifies B3 for any damages resulting from its incorrect or untrue representation or warranty or its breach of agreement.

3.1.5. The US Non-Resident Investor authorizes B3 to use and dispose of the Collateral in the cases and terms described in the Rulebook, as if it were the owner thereof in order to obtain liquidity, including through the liquidity fund as set forth in Title II, Chapter IV, Section V of the Rulebook. Such right of utilization by B3 (including, without limitation, within the meaning of Article 11 of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time) includes the right to sell, lend, pledge, assign, invest, use, commingle or otherwise dispose of or otherwise use the Collateral, free from any claim or right of any nature whatsoever of the US Non-Resident Investor, in the cases and terms described in the Rulebook. Nothing in this section relieves B3 of any obligation under applicable law to return the Collateral to the DTC Pledgee Account or the Euroclear Pledgee Account.

3.2. This Section 3.2 shall apply in respect of Euro Title Transfer Credit Support. In respect of such Euro Title Transfer Credit Support, all rights, title and interest including legal and beneficial ownership in and to such Euro Title Transfer Credit Support provided in accordance with the US Non-Resident Investor Rules shall pass from the US Non-Resident Investor to B3 by way of outright title transfer free and clear of any security interest, lien, encumbrance, claim, charge, mortgage, assignment, pledge attachment or any other interest of the US Non-Resident Investor or any third party. The US Non-Resident Investor will no longer have a proprietary claim to such Euro Title Transfer Credit Support and B3 shall, accordingly, have the right to deal with, lend dispose of, pledge, charge, convert into such other currency as B3 may choose or otherwise use all such Euro Title Transfer Credit

Support. Upon a termination, close-out or the satisfaction of any or all of the US Non-Resident Investor's transactions and positions (the "Relevant Transactions"), B3 shall be obliged to redeliver Equivalent Assets to the US Non-Resident Investor or any Intermediary on behalf of the US Non-Resident Investor, in accordance with this US Module and the Rulebook. For the avoidance of doubt, any interest amount that may accrue on any Euro Title Transfer Credit Support that has been delivered to B3 in accordance with this Section 3.2 is for the account of B3.

- 3.3. The US Non-Resident Investor acknowledges and agrees that no interest is payable by B3 to the US Non-Resident Investor, and that B3 may retain any interest received, in respect of any US Module Credit Support.
- 3.4. Nothing in this US Module shall supersede or amend the eligibility criteria or any other conditions of acceptance of assets as US Module **Credit Support** set forth in the Rulebook, and no assets may be delivered as US Module **Credit Support** under these US Non-Resident Investor Rules that fail to meet such criteria or other conditions of acceptance unless expressly approved by B3. The US Non-Resident Investor acknowledges and agrees that any US Module **Credit Support** delivered to B3 is subject to the criteria, restrictions, requirements, limitations, conditions, rules, procedures and operations applicable to collateral (as defined in the Rulebook) as set forth in the Rulebook, and that such criteria, restrictions, requirements, limitations, conditions, rules, procedures and operations may not be the same as for collateral (as defined in the Rulebook) delivered by other types of investors.
- 3.5. The US Non-Resident Investor agrees to deliver US Module Credit Support when and as required by B3 in accordance with the US Non-Resident Investor Rules. The US Non-Resident Investor, on each date that any transaction or position is outstanding and on each day that it delivers US Module Credit Support to B3, represents and warrants that (i) it has the power to grant a security interest or deliver as applicable in all US Module Credit Support it delivers to B3 and has taken all necessary actions to authorize the granting of a security interest, (ii) it is the sole owner of or otherwise has the right to deliver all US Module Credit Support it delivers to B3, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest granted to B3 and (iii) it satisfies the Eligibility Criteria.
- 3.6. The US Non-Resident Investor agrees to provide notice to or cause notice to be provided to each Intermediary of (i) the occurrence of any event or change in circumstance that has adversely affected or may adversely affect the ability of the US Non-Resident Investor to

satisfy the Eligibility Criteria and (ii) the US Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in the case of (i), no later than the date the US Non-Resident Investor becomes aware of the relevant event or change of circumstance or that such event or change in circumstance is reasonably likely to occur, and in the case of (ii), no later than the date the US Non-Resident Investor ceases to satisfy the Eligibility Criteria

- 3.7. Each Intermediary acknowledges and appoints B3 as its representative on its behalf in connection with any security interest in any Collateral created pursuant to the US Non-Resident Investor Rules (including, without limitation, within the meaning of Article 5 of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time, for the purposes of holding on behalf of such Intermediary any Collateral delivered to any Euroclear Pledgee Account) as security for the payment or performance by US Non-Resident Investors of all their obligations to the Intermediary arising under or in connection with the US Non-Resident Investor Rules or any transaction or position. Each Intermediary represents and warrants that it has the power and authority to adhere to the US Non-Resident Investor Rules, including any rules relating to any US Module Credit Support, and to enter into any agreements or arrangements, including any pledge agreement, pursuant to the US Non-Resident Investor Rules.
- 3.8. Each Intermediary acknowledges and agrees that, to the extent permitted by applicable law, B3 (i) shall have no duties or responsibilities other than those expressly set forth in the US Non-Resident Investor Rules, (ii) shall not be responsible to any Intermediary for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Collateral or any related document referred to or provided for in the US Non-Resident Rules or for any failure by any US Non-Resident Investor or any other person to perform any of its obligations under the US Non-Resident Investor Rules, and (iii) shall not be responsible for any action taken or omitted to be taken by B3 under the US Non-Resident Investor Rules, and in no event shall B3 be liable for special, indirect or consequential damages arising in connection with the US Non-Resident Investor Rules. Further, each Intermediary authorizes B3 to execute and deliver to any Euroclear Agreement and to take all actions authorized by such Euroclear Agreement for each Intermediary's account.
- 3.9. Each Intermediary acknowledges and agrees that (i) its security interest in any Collateral, whether created under the US Non-Resident Investor Rules or otherwise, is subject and subordinate to any security interest in such Collateral in favor of B3, (ii) it shall have no right to exercise or direct the exercise of any remedies provided for in this US Module in respect of any transaction or position or any US Module Credit Support (iii) it waives any rights of subrogation to any claims against any US Non-Resident Investor with respect to any

transactions or positions or any US Module Credit Support; and that (iv) any of its rights in or in connection with the US Module Credit Support are expressly made subordinate to the rights of B3 in respect of the US Module Credit Support set out in this US Module and the Rulebook.

3.10. Each Intermediary, on each date that any transaction or position of the US Non-Resident Investor is outstanding and on each day that the US Non-Resident Investor delivers US Module Credit Support to B3, represents and warrants that the US Non-Resident Investor satisfies the Eligibility Criteria. Each Intermediary represents and warrants that it has verified that the US Non-Resident Investor satisfies the Eligibility Criteria.

3.11. Each Intermediary agrees to provide notice to B3 of (i) any event or change in circumstance that may adversely affect the ability of the US Non-Resident Investor to satisfy the Eligibility Criteria and (ii) the US Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in either case, on the date such Intermediary becomes aware of such relevant event, change of circumstance or cessation or that such event, change in circumstance or cessation is reasonably likely to occur.

4. Remedies. If B3 has determined that an Event of Default has occurred with respect to the US Non-Resident Investor or an Intermediary (as determined by B3 in B3's sole discretion or based on information communicated to B3 by an Intermediary), B3 and any designated representative of B3, shall, notwithstanding the exercise of any remedies or other action taken by any Intermediaries, (i) in respect of the Collateral, have all the rights and remedies provided to a secured party under the UCC or any other applicable law, (ii) have all rights available to it under the Rulebook, (iii) have any rights otherwise available to it under any other agreement or applicable law and (iv) be entitled to, at its option, (and without notice to such US Non-Resident Investor or applicable Intermediaries) exercise any or all of the following rights and remedies provided in this Section 4:

4.1. (i) liquidate, terminate, accelerate or otherwise close out any or all of such US Non-Resident Investor's transactions and positions and treat any or all obligations owing to B3 under the US Non-Resident Investor Rules as immediately due and payable, (ii) on or following the date of B3's determination that an Event of Default has occurred, determine the net amount of the losses, damages, expenses, costs (including all fees, including reasonable attorneys' fees, expenses and commissions) and gains, as applicable, that are or would be realized or incurred by B3 in connection with or as a result of such Event of Default and B3's or any Intermediaries' exercise of rights or remedies in respect thereof, (iii) net and set off any obligation, including any obligation with respect to the US Module Credit Support or other

property, of B3 to such US Non-Resident Investor, (including any obligation to redeliver Equivalent Assets), against any of such US Non-Resident Investor's obligations to B3 (whether or not any of such obligations are matured, unmatured, unliquidated or contingent and irrespective of the currency of such obligations) or otherwise determine a net sum that will be immediately payable from B3 to such US Non-Resident Investor or vice versa in respect of any obligations of B3 to such US Non-Resident Investor and any of such US Non-Resident Investor's obligations to B3 (whether or not any of such obligations are matured, unmatured, unliquidated or contingent and irrespective of the currency of such obligations) in connection with or under any transactions, positions or obligations accelerated or closed-out pursuant to this Section 4; and (iv) enforce the security interest in the Collateral granted pursuant to Section 3 of this US Module by, in its sole discretion, (A) selling, on or following the date of B3's determination that an Event of Default has occurred, in a recognized market at such price or prices as B3 deems reasonably satisfactory any or all non-cash Collateral and applying the proceeds thereof and the amount of any cash Collateral to such US Non-Resident Investor's obligations to B3 and/or any Intermediaries and/or (B) in lieu of selling all or a portion of such non-cash Collateral, appropriating all or a portion of such Collateral and applying the market value thereof at the time of appropriation (as determined by B3 in its sole discretion) to such US Non-Resident Investor's obligations to B3 and/or any Intermediaries.

- 4.2. The US Non-Resident Investor shall be liable to B3 for the amount equal to the amount by which the aggregate of the losses, damages, expenses and costs referenced in Section 4.1(ii) exceeds the aggregate of (i) the gains referenced in Section 4.1(ii), (ii) the proceeds of any non-cash Collateral applied pursuant to Section 4.1(iv)(A), (iii) the amount of any cash Collateral applied pursuant to Section 4.1(iv)(A), (iv) the value of the Collateral appropriated pursuant to Section 4.1(iv)(B), in each case as determined in accordance with Section 4.1. and (v) the value of the Euro Title Transfer Credit Support If the aggregate of the gains referenced in Section 4.1(ii), the proceeds of any non-cash Collateral applied pursuant to Section 4.1(iv)(A), the amount of any cash Collateral applied pursuant to Section 4.1(iv)(A), and the value of the Collateral appropriated pursuant to Section 4.1(iv)(B), and the value of the Euro Title Transfer Credit Support exceeds the aggregate of (a) the losses, damages, expenses and costs referenced in Section 4.1(ii) and (b) any amounts owing to the relevant Intermediaries, then B3 shall be obligated to remit such excess in accordance with the Rulebook within a reasonable time frame after the US Non-Resident Investor provides to B3 a full release (reasonably acceptable to B3 and conditional only on the foregoing payment) of all liability of B3 under or in connection with the US Non-Resident Investor Rules and any transaction or position.

- 4.3. The US Non-Resident Investor acknowledges and agrees that, if any amount is received or recovered by B3 in one currency and is paid or remitted by B3 to the US Non-Resident Investor or an Intermediary in another currency, in each case under this US Module, the US Non-Resident investor shall bear any currency risk arising from such conversion.
- 4.4. Interest on any amounts due to B3 shall accrue and be payable in accordance with the Rulebook.
- 4.5. In the event that the US Non-Resident Investor or an Intermediary notifies B3 in accordance with Section 3.6 or 3.11, B3 shall be entitled to require the US Non-Resident Investor to post collateral in accordance with the terms of the Rulebook, terminate any transaction or position of the US Non-Resident Investor, exercise any right or remedy under this Section 4 as though an Event of Default has occurred and take such other actions it deems necessary or appropriate.
- 4.6. In the event that any obligation to B3 (including, for the avoidance of doubt, any judgment or order) is denominated in a currency different from another obligation to B3 for the purpose of exercising its rights and remedies under the US Non-Resident Investor Rules, B3 may convert one obligation into the currency in which the other is denominated at the rate of exchange at which B3 would be able to purchase the relevant amount of such currency. Furthermore, if an obligation is unliquidated, contingent or otherwise unascertained, B3 may in good faith estimate such obligation for the purposes of applying its rights of netting and set off under the US Non-Resident Investor Rules.
- 4.7. The rights and remedies provided to B3 in this US Module are cumulative and not exclusive of any rights or remedies provided by law or the Rulebook. Any rights and remedies provided to B3 by this US Module that are additional to or more expansive than those provided by law or the Rulebook (including, without limitation, those covering the same subject matter) shall be construed so as not to conflict with each other, and all such provisions and remedies shall be applicable and available to B3.
- 4.8. Each Intermediary shall, to the maximum extent permitted by law, indemnify, protect and hold harmless B3 and each B3 Representative from and against any and all losses, liabilities, claims, damages, expenses, penalties, costs (including reasonable attorneys' fees) or taxes when and as incurred by, or asserted against, B3 and each B3 Representative, in each case, on an after-tax basis resulting from, arising out of or in connection with any breach of any provision of this US Module.

5. Miscellaneous.

- 5.1. Subject to Section 4.7, if there is an inconsistency between this US Module and the Rulebook, then except as otherwise provided for in this US Module, this US Module shall govern.
- 5.2. All notices provided for herein shall be in writing and electronically mailed to garantias@b3.com.br or such other addresses as B3 shall provide from time to time. B3 shall be entitled to rely upon, and shall not have any liability for any action taken pursuant to this US Module on the basis of, any notice received by B3 and believed in good faith by B3 to be from the US Non-Resident Investor or an Intermediary.
- 5.3. This US Module shall be governed by the laws of the State of New York including its mandatorily applicable choice-of-law rules; provided that Section 3.2 and the parties' rights and obligations to deliver, redeliver, return, net, set off or otherwise exercise remedies in respect of Euro Title Transfer Credit Support shall be governed by the laws of England and Wales, including its mandatory applicable choice-of-law rules.
- 5.4. The US Non-Resident Investor irrevocably and unconditionally (i) submits to the jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this US Module and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.
- 5.5. If the US Non-Resident Investor is a bank and it enters into a transaction through an office other than its head or home office, it represents and agrees that, notwithstanding the place of booking or its jurisdiction of incorporation or organization, its obligations are the same in terms of recourse against it as if it had entered into the transaction through its head or home office.
- 5.6. To the extent a US Non-Resident Investor has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such US Non-Resident Investor hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this US Module.

B3 CLEARINGHOUSE RULES

APPENDIX I: DEPOSIT, MAINTENANCE AND LIQUIDATION OF COLLATERAL
ABROAD – RULES AND PROCEDURES APPLICABLE TO CERTAIN NONRESIDENT
INVESTORS DOMICILED IN THE UNITED STATES OF AMERICA

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5.7. THE US NON-RESIDENT INVESTOR HEREBY WAIVES TRIAL BY JURY IN ANY
PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY
ARISING OUT OF, RELATED TO, OR CONNECTED WITH, THIS US MODULE.

**APPENDIX II: DEPOSIT, MAINTENANCE AND LIQUIDATION OF
COLLATERAL ABROAD – RULES AND PROCEDURES APPLICABLE TO
CERTAIN NONRESIDENT INVESTORS DOMICILED IN THE UNITED
KINGDOM (ENGLAND AND WALES)**

For the purposes of this appendix II, in case of conflict or inconsistency the English version below will prevail over the Portuguese version.

This UK Module is for (i) non-resident investors who meet the eligibility criteria set forth in the B3 Clearinghouse risk management manual, as amended, supplemented or modified from time to time, and who are authorized to post collateral outside of Brazil and (ii) authorized participants (other than investors) who intermediate transactions for such non-resident investors. [As of August 2023, such non-resident investors are limited to companies incorporated in England and Wales under the Companies Act 2006 (or its predecessors), whether or not investment firms or credit institutions acting in each case through their branches in England and Wales.]

1. General Provisions.

1.1. This UK Module supplements and forms a part of the Rulebook, and provides for, among other things, the granting of a security interest by the UK Non-Resident Investor to B3, a title transfer credit support arrangement between the UK Non-Resident Investor and B3, Events of Default applicable to the UK Non-Resident Investor and Intermediaries and the exercise of remedies by B3 upon an Event of Default.

1.2. The UK Non-Resident Investor is required to enter into (A) an instrument adhering to the UK Non-Resident Investor Rules, including this UK Module, and, if applicable, (B) the SPPA Acceptance Agreement. Any delivery of securities, funds or UK Module Credit Support in connection with, or otherwise entering into, any transaction or position by the UK Non-Resident Investor will evidence such UK Non-Resident Investor's agreement to the terms of the UK Non-Resident Investor Rules, including this UK Module, and, if applicable, the SPPA Acceptance Agreement.

2. Definitions. Terms defined in this UK Module supplement the definitions in the Rulebook. The terms "investor," "position" and "transaction" have the respective meanings assigned to such term in the Rulebook. The words "include," "includes" and "including" shall not be limiting. As used herein the following terms will have the meanings set forth below:

- 2.1. **B3** means B3 S.A. – Brasil, Bolsa, Balcão.
- 2.2. **B3 Representative** means any officer, affiliate, employee or agent of B3, but does not include any Intermediary.
- 2.3. **Bank** means JP Morgan Chase Bank, N.A., London Branch or such other account bank, building society, financial institution or other person with whom the Euro Cash Account is held in B3's name as notified to the UK Non-Resident Investor or any Intermediary from time to time.
- 2.4. **Collateral** means all commodity contracts, financial assets, security entitlements, and other investment property (each of the foregoing as defined in the UCC), including the DTC Securities and the Euroclear Securities, securities, money (including funds on deposit in any deposit account) and other property, in each case, delivered by the UK Non-Resident Investor or any agent of such UK Non-Resident Investor to or for the benefit of B3 outside Brazil, pursuant to the UK Non-Resident Investor Rules or in connection with any transaction or position, and all proceeds of any of the foregoing, provided that the term Collateral will not include Euro Title Transfer Credit Support.
- 2.5. **DTC Pledgee Account** means an account opened in B3's name with the Depository Trust Company.
- 2.6. **DTC Securities** means securities delivered to the DTC Pledgee Account.
- 2.7. **Eligibility Criteria** means the eligibility criteria set forth in the Rulebook or the B3 clearinghouse risk management manual, as amended, supplemented, or modified from time to time, that the UK Non-Resident Investor must satisfy to post collateral to B3 outside Brazil.
- 2.8. **Equivalent Assets** means cash of an identical type, currency, nominal value, description and amount to the Euro Title Transfer Credit Support delivered by the UK Non-Resident Investors to B3 pursuant to Section 3.2 of this UK Module.
- 2.9. **Euro Cash Account** means the euro deposit account held with Bank in B3's name as notified to the UK Non-Resident Investor or any Intermediary from time to time.

- 2.10. **Euro Title Transfer Credit Support** means all cash delivered by the UK Non-Resident Investor or any agent of such UK Non-Resident Investor to or for the benefit of B3 outside Brazil into the Euro Cash Account, pursuant to the UK Non-Resident Investor Rules or in connection with any transaction or position, and all proceeds of any of the foregoing.
- 2.11. **Euroclear** means Euroclear Bank SA/NV.
- 2.12. **Euroclear Agreement** means, as applicable, (1) the Multi Pledgor Pledge Account Terms and Conditions, Pledgee's Representative Version, together with the Agreement to the Multi Pledgor Pledged Account Terms and Conditions executed by B3 and governing the MPPA, each as amended, supplemented, replaced or modified from time to time; and/or (2) the Single Pledgor Pledged Account Terms and Conditions (Pledgee's Representative Version) among the UK Non-Resident Investor as pledgor, and B3 as pledgee and Euroclear Bank SA/NV with respect to the SPPA, as amended, supplemented, replaced or modified from time to time.
- 2.13. **Euroclear Pledgee Account** means MPPA and/or the SPPA, as applicable.
- 2.14. **Euroclear Securities** means securities delivered to any Euroclear Pledgee Account.
- 2.15. **Event of Default** means the occurrence of an Insolvency Default or Non-Insolvency Default.
- 2.16. **Insolvency Default** means a UK Non-Resident Investor or Intermediary (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of

insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof, (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger), (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter, (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive), or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

2.17. **Intermediary** means any “authorized participant” (as defined in the Rulebook) other than an the UK Non-Resident Investor, that is liable for settling the obligations deriving from the transactions of the UK Non-Resident Investor.

2.18. **MPPA** means the multi pledgor pledged account opened in B3’s name with Euroclear.

2.19. **Non-Insolvency Default** means, other than an Insolvency Default, (1) any default, event of default, termination event or other similar event or condition (howsoever described) under the UK Non-Resident Investor Rules, including, without limitation, any “default,” as defined in the Rulebook, (2) any representation or warranty set forth in the Rulebook or this UK Module made or repeated, or deemed to have been made or repeated by the UK Non-Resident Investor proves to have been incorrect or misleading in any respect when made or repeated, or deemed to have been made or repeated; or (3) any breach of any agreement or obligation set forth in the Rulebook or this UK Module.

2.20. **Rulebook** means the B3 Clearinghouse Rules, as supplemented by any related operating procedures, risk manuals, circular letters or any other document or instrument issued by B3 (other than this UK Module or any other rule module for a non-Brazilian jurisdiction), and as each of the foregoing may be amended, supplemented, replaced or modified from time to time.

2.21. **SPPA** means the single pledgor pledged account opened in B3's name with Euroclear for the purposes of holding only the Collateral posted by the UK Non-Resident Investor.

2.22. **SPPA Acceptance Agreement** means an acceptance agreement to Euroclear's Single Pledgor Pledged Account Terms and Conditions (Pledgee's Representative Version) among the UK Non-Resident Investor as pledgor, B3 as pledgee and Euroclear Bank SA/NV with respect to the SPPA, as amended, supplemented, replaced or modified from time to time.

2.23. **UCC** means the Uniform Commercial Code as in effect in the State of New York from time to time.

2.24. **UK Module** means these rules.

2.25. **UK Module Credit Support** means Collateral and Euro Title Transfer Credit Support.

2.26. **UK Non-Resident Investor** means an investor that has delivered UK Module Credit Support to or for the benefit of B3.

2.27. **UK Non-Resident Investor Rules** means this UK Module and the Rulebook.

3. UK Module Credit Support.

3.1. This Section 3.1 shall apply in respect of the Collateral. The UK Non-Resident Investor hereby grants a continuing first priority security interest in all Collateral to B3, acting for itself and as representative of each Intermediary, as security for the payment and performance by such UK Non-Resident Investor of all of its obligations to B3 and each Intermediary arising under or in connection with the UK Non-Resident Investor Rules and any transaction or position.

3.1.1. The UK Non-Resident Investor acknowledges and agrees that B3 will have no duties or responsibilities with respect to the Collateral (including, without limitation, any duty to collect any distributions or enforce or preserve any rights pertaining thereto), other than those expressly set forth in the UK Non-Resident Investor Rules.

- 3.1.2. To the extent permitted by applicable law, the UK Non-Resident Investor acknowledges and agrees that it shall retain any and all risk of loss of the Collateral and that in no event shall B3 bear such risk.
- 3.1.3. The UK Non-Resident Investor agrees (i) to treat any Euroclear Pledgee Account for all purposes as a special account specifically opened for the purpose of holding Collateral and (ii) that Euroclear Securities will consist of only "financial instruments" (as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 as amended from time to time).
- 3.1.4. With respect to Euroclear Securities, the UK Non-Resident Investor, on each day that the UK Non-Resident Investor's Collateral includes Euroclear Securities, represents, warrants and agrees that (i) it has the full power and authority to grant the security interest in such Collateral and that it is the beneficial owner of the Collateral or that the owner of such Collateral has duly authorized it to grant the security interests in the Collateral, (ii) it authorizes Euroclear to accept any instructions of B3 with respect to the Euroclear Securities, including instructions to deliver Euroclear Securities or any proceeds thereof to any account or person, whether or not outside the control of Euroclear, (iii) it authorizes Euroclear to treat B3 as being fully and irrevocably authorized by it to exercise all subscription, voting and other rights with respect to the Euroclear Securities, (iv) it shall provide to B3 or Euroclear such certifications or documentation, accurately and fully completed, by it or the beneficial owners of the Euroclear Securities (if different from it), in order to obtain payment of principal or income, or to obtain exemption from or reduction or refund of withholding tax, on any Euroclear Securities, and (v) it hereby indemnifies B3 for any damages resulting from its incorrect or untrue representation or warranty or its breach of agreement.
- 3.1.5. The UK Non-Resident Investor authorizes B3 to use and dispose of the Collateral in the cases and terms described in the Rulebook, as if it were the owner thereof in order to obtain liquidity, including through the liquidity fund as set forth in Title II, Chapter IV, Section V of the Rulebook. Such right of utilization by B3 (including, without limitation, within the meaning of Article 11 of the Belgian

Financial Collateral Law of December 15, 2004, as amended from time to time) including the right to sell, lend, pledge, assign, invest, use, commingle or otherwise dispose of or otherwise use the Collateral, free from any claim or right of any nature whatsoever of the UK Non-Resident Investor, in the cases and terms described in the Rulebook. Nothing in this section relieves B3 of any obligation under applicable law to return the Collateral to the DTC Pledgee Account or the Euroclear Pledgee Account.

- 3.2. This Section 3.2 shall apply in respect of Euro Title Transfer Credit Support. In respect of such Euro Title Transfer Credit Support, all rights, title and interest including legal and beneficial ownership in and to such Euro Title Transfer Credit Support provided in accordance with the UK Non-Resident Investor Rules shall pass from the UK Non-Resident Investor to B3 by way of outright title transfer free and clear of any security interest, lien, encumbrance, claim, charge, mortgage, assignment, pledge attachment or any other interest of the UK Non-Resident Investor or any third party. The UK Non-Resident Investor will no longer have a proprietary claim to such Euro Title Transfer Credit Support and B3 shall, accordingly, have the right to deal with, lend, dispose of, pledge, charge, convert into such other currency as B3 may choose or otherwise use all such Euro Title Transfer Credit Support. Upon a termination, close-out or the satisfaction of any or all of the UK Non-Resident Investor's transactions and positions (the "Relevant Transactions"), B3 shall be obliged to redeliver Equivalent Assets to the UK Non-Resident Investor or any Intermediary on behalf of the UK Non-Resident Investor, in accordance with this UK Module and the Rulebook. For the avoidance of doubt, any interest amount that may accrue on any Euro Title Transfer Credit Support that has been delivered to B3 in accordance with this Section 3.2 is for the account of B3.
- 3.3. The UK Non-Resident Investor acknowledges and agrees that no interest is payable by B3 to the UK Non-Resident Investor, and that B3 may retain any interest received, in respect of any UK Module Credit Support.
- 3.4. Nothing in this UK Module shall supersede or amend the eligibility criteria or any other conditions of acceptance of assets as UK Module Credit Support set forth in the Rulebook, and no assets may be delivered as UK Module Credit Support under these UK Non-Resident Investor Rules that fail to meet such criteria or other conditions of acceptance unless expressly approved by B3. The UK Non-Resident Investor acknowledges and agrees that any UK Module Credit Support delivered to B3 is subject to the criteria, restrictions, requirements, limitations, conditions, rules, procedures and operations applicable to

collateral (as defined in the Rulebook) as set forth in the Rulebook, and that such criteria, restrictions, requirements, limitations, conditions, rules, procedures and operations may not be the same as for collateral (as defined in the Rulebook) delivered by other types of investors.

- 3.5. The UK Non-Resident Investor represents and agrees that it will only deliver UK Module Credit Support and act in connection with the UK Module through its branch or office in England or Wales.
- 3.6. The UK Non-Resident Investor agrees to deliver UK Module Credit Support when and as required by B3 in accordance with the UK Non-Resident Investor Rules. The UK Non-Resident Investor, on each date that any transaction or position is outstanding and on each day that it delivers UK Module Credit Support to B3, represents and warrants that (i) it has the power to grant a security interest or deliver as applicable in all UK Module Credit Support it delivers to B3 and has taken all necessary actions to authorize the granting of a security interest, (ii) it is the sole owner of or otherwise has the right to deliver all UK Module Credit Support it delivers to B3, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest granted to B3, and (iii) it satisfies the Eligibility Criteria.
- 3.7. The UK Non-Resident Investor agrees to provide notice to or cause notice to be provided to each Intermediary of (i) the occurrence of any event or change in circumstance that has adversely affected or may adversely affect the ability of the UK Non-Resident Investor to satisfy the Eligibility Criteria and (ii) the UK Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in the case of (i), no later than the date the UK Non-Resident Investor becomes aware of the relevant event or change of circumstance or that such event or change in circumstance is reasonably likely to occur, and in the case of (ii), no later than the date the UK Non-Resident Investor ceases to satisfy the Eligibility Criteria.
- 3.8. Each Intermediary acknowledges and appoints B3 as its representative on its behalf in connection with any security interest in any Collateral created pursuant to the UK Non-Resident Investor Rules (including, without limitation, within the meaning of Article 5 of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time, for the purposes of holding on behalf of such Intermediary any Collateral delivered to any Euroclear Pledgee Account) as security for the payment or performance by UK Non-Resident Investors of all their obligations to the Intermediary arising under or in connection with the UK Non-Resident Investor Rules or any transaction or position. Each Intermediary

represents and warrants that it has the power and authority to adhere to the UK Non-Resident Investor Rules, including any rules relating to any UK Module Credit Support, and to enter into any agreements or arrangements, including any pledge agreement, pursuant to the UK Non-Resident Investor Rules.

- 3.9. Each Intermediary acknowledges and agrees that, to the extent permitted by applicable law, B3 (i) shall have no duties or responsibilities other than those expressly set forth in the UK Non-Resident Investor Rules, (ii) shall not be responsible to any Intermediary for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Collateral or any related document referred to or provided for in the UK Non-Resident Rules or for any failure by any UK Non-Resident Investor or any other person to perform any of its obligations under the UK Non-Resident Investor Rules, and (iii) shall not be responsible for any action taken or omitted to be taken by B3 under the UK Non-Resident Investor Rules, and in no event shall B3 be liable for special, indirect or consequential damages arising in connection with the UK Non-Resident Investor Rules. Further, each Intermediary authorizes B3 to execute and deliver any Euroclear Agreement and to take all actions authorized by such Euroclear Agreement for such Intermediary's account.
- 3.10. Each Intermediary acknowledges and agrees that (i) its security interest in any Collateral, whether created under the UK Non-Resident Investor Rules or otherwise, is subject and subordinate to any security interest in such Collateral in favor of B3, (ii) it shall have no right to exercise or direct the exercise of any remedies provided for in this UK Module in respect of any transaction or position or any UK Module Collateral and (iii) it waives any rights of subrogation to any claims against any UK Non-Resident Investor with respect to any transactions or positions or any UK Module Credit Support and that (iv) any of its rights in or in connection with the UK Module Credit Support are expressly made subordinate to the rights of B3 in respect of the UK Module Credit Support set out in this UK Module and the Rulebook.
- 3.11. Each Intermediary, on each date that any transaction or position of the UK Non-Resident Investor is outstanding and on each day that the UK Non-Resident Investor delivers UK Module Credit Support to B3, represents and warrants that the UK Non-Resident Investor satisfies the Eligibility Criteria. Each Intermediary represents and warrants that it has verified that the UK Non-Resident Investor satisfies the Eligibility Criteria
- 3.12. Each Intermediary agrees to provide notice to B3 of (i) any event or change in circumstance that may adversely affect the ability of the UK Non-Resident Investor to satisfy the Eligibility Criteria and (ii) the UK Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in

either case, on the date such Intermediary becomes aware of such relevant event, change of circumstance or cessation or that such event, change in circumstance or cessation is reasonably likely to occur.

4. Remedies. If B3 has determined that an Event of Default has occurred with respect to the UK Non-Resident Investor or an Intermediary (as determined by B3 in B3's sole discretion or based on information communicated to B3 by an Intermediary), B3 and any designated representative of B3, shall, notwithstanding the exercise of any remedies or other action taken by any Intermediaries, (i) in respect of the Collateral, have all the rights and remedies provided to a secured party under the UCC or any other applicable law, (ii) have all rights available to it under the Rulebook, (iii) have any rights otherwise available to it under any other agreement or applicable law and (iv) be entitled to, at its option, (and without notice to such UK Non-Resident Investor or applicable Intermediaries) exercise any or all of the following rights and remedies provided in this Section 4:
- 4.1. (i) liquidate, terminate, accelerate or otherwise close out any or all of such UK Non-Resident Investor's transactions and positions and treat any or all obligations owing to B3 under the UK Non-Resident Investor Rules as immediately due and payable, (ii) on or following the date of B3's determination that an Event of Default has occurred, determine the net amount of the losses, damages, expenses, costs (including all fees, including reasonable attorneys' fees, expenses and commissions) and gains, as applicable, that are or would be realized or incurred by B3 in connection with or as a result of such Event of Default and B3's or any Intermediaries' exercise of rights or remedies in respect thereof, (iii) net and set off any obligation, including any obligation with respect to the UK Module Credit Support or other property, of B3 to such UK Non-Resident Investor (including any obligation to redeliver Equivalent Assets), against any of such UK Non-Resident Investor's obligations to B3 (whether or not any of such obligations are matured, unmatured, unliquidated or contingent and irrespective of the currency of such obligations) or otherwise determine a net sum that will be immediately payable from B3 to such UK Non-Resident Investor or vice versa in respect of any obligations of B3 to such UK Non-Resident Investor and any of such UK Non-Resident Investor's obligations to B3 (whether or not any of such obligations are matured, unmatured, unliquidated or contingent and irrespective of the currency of such obligations), in connection with or under any transactions, positions or obligations accelerated or closed-out pursuant to this Section 4; and (iv) enforce the security interest in the Collateral granted pursuant to Section 3 of this UK Module by, in its sole discretion, (A) selling, on or following the date of B3's determination that an Event of Default has occurred, in a recognized market at such price or prices as B3 deems reasonably satisfactory any or all non-cash Collateral and applying the proceeds thereof and the amount of any cash Collateral to such UK Non-

Resident Investor's obligations to B3 and/or any Intermediaries and/or (B) in lieu of selling all or a portion of such non-cash Collateral, appropriating all or a portion of such Collateral and applying the market value thereof at the time of appropriation (as determined by B3 in its sole discretion) to such UK Non-Resident Investor's obligations to B3 and/or any Intermediaries.

- 4.2. The UK Non-Resident Investor shall be liable to B3 for the amount equal to the amount by which the aggregate of the losses, damages, expenses and costs referenced in Section 4.1(ii) exceeds the aggregate of (i) the gains referenced in Section 4.1(ii), (ii) the proceeds of any non-cash Collateral applied pursuant to Section 4.1(iv)(A), (iii) the amount of any cash Collateral applied pursuant to Section 4.1(iv)(A), and (iv) the value of the Collateral appropriated pursuant to Section 4.1(iv)(B), in each case as determined in accordance with Section 4.1. and (v) the value of the Euro Title Transfer Credit Support. If the aggregate of the gains referenced in Section 4.1(ii), the proceeds of any non-cash Collateral applied pursuant to Section 4.1(iv)(A), the amount of any cash Collateral applied pursuant to Section 4.1(iv)(A), and the value of the Collateral appropriated pursuant to Section 4.1(iv)(B) and the value of the Euro Title Transfer Credit Support exceeds the aggregate of (a) the losses, damages, expenses and costs referenced in Section 4.1(ii) and (b) any amounts owing to the relevant Intermediaries, then B3 shall be obligated to remit such excess in accordance with the Rulebook within a reasonable time frame after the UK Non-Resident Investor provides to B3 a full release (reasonably acceptable to B3 and conditional only on the foregoing payment) of all liability of B3 under or in connection with the UK Non-Resident Investor Rules and any transaction or position.
- 4.3. The UK Non-Resident Investor acknowledges and agrees that, if any amount is received or recovered by B3 in one currency and any transaction is paid or remitted by B3 to the UK Non-Resident Investor or an Intermediary in another currency, in each case under this UK Module, the UK Non-Resident investor shall bear any currency risk arising from such conversion.
- 4.4. Interest on any amounts due to B3 shall accrue and be payable in accordance with the Rulebook.
- 4.5. In the event that the UK Non-Resident Investor or an Intermediary notifies B3 in accordance with Section 3.7 or 3.12, B3 shall be entitled to require the UK Non-Resident Investor to post collateral in accordance with the terms of the Rulebook, terminate any transaction or position of the UK Non-Resident Investor, exercise any right or remedy under this Section

4as though an Event of Default has occurred and take such other actions it deems necessary or appropriate.

4.6. In the event that any obligation to B3 (including, for the avoidance of doubt, any judgment or order) is denominated in a currency different from another obligation to B3, for the purpose of exercising its rights and remedies under the UK Non-Resident Investor Rules, B3 may convert one obligation into the currency in which the other is denominated at the rate of exchange at which B3 would be able to purchase the relevant amount of such currency. Furthermore, if an obligation is unliquidated, contingent or otherwise unascertained, B3 may in good faith estimate such obligation for the purposes of applying its rights of netting and set off under the UK Non-Resident Investor Rules.

4.7. The rights and remedies provided to B3 in this UK Module are cumulative and not exclusive of any rights or remedies provided by law or the Rulebook. Any rights and remedies provided to B3 by this UK Module that are additional to or more expansive than those provided by law or the Rulebook (including, without limitation, those covering the same subject matter) shall be construed so as not to conflict with each other, and all such provisions and remedies shall be applicable and available to B3.

4.8. Each Intermediary shall, to the maximum extent permitted by law, indemnify, protect and hold harmless B3 and each B3 Representative from and against any and all losses, liabilities, claims, damages, expenses, penalties, costs (including reasonable attorneys' fees) or taxes when and as incurred by, or asserted against, B3 and each B3 Representative, in each case, on an after-tax basis resulting from, arising out of or in connection with any breach of any provision of this UK Module

5. Miscellaneous.

5.1. Subject to Section 4.7, if there is an inconsistency between this UK Module and the Rulebook, then except as otherwise provided for in this UK Module, this UK Module shall govern.

5.2. All notices provided for herein shall be in writing and electronically mailed to **garantias.com.br** or such other address as B3 shall provide from time to time. B3 shall be entitled to rely upon, and shall not have any liability for any action taken pursuant to this UK Module on the basis of, any notice received by B3 and believed in good faith by B3 to be from the UK Non-Resident Investor or an Intermediary.

- 5.3. This UK Module shall be governed by the laws of the State of New York insofar as it relates to DTC Securities and by the laws of Belgium insofar as it relates to the Euroclear Securities, and insofar as it relates to any other UK Module Credit Support, including Euro Title Transfer Credit Support, by the laws of England and Wales, including its mandatorily applicable choice-of-law rules.
- 5.4. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with the UK Non-Resident Investor Rules (“Proceedings”), the UK Non-Resident Investor irrevocably: (i) submits to (A) the non-exclusive jurisdiction of the Belgium and Brazilian courts if the Proceedings do not involve a court which is bound to apply to the Proceedings under either article 17 of the 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters or under article 17 of the 1988 Lugano Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (a “Convention Court”) and (B) the exclusive jurisdiction of the English courts if the Proceedings do involve a Convention Court; (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party; and (iii) agrees, to the extent permitted by applicable law, that the bringing of Proceedings in any one or more jurisdictions will not preclude the bringing of Proceedings in any other jurisdiction.
- 5.5. The UK Non-Resident Investor irrevocably and unconditionally (i) submits to the jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this UK Module and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.
- 5.6. To the extent a UK Non-Resident Investor has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such UK Non-Resident Investor hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this UK Module.

B3 CLEARINGHOUSE RULES

APPENDIX II: DEPOSIT, MAINTENANCE AND LIQUIDATION OF COLLATERAL
ABROAD – RULES AND PROCEDURES APPLICABLE TO CERTAIN NONRESIDENT
INVESTORS DOMICILED IN THE UNITED KINGDOM (ENGLAND AND WALES)

version 05
(01/24/2024)

5.7. THE UK NON-RESIDENT INVESTOR HEREBY WAIVES TRIAL BY JURY IN ANY PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH, THIS UK MODULE.

**APPENDIX III: DEPOSIT, MAINTENANCE AND LIQUIDATION OF
COLLATERAL ABROAD – RULES AND PROCEDURES APPLICABLE TO
CERTAIN NONRESIDENT INVESTORS DOMICILED IN FRANCE**

For the purposes of this appendix III, in case of conflict or inconsistency the English version below will prevail over the Portuguese version.

This French Module is for (i) non-resident investors who meet the eligibility criteria set forth in the B3 Clearinghouse risk management manual, as amended, supplemented or modified from time to time, and who are authorized to post collateral outside of Brazil and (ii) authorized participants (other than investors) who intermediate transactions for such investors. [As of August 2017, such non-resident investors are limited to Credit Institutions and Investment Firms incorporated under the laws of France and acting through their establishments located in France, where such non-resident investors are delivering Euroclear Securities.]

1. General Provisions.

1.1. This French Module supplements and forms a part of the Rulebook, and provides for, among other things, the granting of a security interest by the French Non-Resident Investor to B3, Events of Default applicable to the French Non-Resident Investor and Intermediaries and the exercise of remedies by B3 upon an Event of Default.

1.2. The French Non-Resident Investor is required to enter into (A) an instrument adhering to the French Non-Resident Investor Rules, including this French Module, and, if applicable, (B) the SPPA Acceptance Agreement. Any delivery of securities, funds or French Module Collateral in connection with, or otherwise entering into, any transaction or position by the French Non-Resident Investor will evidence such French Non-Resident Investor's agreement to the terms of the French Non-Resident Investor Rules, including this French Module, and, if applicable, the SPPA Acceptance Agreement.

2. Definitions. Terms defined in this French Module supplement the definitions in the Rulebook. The terms "investor," "position" and "transaction" have the respective meanings assigned to such term in the Rulebook. The words "include," "includes" and "including" shall not be not limiting. As used herein the following terms will have the meanings set forth below:

2.1. **B3** means B3 S.A. – Brasil, Bolsa, Balcão.

- 2.2. **B3 Representative** means any officer, affiliate, employee or agent of B3, but does not include any Intermediary.
- 2.3. **Eligibility Criteria** means the eligibility criteria set forth in the Rulebook or the B3 clearinghouse risk management manual, as amended, supplemented or modified from time to time, that the French Non-Resident Investor must satisfy to post collateral to B3 outside Brazil.
- 2.4. **Euroclear** means Euroclear Bank SA/NV.
- 2.5. **Euroclear Agreement** means, as applicable, (1) the Multi Pledgor Pledged Account Terms and Conditions, Pledgee's Representative Version, together with the Agreement to the Multi Pledgor Pledged Account Terms and Conditions executed by B3 and governing MPPA, each as amended, supplemented, replaced or modified from time to time; and/or (2) the Single Pledgor Pledged Account Terms and Conditions (Pledgee's Representative Version) among the French Non-Resident Investor as pledgor, B3 as pledgee and Euroclear with respect to the SPPA, as amended, supplemented, replaced or modified from time to time.
- 2.6. **Euroclear Pledgee Account** means the MPPA and/or the SPPA, as applicable.
- 2.7. **Euroclear Securities** means securities delivered to any Euroclear Pledgee Account.
- 2.8. **Event of Default** means the occurrence of an Insolvency Default or Non-Insolvency Default.
- 2.9. **Financial Code** means the French *Code monétaire et financier* as in effect from time to time.
- 2.10. **French Module** means these rules.
- 2.11. **French Module Collateral** means all Euroclear Securities delivered by the French Non-Resident Investor or any agent of such French Non-Resident Investor to or for the benefit of B3 outside Brazil, pursuant to the French Non-Resident Investor Rules or in connection with any transaction or position, and all proceeds of any of the foregoing.
- 2.12. **French Non-Resident Investor** means an investor that has delivered French Module Collateral to or for the benefit of B3.
- 2.13. **French Non-Resident Investor Rules** means this French Module and the Rulebook.

- 2.14. **Insolvency Default** means a French Non-Resident Investor or Intermediary (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof, (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger), (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter, (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive), or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.
- 2.15. **Intermediary** means any "authorized participant" (as defined in the Rulebook) other than the French Non-Resident Investor, that is liable for settling the obligations deriving from the transactions of the French Non-Resident Investor.
- 2.16. **MPPA** means the multi pledgor pledged account opened in B3's name with Euroclear.

- 2.17. **Non-Insolvency Default** means, other than an Insolvency Default, (i) any default, event of default, termination event or other similar event or condition (howsoever described) under the French Non-Resident Investor Rules, including, without limitation, any “default,” as defined in the Rulebook, (ii) any representation or warranty set forth in the Rulebook or this French Module made or repeated or deemed to have been made or repeated by the French Non-Resident Investor proves to have been incorrect or misleading in any respect when made or repeated or deemed to have been made or repeated or (iii) any breach of any agreement or obligation set forth in the Rulebook or this French Module.
- 2.18. **Rulebook** means the B3 Clearinghouse Rules, as supplemented by any related operating procedures, risk manuals, circular letters or any other document or instrument issued by B3 (other than this French Module or any other rule module for a non-Brazilian jurisdiction), and as each of the foregoing may be amended, supplemented, replaced or modified from time to time.
- 2.19. **SPPA** means the single pledgor pledged account opened in B3’s name with Euroclear for the purposes of holding the French Module Collateral exclusively posted by the French Non-Resident Investor.
- 2.20. **SPPA Acceptance Agreement** means an acceptance agreement to Euroclear’s Single Pledgor Pledged Account Terms and Conditions (Pledgee’s Representative Version) among the French Non-Resident Investor as pledgor, B3 as pledgee and Euroclear with respect to the SPPA, as amended, supplemented, replaced or modified from time to time
3. French Module Collateral.
- 3.1. The French Non-Resident Investor hereby grants a continuing first priority security interest in all French Module Collateral to B3, acting for itself and as representative of each Intermediary, as security for the payment and performance by such French Non-Resident Investor of all of its obligations to B3 and each Intermediary arising under or in connection with the French Non-Resident Investor Rules and any transaction or position.
- 3.2. Nothing in this French Module shall supersede or amend the eligibility criteria or any other conditions of acceptance of assets as French Module Collateral set forth in the Rulebook, and no assets may be delivered as French Module Collateral under these French Non-Resident Investor Rules that fail to meet such criteria or other conditions of acceptance unless expressly approved by B3. The French Non-Resident Investor acknowledges and agrees that any French Module Collateral delivered to B3 is subject to the criteria,

restrictions, requirements, limitations, conditions, rules, procedures and operations applicable to collateral (as defined in the Rulebook) as set forth in the Rulebook, and that such criteria, restrictions, requirements, limitations, conditions, rules, procedures and operations may not be the same as for collateral (as defined in the Rulebook) delivered by other types of investors.

- 3.3. The French Non-Resident Investor agrees to deliver French Module Collateral when and as required by B3 in accordance with the French Non-Resident Investor Rules. The French Non-Resident Investor, on each date that any transaction or position is outstanding and on each day that it delivers French Module Collateral to B3, represents and warrants that (i) it has the power to grant a security interest in all French Module Collateral it delivers to B3 and has taken all necessary actions to authorize the granting of a security interest, (ii) it is the sole owner of or otherwise has the right to deliver all French Module Collateral it delivers to B3, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest granted to B3 and (iii) it satisfies the Eligibility Criteria.
- 3.4. The French Non-Resident Investor agrees to provide notice to or cause notice to be provided to each Intermediary of (i) the occurrence of any event or change in circumstance that has adversely affected or may adversely affect the ability of the French Non-Resident Investor to satisfy the Eligibility Criteria and (ii) the French Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in the case of (i), no later than the date the French Non-Resident Investor becomes aware of the relevant event or change of circumstance or that such event or change in circumstance is reasonably likely to occur, and in the case of (ii), no later than the date the French Non-Resident Investor ceases to satisfy the Eligibility Criteria.
- 3.5. The French Non-Resident Investor agrees that Euroclear Securities will consist only of financial instruments (*instruments financiers*) within the meaning of Article L. 211-1 of the Financial Code and instruments and rights assimilated to financial instruments pursuant to Article L. 211-41 of the Financial Code.
- 3.6. The French Non-Resident Investor represents that it is an entity referred to in Article L. 211-36 1° of the Financial Code (except any entity mentioned in Article L. 531-2 2° c) to n) of the Financial Code) and agrees and acknowledges that:

- 3.6.1. All of its obligations to B3 and each Intermediary arising under or in connection with the French Non-Resident Investor Rules and any transaction or position are of a contractual nature and satisfy the requirements of Article L. 211-36 2 of the Financial Code.
- 3.6.2. The security interest created pursuant to Section 3.1 of this French Module constitutes a pledge (*sûreté*) within the meaning of Article L. 211-38.I of the Financial Code, and is governed by the provisions of Articles L. 211-36 to L. 211-38 (including Article L. 211-38.II), L. 211-39 and L. 211-40 of the Financial Code.
- 3.7. The French Non-Resident Investor acknowledges and agrees that B3 will have no duties or responsibilities with respect to the French Module Collateral (including, without limitation, any duty to collect any distributions or enforce or preserve any rights pertaining thereto), other than those expressly set forth in the French Non-Resident Investor Rules.
- 3.8. To the extent permitted by applicable law, the French Non-Resident Investor acknowledges and agrees that it shall retain any and all risk of loss of the French Module Collateral and that in no event shall B3 bear such risk.
- 3.9. The French Non-Resident Investor agrees to treat the Euroclear Pledgee Account for all purposes as a special account specifically opened for the purpose of holding French Module Collateral.
- 3.10. With respect to Euroclear Securities, the French Non-Resident Investor, on each day that the French Non-Resident Investor's French Module Collateral includes Euroclear Securities, represents, warrants and agrees that (i) it has the full power and authority to grant the security interest in such French Module Collateral and that it is the beneficial owner of the French Module Collateral or that the owner of such French Module Collateral has duly authorized it to grant the security interests in the French Module Collateral, (ii) it authorizes Euroclear to accept any instructions of B3 with respect to the Euroclear Securities, including instructions to deliver Euroclear Securities or any proceeds thereof to any account or person, whether or not outside the control of Euroclear, (iii) it authorizes Euroclear to treat B3 as being fully and irrevocably authorized by it to exercise all subscription, voting and other rights with respect to the Euroclear Securities, (iv) it shall provide to B3 or Euroclear such certifications or documentation, accurately and fully completed, by it or the beneficial owners of the Euroclear Securities (if different from it), in order to obtain payment of principal or income, or to obtain exemption from or reduction or refund of withholding tax, on any Euroclear Securities, and (v) it hereby indemnifies B3 for any damages resulting from its incorrect or untrue representation or warranty or its breach of agreement.

- 3.11. Each Intermediary acknowledges and appoints B3 as its representative on its behalf in connection with any security interest in any French Module Collateral created pursuant to the French Non-Resident Investor Rules (including, without limitation, within the meaning of Article 5 of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time, for the purposes of holding on behalf of such Intermediary any French Module Collateral delivered to any Euroclear Pledgee Account) as security for the payment or performance by French Non-Resident Investors of all their obligations to the Intermediary arising under or in connection with the French Non-Resident Investor Rules or any transaction or position. Each Intermediary represents and warrants that it has the power and authority to adhere to the French Non-Resident Investor Rules, including any rules relating to any French Module Collateral, and to enter into any agreements or arrangements, including any pledge agreement, pursuant to the French Non-Resident Investor Rules.
- 3.12. Each Intermediary acknowledges and agrees that, to the extent permitted by applicable law, B3 (i) shall have no duties or responsibilities other than those expressly set forth in the French Non-Resident Investor Rules, (ii) shall not be responsible to any Intermediary for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any French Module Collateral or any related document referred to or provided for in the French Non-Resident Rules or for any failure by any French Non-Resident Investor or any other person to perform any of its obligations under the French Non-Resident Investor Rules, and (iii) shall not be responsible for any action taken or omitted to be taken by B3 under the French Non-Resident Investor Rules, and in no event shall B3 be liable for special, indirect or consequential damages arising in connection with the French Non-Resident Investor Rules. Further, each Intermediary authorizes B3 to execute and deliver any Euroclear Agreement and to take all actions authorized by such Euroclear Agreement for such Intermediary's account.
- 3.13. Each Intermediary acknowledges and agrees that (i) its security interest in any French Module Collateral, whether created under the French Non-Resident Investor Rules or otherwise, is subject and subordinate to any security interest in such French Module Collateral in favor of B3, (ii) it shall have no right to exercise or direct the exercise of any remedies provided for in this French Module in respect of any transaction or position or any French Module Collateral and (iii) it waives any rights of subrogation to any claims against any French Non-Resident Investor with respect to any transactions or positions or any French Module Collateral.

- 3.14. Each Intermediary, on each date that any transaction or position of the French Non-Resident Investor is outstanding and on each day that the French Non-Resident Investor delivers French Module Collateral to B3, represents and warrants that the French Non-Resident Investor satisfies the Eligibility Criteria. Each Intermediary represents and warrants that it has verified that the French Non-Resident Investor satisfies the Eligibility Criteria.
- 3.15. Each Intermediary agrees to provide notice to B3 of (i) any event or change in circumstance that may adversely affect the ability of the French Non-Resident Investor to satisfy the Eligibility Criteria and (ii) the French Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in either case, on the date such Intermediary becomes aware of such relevant event, change of circumstance or cessation or that such event, change in circumstance or cessation is reasonably likely to occur.
- 3.16. The French Non-Resident Investor authorizes B3 to use and dispose of the French Module Collateral in the cases and terms described in the Rulebook, as if it were the owner thereof in order to obtain liquidity, including, through the liquidity fund as set forth in title II, chapter IV, section V of the Rulebook. Such right of use by B3 (including, without limitation, within the meaning of Article 11 of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time) includes the right to sell, lend, pledge, assign, invest, use, commingle or otherwise dispose of or otherwise use the French Module Collateral, free from any claim or right of any nature whatsoever of the French Non-Resident Investor, in the cases and terms described in the Rulebook, subject only to B3's obligation to return the French Module Collateral or equivalent assets to the Euroclear Pledgee Account upon the French Non-Resident Investor fully discharging its obligations to B3 and, if applicable, the return of the French Module Collateral by Investment Fund B3 Clearinghouse Liquidity to B3.
4. Remedies. If B3 has determined that an Event of Default has occurred with respect to the French Non-Resident Investor or an Intermediary (including based on information communicated to B3 by an Intermediary), B3 and any designated representative of B3, shall, notwithstanding the exercise of any remedies or other action taken by any Intermediaries, (i) have all the rights and remedies provided to a secured party under the Financial Code or any other applicable law, (ii) have all rights available to it under the Rulebook, (iii) have any rights otherwise available to it under any other agreement or applicable law and (iv) be entitled to, at its option, (and without notice to such French Non-Resident Investor or applicable Intermediaries) exercise any or all of the following rights and remedies provided in this Section 4:

- 4.1. (i) liquidate, terminate, accelerate or otherwise close out any or all of such French Non-Resident Investor's transactions and positions and treat any or all obligations owing to B3 under the French Non-Resident Investor Rules as immediately due and payable, (ii) on or following the date of B3's determination that an Event of Default has occurred, determine the net amount of the losses, damages, expenses, costs (including all fees, including reasonable attorneys' fees, expenses and commissions) and gains, as applicable, that are or would be realized or incurred by B3 in connection with or as a result of such Event of Default and B3's or any Intermediaries' exercise of rights or remedies in respect thereof, (iii) net and set off any obligation, including any obligation with respect to the French Module Collateral or other property, of B3 to such French Non-Resident Investor, against any of such French Non-Resident Investor's obligations to B3 (whether or not any of such obligations are matured, unmatured, unliquidated or contingent and irrespective of the currency of such obligations) and (iv) enforce the security interest in the French Module Collateral granted pursuant to Section 3 of this French Module by, in each case at normal market conditions, (A) selling, on or following the date of B3's determination that an Event of Default has occurred, in a recognized market at such price or prices as B3 deems reasonably satisfactory any or all non-cash French Module Collateral and applying the proceeds thereof and the amount of any cash French Module Collateral to such French Non-Resident Investor's obligations to B3 and/or any Intermediaries and/or (B) in lieu of selling all or a portion of such non-cash French Module Collateral, appropriating all or a portion of such French Module Collateral and applying the market value thereof at the time of appropriation (as determined by B3 in good faith and in a commercially reasonable manner) to such French Non-Resident Investor's obligations to B3 and/or any Intermediaries.
- 4.2. The French Non-Resident Investor shall be liable to B3 for the amount equal to the amount by which the aggregate of the losses, damages, expenses and costs referenced in Section 4.1(ii) exceeds the aggregate of (i) the gains referenced in Section 4.1(ii), (ii) the proceeds of any non-cash French Module Collateral applied pursuant to Section 4.1(iv)(A), (iii) the amount of any cash French Module Collateral applied pursuant to Section 4.1(iv)(A), and (iv) the value of the French Module Collateral appropriated pursuant to Section 4.1(iv)(B), in each case as determined in accordance with Section 4.1. If the aggregate of the gains referenced in Section 4.1(ii), the proceeds of any non-cash French Module Collateral applied pursuant to Section 4.1(iv)(A), the amount of any cash French Module Collateral applied pursuant to Section 4.1(iv)(A), and the value of the French Module Collateral appropriated pursuant to Section 4.1(iv)(B) exceeds the aggregate of (a) the losses, damages, expenses and costs referenced in Section 4.1(ii) and (b) any amounts owing to

the relevant Intermediaries, then B3 shall be obligated to remit such excess in accordance with the Rulebook within a reasonable time frame after the French Non-Resident Investor provides to B3 a full release (reasonably acceptable to B3 and conditional only on the foregoing payment) of all liability of B3 under or in connection with the French Non-Resident Investor Rules and any transaction or position.

- 4.3. Interest on any amounts due to B3 shall accrue and be payable in accordance with the Rulebook.
- 4.4. In the event that the French Non-Resident Investor or an Intermediary notifies B3 in accordance with Section 3.4 or 3.13, B3 shall be entitled to require the French Non-Resident Investor to post collateral in accordance with the terms of the Rulebook, terminate any transaction or position of the French Non-Resident Investor, exercise any right or remedy under this Section 4 as though an Event of Default has occurred and take such other actions it deems necessary or appropriate.
- 4.5. In the event that any obligation to B3 (including, for the avoidance of doubt, any judgment or order) is denominated in a currency different from another obligation to B3, for the purpose of exercising its rights and remedies under the French Non-Resident Investor Rules, B3 may convert one obligation into the currency in which the other is denominated at the rate of exchange at which B3 would be able to purchase the relevant amount of such currency. Furthermore, if an obligation is unliquidated, contingent or otherwise unascertained, B3 may in good faith estimate such obligation for the purposes of applying its rights of netting and set off under the French Non-Resident Investor Rules.
- 4.6. The rights and remedies provided to B3 in this French Module are cumulative and not exclusive of any rights or remedies provided by law or the Rulebook. Any rights and remedies provided to B3 by this French Module that are additional to or more expansive than those provided by law or the Rulebook (including, without limitation, those covering the same subject matter) shall be construed so as not to conflict with each other, and all such provisions and remedies shall be applicable and available to B3.
- 4.7. Each Intermediary shall, to the maximum extent permitted by law, indemnify, protect and hold harmless B3 and each B3 Representative from and against any and all losses, liabilities, claims, damages, expenses, penalties, costs (including reasonable attorneys' fees) or taxes when and as incurred by, or asserted against, B3 and each B3 Representative, in each case, on an after-tax basis resulting from, arising out of or in connection with any breach of any provision of this French Module.

5. Miscellaneous.

5.1. Subject to Section 4.5, if there is an inconsistency between this French Module and the Rulebook, then except as otherwise provided for in this French Module, this French Module shall govern.

5.2. All notices provided for herein shall be in writing and electronically mailed to garantias@b3.com.br or such other addresses as B3 shall provide from time to time. B3 shall be entitled to rely upon, and shall not have any liability for any action taken pursuant to this French Module on the basis of, any notice received by B3 and believed in good faith by B3 to be from the French Non-Resident Investor or an Intermediary.

5.3. This French Module shall be governed by the laws of France including its choice-of-law rules.

5.4. The French Non-Resident Investor irrevocably and unconditionally (i) submits to the jurisdiction of any Belgian court, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this French Module and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.

5.5. To the extent a French Non-Resident Investor has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such French Non-Resident Investor hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this French Module.

**APPENDIX IV: DEPOSIT, MAINTENANCE AND LIQUIDATION OF COLLATERAL
ABROAD – RULES AND PROCEDURES APPLICABLE TO CERTAIN
NONRESIDENT INVESTORS DOMICILED IN NETHERLANDS**

For the purposes of this appendix IV, in case of conflict or inconsistency the English version below will prevail over the Portuguese version.

This Dutch Module is for (i) non-resident investors who meet the eligibility criteria set forth in the B3 Clearinghouse risk management manual, as amended, supplemented or modified from time to time, and who are authorized to post collateral outside of Brazil and (ii) authorized participants (other than investors) who intermediate transactions for such non-resident investors. As of July 28, 2017, such non-resident investors are limited to entities with a certain legal form (i.e. B.V., N.V., V.O.F., C.V., FGR (fonds voor gemene rekening or fund for joint account) or foundation (stichting) and/or a certain regulatory status (i.e. non-regulated entities, banks, investment firms or investment institutions), in each case incorporated or formed under the laws of the Netherlands and acting through their establishments located in the Netherlands.

1. General Provisions.

1.1. This Dutch Module supplements and forms a part of the Rulebook, and provides for, among other things, the granting of a security interest by the Dutch Non-Resident Investor to B3, a title transfer credit support arrangement between the Dutch Non-Resident Investor and B3, Events of Default applicable to Dutch Non-Resident Investors and Intermediaries and the exercise of remedies by B3 upon an Event of Default.

1.2. The Dutch Non-Resident Investor is required to enter into (A) an instrument adhering to the Dutch Non-Resident Investor Rules, including this Dutch Module including the Dutch Module Annex, and, if applicable, (B) the SPPA Acceptance Agreement. Any delivery of securities, funds or Dutch Module Credit Support in connection with, or otherwise entering into, any transaction or position by the Dutch Non-Resident Investor will evidence such Dutch Non-Resident Investor's agreement to the terms of the Dutch Non-Resident Investor Rules, including this Dutch Module, and, if applicable, the SPPA Acceptance Agreement.

2. Definitions. Terms defined in this Dutch Module supplement the definitions in the Rulebook. The terms "investor," "position" and "transaction" have the respective meanings assigned to

such term in the Rulebook. The words “include,” “includes” and “including” shall not be limiting. As used herein the following terms will have the meanings set forth below:

- 2.1. **B3** means B3 S.A. – Brasil, Bolsa, Balcão.
- 2.2. **B3 Representative** means any officer, affiliate, employee or agent of B3, but does not include any Intermediary.
- 2.3. **Bank** means JP Morgan Chase Bank, N.A., London Branch or such other account bank, building society, financial institution or other person with whom the Euro Cash Account is held in B3's name as notified to the Dutch Non-Resident Investor or any Intermediary from time to time.
- 2.4. **Collateral** means all Euroclear Securities delivered by the Dutch Non-Resident Investor or any agent of such Dutch Non-Resident Investor to or for the benefit of B3 outside Brazil, pursuant to the Dutch Non-Resident Investor Rules or in connection with any transaction or position, and all proceeds of any of the foregoing; *provided* that the term Collateral will not include Euro Title Transfer Credit Support.
- 2.5. **Dutch Module** means these rules, including the Dutch Module Annex, as applicable.
- 2.6. **Dutch Module Annex** means the Annex to this Dutch Module, including the additional representations, warranties and Events of Default therein in respect of certain Dutch Non-Resident Investors.
- 2.7. **Dutch Module Credit Support** means Collateral and Euro Title Transfer Credit Support.
- 2.8. **Dutch Non-Resident Investor** means an investor that has delivered Dutch Module Credit Support to or for the benefit of B3.
- 2.9. **Dutch Non-Resident Investor Rules** means this Dutch Module and the Rulebook.
- 2.10. **Eligibility Criteria** means the eligibility criteria set forth in the Rulebook or the B3 clearinghouse risk management manual, as amended, supplemented or modified from time to time, that the Dutch Non-Resident Investor must satisfy to post collateral to B3 outside Brazil.
- 2.11. **Equivalent Assets** means cash of an identical type, currency, nominal value, description and amount to the Euro Title Transfer Credit Support delivered by the Dutch Non-Resident Investor to B3 pursuant to Section 3.2 of this Dutch Module.

- 2.12. **Euro Cash Account** means the euro deposit account held with Bank in B3's name as notified to the Dutch Non-Resident Investor or any Intermediary from time to time.
- 2.13. **Euro Title Transfer Credit Support** means all cash delivered by the Dutch Non-Resident Investor or any agent of such Dutch Non-Resident Investor to or for the benefit of B3 outside Brazil into the Euro Cash Account, pursuant to the Dutch Non-Resident Investor Rules or in connection with any transaction or position, and all proceeds or any of the foregoing.
- 2.14. **Euroclear** means Euroclear Bank SA/NV.
- 2.15. **Euroclear Agreement** means, as applicable, (1) the Multi Pledgor Pledged Account Terms and Conditions, Pledgee's Representative Version, together with the Agreement to the Multi Pledgor Pledged Account Terms and Conditions executed by B3 and governing the MPPA, each as amended, supplemented, replaced or modified from time to time; and/or (2) the Single Pledgor Pledged Account Terms and Conditions (Pledgee's Representative Version) among the Dutch Non-Resident Investor as pledgor, B3 as pledgee and Euroclear with respect to the SPPA, as amended, supplemented, replaced or modified from time to time.
- 2.16. **Euroclear Pledgee Account** means the MPPA and/or the SPPA, as applicable.
- 2.17. **Euroclear Securities** means securities delivered to any Euroclear Pledgee Account.
- 2.18. **Event of Default** means the occurrence of an Insolvency Default or Non-Insolvency Default.
- 2.19. **Insolvency Default** means a Dutch Non-Resident Investor or Intermediary (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a

person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof, (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger), (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter, (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive), or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

2.20. **Intermediary** means any “authorized participant” (as defined in the Rulebook), other than the Dutch Non-Resident Investor, that is liable for settling the obligations deriving from the transactions of the Dutch Non-Resident Investor.

2.21. **MPPA** means the multi pledgor pledged account opened in B3’s name with Euroclear.

2.22. **Non-Insolvency Default** means, other than an Insolvency Default, (1) any default, event of default, termination event or other similar event or condition (howsoever described) under the Dutch Non-Resident Investor Rules, including, without limitation, any “default,” as defined in the Rulebook, (2) any representation or warranty set forth in the Rulebook or this Dutch Module made or repeated or deemed to have been made or repeated by the Dutch Non-Resident Investor proves to have been incorrect or misleading in any respect when made or repeated or deemed to have been made or repeated or (3) any breach of any agreement or obligation set forth in the Rulebook or this Dutch Module.

2.23. **Rulebook** means the B3 Clearinghouse Rules, as supplemented by any related operating procedures, risk manuals, circular letters or any other document or instrument issued by B3 (other than this Dutch Module or any other rule module for a non-Brazilian jurisdiction), and as each of the foregoing may be amended, supplemented, replaced or modified from time to time.

2.24. **SPPA** means the single pledgor pledged account opened in B3's name with Euroclear for the purposes of holding the Collateral exclusively posted by the Dutch Non-Resident Investor.

2.25. **SPPA Acceptance Agreement** means an acceptance agreement to Euroclear's Single Pledgor Pledged Account Terms and Conditions (Pledgee's Representative Version) among the Dutch Non-Resident Investor as pledgor, B3 as pledgee and Euroclear with respect to the SPPA, as amended, supplemented, replaced or modified from time to time.

3. Dutch Module Credit Support

3.1. This Section 3.1 shall apply in respect of the Collateral. The Dutch Non-Resident Investor hereby grants a continuing first priority security interest in all Collateral to B3, acting for itself and as representative of each Intermediary, as security for the payment and performance by such Dutch Non-Resident Investor of all of its obligations to B3 and each Intermediary arising under or in connection with the Dutch Non-Resident Investor Rules and any transaction or position.

3.1.1. The Dutch Non-Resident Investor acknowledges and agrees that B3 will have no duties or responsibilities with respect to the Collateral (including, without limitation, any duty to collect any distributions or enforce or preserve any rights pertaining thereto), other than those expressly set forth in the Dutch Non-Resident Investor Rules.

3.1.2. To the extent permitted by applicable law, the Dutch Non-Resident Investor acknowledges and agrees that it shall retain any and all risk of loss of the Collateral and that in no event shall B3 bear such risk.

3.1.3. The Dutch Non-Resident Investor authorizes B3 to use and dispose of the Collateral in the cases and terms described in the Rulebook, as if it were the owner thereof in order to obtain liquidity, including through the liquidity fund as set forth in Title II, Chapter IV, Section V of the Rulebook. Such right of utilization by B3 (including, without limitation, within the meaning of Article 11 of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time) includes the right to sell, lend, pledge, assign, invest, use, commingle or otherwise dispose of or otherwise use the Collateral, free from any claim or right of any nature whatsoever of the Dutch Non-Resident Investor, in the cases and terms described in the Rulebook. Nothing in this section relieves B3 of any obligation under applicable law to return the Collateral to the Euroclear Pledgee Account.

- 3.2. This Section 3.2 shall apply in respect of Euro Title Transfer Credit Support. In respect of such Euro Title Transfer Credit Support, all rights, title and interest including legal and beneficial ownership in and to such Euro Title Transfer Credit Support provided in accordance with the Dutch Non-Resident Investor Rules shall pass from the Dutch Non-Resident Investor to B3 by way of outright title transfer free and clear of any security interest, lien, encumbrance, claim, charge, mortgage, assignment, pledge attachment or any other interest of the Dutch Non-Resident Investor or any third party. The Dutch Non-Resident Investor will no longer have a proprietary claim to such Euro Title Transfer Credit Support and B3 shall, accordingly, have the right to deal with, lend, dispose of, pledge, charge, convert into such other currency as B3 may choose or otherwise use all such Euro Title Transfer Credit Support. Upon a termination, close-out or the satisfaction of any or all of the Dutch Non-Resident Investor's transactions and positions (the "Relevant Transactions"), B3 shall be obliged to redeliver Equivalent Assets to the Dutch Non-Resident Investor or any Intermediary on behalf of the Dutch Non-Resident Investor, in accordance with this Dutch Module and the Rulebook. For the avoidance of doubt, any interest amount that may accrue on any Euro Title Transfer Credit Support that has been delivered to B3 in accordance with this Section 3.2 is for the account of B3.
- 3.3. The Dutch Non-Resident Investor acknowledges and agrees that no interest is payable by B3 to the Dutch Non-Resident Investor in respect of any Dutch Module Credit Support.
- 3.4. Nothing in this Dutch Module shall supersede or amend the eligibility criteria or any other conditions of acceptance of assets as Dutch Module Credit Support set forth in the Rulebook, and no assets may be delivered as Dutch Module Credit Support under these Dutch Non-Resident Investor Rules that fail to meet such criteria or other conditions of acceptance unless expressly approved by B3. The Dutch Non-Resident Investor acknowledges and agrees that any Dutch Module Credit Support delivered to B3 is subject to the criteria, restrictions, requirements, limitations, conditions, rules, procedures and operations applicable to collateral (as defined in the Rulebook) as set forth in the Rulebook, and that such criteria, restrictions, requirements, limitations, conditions, rules, procedures and operations may not be the same as for collateral (as defined in the Rulebook) delivered by other types of investors.
- 3.5. The Dutch Non-Resident Investor agrees to deliver Dutch Module Credit Support when and as required by B3 in accordance with the Dutch Non-Resident Investor Rules. The Dutch Non-Resident Investor, on each date that any transaction or position is outstanding and on each day that it delivers Dutch Module Credit Support to B3, represents, warrants and agrees that:

- 3.5.1.it has the power to dispose of the Dutch Module Credit Support and to grant a security interest in or transfer title to, as the case may be, all Dutch Module Credit Support it delivers to B3 and has taken all necessary actions to authorize the granting of a security interest or effectuate a title transfer, respectively;
- 3.5.2.it is the sole owner of and otherwise has the right to deliver the Dutch Module Credit Support it delivers to B3, free and clear of any security interest, lien, encumbrance, attachment or other restrictions other than the security interest granted to B3;
- 3.5.3.it satisfies the Eligibility Criteria;
- 3.5.4.its entry into of the Dutch Non-Resident Investor Rules and any transaction and/or posting of collateral thereunder (a) is permitted by the objects clause in its corporate or constitutive documents, (b) is conducive to the realization of its corporate objects, as it will, directly or indirectly, derive benefits from entering into the Dutch Non-Resident Investor Rules and any transaction and/or posting of collateral thereunder, and (c) is not, to the best knowledge of the signatories, prejudicial to the interests of its creditors;
- (i) with respect to Dutch Module Credit Support, including Euroclear Securities, (a) it has the full power and authority to grant the security interest in or transfer title to, as the case may be such Dutch Module Credit Support and that it is the beneficial owner of the Dutch Module Credit Support or that the owner of such Dutch Module Credit Support has duly authorized it to grant the security interest in or transfer title to, respectively, the Dutch Module Credit Support, (b) it indemnifies B3 for any damages resulting from its incorrect or untrue representation or warranty or its breach of agreement and;
- (ii) with respect to Euroclear Securities, (a) it authorizes Euroclear to accept any instructions of B3, including instructions to deliver Euroclear Securities or any proceeds thereof to any account or person, whether or not outside the control of Euroclear, (b) it authorizes Euroclear to treat B3 as being fully and irrevocably authorized by it to exercise all subscription, voting and other rights with respect to the Euroclear Securities, and (c) it shall provide to B3 or Euroclear such certifications or documentation, accurately and fully completed, by it or the beneficial owners of the Euroclear Securities (if different from it), in order to obtain payment of principal or income, or to obtain exemption from or reduction or refund of withholding tax, on any Euroclear Securities,

(iii) it is a party as referred to in Section 6:235(1) of the Netherlands Civil Code, i.e., (a) a legal entity which at the time of entering into the Dutch Non-Resident Investor Rules has recently made public its annual accounts or in respect of whom the group exemption in respect of the format for annual accounts has recently been applied or (b) a party that has 50 employees when the entering into the Dutch Non-Resident Investor Rules.

3.6. The Dutch Non-Resident Investor agrees to provide notice to or cause notice to be provided to each Intermediary of (i) the occurrence of any event or change in circumstance that has adversely affected or may adversely affect the ability of the Dutch Non-Resident Investor to satisfy the Eligibility Criteria and (ii) the Dutch Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in the case of (i), no later than the date the Dutch Non-Resident Investor becomes aware of the relevant event or change of circumstance or that such event or change in circumstance is reasonably likely to occur, and in the case of (ii), no later than the date the Dutch Non-Resident Investor ceases to satisfy the Eligibility Criteria.

3.6.1. The Dutch Non-Resident Investor agrees (i) to treat any Euroclear Pledgee Account for all purposes as a special account specifically opened for the purpose of holding Collateral and (ii) that Dutch Module Credit Support will consist only of securities (*effecten*) and cash (*geld*) (as defined in the Section 7:51(e) and (d), respectively, of the Netherlands Civil Code (*Burgerlijk Wetboek*) as amended from time to time).

3.7. Each Intermediary acknowledges and appoints B3 as its representative on its behalf in connection with any security interest in any Collateral created pursuant to the Dutch Non-Resident Investor Rules (including, without limitation, within the meaning of Article 5 of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time, for the purposes of holding on behalf of such Intermediary any Collateral delivered to any Euroclear Pledgee Account) as security for the payment or performance by Dutch Non-Resident Investors of all their obligations to the Intermediary arising under or in connection with the Dutch Non-Resident Investor Rules or any transaction or position. The Intermediary represents and warrants that it has the power and authority to adhere to the Dutch Non-Resident Investor Rules, including any rules relating to any Dutch Module Credit Support, and to enter into any agreements or arrangements, including any pledge agreement, pursuant to the Dutch Non-Resident Investor Rules. Each Intermediary acknowledges and agrees that, to the extent permitted by applicable law, B3 (i) shall have no duties or responsibilities other than those expressly set forth in the Dutch Non-Resident Investor Rules, (ii) shall not be responsible to any Intermediary for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Collateral or any related document referred to or provided for in the Dutch Non-Resident Rules or for any failure by any Dutch Non-Resident Investor or any other person to perform any of its obligations under the Dutch Non-

- Resident Investor Rules, and (iii) shall not be responsible for any action taken or omitted to be taken by B3 under the Dutch Non-Resident Investor Rules, and in no event shall B3 be liable for special, indirect or consequential damages arising in connection with the Dutch Non-Resident Investor Rules. Further, each Intermediary authorizes B3 to execute and deliver any Euroclear Agreement and to take all actions authorized by such Euroclear Agreement for such Intermediary's account.
- 3.8. Each Intermediary acknowledges and agrees that (i) its security interest in any Collateral, whether created under the Dutch Non-Resident Investor Rules or otherwise, is subject and subordinate to any security interest in such Collateral in favor of B3, (ii) it shall have no right to exercise or direct the exercise of any remedies provided for in this Dutch Module in respect of any transaction or position or any Dutch Module Credit Support and (iii) it waives any rights of subrogation to any claims against any Dutch Non-Resident Investor with respect to any transactions or positions or any Dutch Module Credit Support; and that (iv) any of its rights in or in connection with the Dutch Module Credit Support are expressly made subordinate to the rights of B3 in respect of the Dutch Module Credit Support set out in this Dutch Module and the Rulebook.
- 3.9. Each Intermediary, on each date that any transaction or position of the Dutch Non-Resident Investor is outstanding and on each day that the Dutch Non-Resident Investor delivers Dutch Module Credit Support to B3, represents and warrants that the Dutch Non-Resident Investor satisfies the Eligibility Criteria. Each Intermediary represents and warrants that it has verified that the Dutch Non-Resident Investor satisfies the Eligibility Criteria.
- 3.10. Each Intermediary agrees to provide notice to B3 of (i) any event or change in circumstance that may adversely affect the ability of the Dutch Non-Resident Investor to satisfy the Eligibility Criteria and (ii) the Dutch Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in either case, on the date such Intermediary becoming aware of such relevant event, change of circumstance or cessation or that such event, change in circumstance or cessation is reasonably likely to occur.
4. Remedies. If B3 has determined that an Event of Default has occurred with respect to the Dutch Non-Resident Investor or an Intermediary (as determined by B3 in B3's sole discretion or based on information communicated to B3 by an Intermediary), B3 and any designated representative of B3, shall, notwithstanding the exercise of any remedies or other action taken by any Intermediaries, (i) in respect of the Collateral, have all the rights and remedies provided to a secured party under any applicable law, (ii) have all rights available to it under the Rulebook, (iii) have any rights otherwise available to it under any other agreement or applicable law and (iv) be entitled to, at its option, (and without notice to such Dutch Non-

Resident Investor or applicable Intermediaries) exercise any or all of the following rights and remedies provided in this Section 4:

- 4.1. (i) liquidate, terminate, accelerate or otherwise close out any or all of such Dutch Non-Resident Investor's transactions and positions and treat any or all obligations owing to B3 under the Dutch Non-Resident Investor Rules as immediately due and payable, (ii) on or following the date of B3's determination that an Event of Default has occurred, determine the net amount of the losses, damages, expenses, costs (including all fees, including reasonable attorneys' fees, expenses and commissions) and gains, as applicable, that are or would be realized or incurred by B3 in connection with or as a result of such Event of Default and B3's or any Intermediaries' exercise of rights or remedies in respect thereof, (iii) net and set off any obligation, including any obligation with respect to the Dutch Module Credit Support or other property, of B3 to such Dutch Non-Resident Investor, (including any obligation to redeliver Equivalent Assets), against any of such Dutch Non-Resident Investor's obligations to B3 (whether or not any of such obligations are matured, unmatured, unliquidated or contingent and irrespective of the currency of such obligations) or otherwise determine a net sum that will be immediately payable from B3 to such Dutch Non-Resident Investor or vice versa in respect of any obligations of B3 to such Dutch Non-Resident Investor and any of such Dutch Non-Resident Investor's obligations to B3 (whether or not any of such obligations are matured, unmatured, unliquidated or contingent and irrespective of the currency of such obligations) in connection with or under any transactions, positions or obligations accelerated or closed-out pursuant to this Section 4; and (iv) enforce the security interest in the Collateral granted pursuant to Section 3 of this Dutch Module by, in its sole discretion, (A) selling, on or following the date of B3's determination that an Event of Default has occurred, in a recognized market at such price or prices as B3 deems reasonably satisfactory any or all non-cash Collateral and applying the proceeds thereof and the amount of any cash Collateral to such Dutch Non-Resident Investor's obligations to B3 and/or any Intermediaries and/or (B) in lieu of selling all or a portion of such non-cash Collateral, appropriating all or a portion of such Collateral and applying the market value thereof at the time of appropriation (as determined by B3 in its sole discretion) to such Dutch Non-Resident Investor's obligations to B3 and/or any Intermediaries.
- 4.2. The Dutch Non-Resident Investor shall be liable to B3 for the amount equal to the amount by which the aggregate of the losses, damages, expenses and costs referenced in Section 4.1(ii) exceeds the aggregate of (i) the gains referenced in Section 4.1(ii), (ii) the proceeds of any non-cash Collateral applied pursuant to Section 4.1(iv)(A), (iii) the amount of any cash Collateral applied pursuant to Section 4.1(iv)(A) (iv) the value of the Collateral appropriated pursuant to Section 4.1(iv)(B), in each case as determined in accordance with Section 4.1. and (v) the value of the Euro Title Transfer Credit Support. If the aggregate of the gains referenced in Section 4.1(ii), the proceeds of any non-cash Collateral applied pursuant to

Section 4.1(iv)(A), the amount of any cash Collateral applied pursuant to Section 4.1(iv)(A) the value of the Collateral appropriated pursuant to Section 4.1(iv)(B) and the value of the Euro Title Transfer Credit Support exceeds the aggregate of (a) the losses, damages, expenses and costs referenced in Section 4.1(ii) and (b) any amounts owing to the relevant Intermediaries, then B3 shall be obligated to remit such excess in accordance with the Rulebook within a reasonable time frame after the Dutch Non-Resident Investor provides to B3 a full release (reasonably acceptable to B3 and conditional only on the foregoing payment) of all liability of B3 under or in connection with the Dutch Non-Resident Investor Rules and any transaction or position.

- 4.3. The Dutch Non-Resident Investor acknowledges and agrees that, if any amount is received or recovered by B3 in one currency and is paid or remitted by B3 to the Dutch Non-Resident Investor or an Intermediary in another currency, in each case under this Dutch Module, the Dutch Non-Resident Investor shall bear any currency risk arising from such conversion.
- 4.4. Interest on any amounts due to B3 shall accrue and be payable in accordance with the Rulebook.
- 4.5. In the event that the Dutch Non-Resident Investor or an Intermediary notifies B3 in accordance with Section 3.6 or 3.10, B3 shall be entitled to require the Dutch Non-Resident Investor to post collateral in accordance with the terms of the Rulebook, terminate any transaction or position of the Dutch Non-Resident Investor, exercise any right or remedy under this Section 4 as though an Event of Default has occurred and take such other actions it deems necessary or appropriate.
- 4.6. In the event that any obligation to B3 (including, for the avoidance of doubt, any judgment or order) is denominated in a currency different from another obligation to B3, for the purpose of exercising its rights and remedies under the Dutch Non-Resident Investor Rules, B3 may convert one obligation into the currency in which the other is denominated at the rate of exchange at which B3 would be able to purchase the relevant amount of such currency. Furthermore, if an obligation is unliquidated, contingent or otherwise unascertained, B3 may in good faith estimate such obligation for the purposes of applying its rights of netting and set off under the Dutch Non-Resident Investor Rules.
- 4.7. The rights and remedies provided to B3 in this Dutch Module are cumulative and not exclusive of any rights or remedies provided by law or the Rulebook. Any rights and remedies provided to B3 by this Dutch Module that are additional to or more expansive than those provided by law or the Rulebook (including, without limitation, those covering the same subject matter)

shall be construed so as not to conflict with each other, and all such provisions and remedies shall be applicable and available to B3.

4.8. Each Intermediary shall, to the maximum extent permitted by law, indemnify, protect and hold harmless B3 and each B3 Representative from and against any and all losses, liabilities, claims, damages, expenses, penalties, costs (including reasonable attorneys' fees) or taxes when and as incurred by, or asserted against, B3 and each B3 Representative, in each case, on an after-tax basis resulting from, arising out of or in connection with any breach of any provision of this Dutch Module.

5. Miscellaneous.

5.1. Subject to Section 4.7, if there is an inconsistency between this Dutch Module and the Rulebook, then except as otherwise provided for in this Dutch Module, this Dutch Module shall govern.

5.2. All notices provided for herein shall be in writing and electronically mailed to garantias@b3.com.br or such other addresses as B3 shall provide from time to time. B3 shall be entitled to rely upon, and shall not have any liability for any action taken pursuant to this Dutch Module on the basis of, any notice received by B3 and believed in good faith by B3 to be from the Dutch Non-Resident Investor or an Intermediary.

5.3. This Dutch Module shall be governed by the laws of Belgium including its choice-of-law rules; provided that Section 3.2 and the parties' rights and obligations to deliver, redeliver, return, net, set off or otherwise exercise remedies in respect of Euro Title Transfer Credit Support shall be governed by the laws of England and Wales, including its mandatory applicable choice-of-law rules.

5.4. The Dutch Non-Resident Investor irrevocably and unconditionally (i) submits to the jurisdiction of any Belgian court, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this Dutch Module and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.

5.5. To the extent a Dutch Non-Resident Investor has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise)

with respect to itself or any of its property, such Dutch Non-Resident Investor hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this Dutch Module.

5.6. THE DUTCH NON-RESIDENT INVESTOR HEREBY WAIVES TRIAL BY JURY IN ANY PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH, THIS DUTCH MODULE.

Dutch Module Annex Applicable to Dutch Non-resident investors

This Annex is part of Dutch Module. For the purposes of this Annex, in case of conflict or inconsistency the English version below will prevail over the Portuguese version.

1. General Provisions.

1.1. This Dutch Module Annex supplements and forms a part of the Dutch Module and Rulebook, and provides for, additional representations, warranties and Events of Default applicable to Dutch Non-Resident Investors in the form of a Partnership, Regulated Investment Fund and Investment Company.

1.2. The Dutch Non-Resident Investor is required to enter into an instrument adhering to the Dutch Non-Resident Investor Rules, including the Dutch Module and, if applicable, this Annex. Any delivery of securities, funds or Dutch Module Credit Support in connection with, or otherwise entering into, any transaction or position by the Dutch Non-Resident Investor will evidence such Dutch Non-Resident Investor's agreement to the terms of the Dutch Non-Resident Investor Rules, including the Dutch Module and, if applicable, this Dutch Module Annex.

2. Definitions. Terms defined in this Dutch Module Annex supplement the definitions in the Dutch Module and the Rulebook. The terms "investor," "position" and "transaction" have the respective meanings assigned to such term in the Rulebook. The words "include," "includes" and "including" shall not be limiting. As used herein the following terms will have the meanings set forth below:

2.1. **Dutch Module** means the Rule Module Applicable to Dutch Non-Resident Investors, including this Dutch Module Annex.

2.2. **Dutch Module Annex** means this annex.

2.3. **Investment Company** means a Dutch Non-Resident Investor that is an investment company in the form of a private limited liability company (*besloten vennootschap*) or a public limited liability company (*naamloze vennootschap*), which may or may not be an investment company with variable capital (beleggingsmaatschappij met veranderlijk kapitaal) as defined in Section 2:76a of the NCC.

- 2.4. **Manager** means the manager or managing partner of an Investment Fund, acting in its capacity of manager or managing partner of the Investment Fund.
- 2.5. **Partner** means a managing partner (*beherend vennoot*) or a limited partner (*commanditair vennoot*) of the Partnership.
- 2.6. **Partnership** means a Dutch Non-Resident Investor in the form of a general partnership (*vennootschap onder firma*) or limited partnership (*commanditaire vennootschap*).
- 2.7. **Regulated Investment Fund** means a Dutch Non-Resident Investor in the form of a limited partnership (*commanditaire vennootschap*) or a fund for joint account (*fonds voor gemene rekening*) the manager of which is subject to regulatory supervision in respect of the management of the investment fund concerned.
- 2.8. **Title Holder** means the title holder of an Investment Fund that is legally entitled (*rechthebbende*) to the Investment Fund's assets and the legal debtor of the Investment Fund's liabilities, acting in its capacity of title holder of the Investment Fund.

3. Insolvency Default

- 3.1. In respect of a Dutch Non-Resident Investor in the form of a general Partnership, an Insolvency Default as defined in the Dutch Module shall include the events specified under (1) to (9) in respect of a Partner.
- 3.2. In respect of a Dutch Non-Resident Investor in the form of a Regulated Investment Fund, an Insolvency Default as defined in the Dutch Module shall include the events specified under (1) to (9) in respect of its Manager or Title Holder.

4. Representations and warranties

Additional representations in respect of a Dutch Non-Resident Investor in the form of a general partnership or a limited partnership

- 4.1. The Dutch Non-Resident Investor in the form of a Partnership, on each date that any transaction or position is outstanding and on each day that it delivers Dutch Module Credit Support to B3, represents and warrants that:
- i. each of the Partners that is a legal person (i) has been duly incorporated or formed and is validly existing under all applicable laws, (ii) has taken all action required by its

- corporate or constitutive documents and any applicable law, (iii) has obtained all relevant internal and external authorisations, consents, approvals, licenses or orders from or notices to or filings with any regulatory or other authority or governmental body and complied with all relevant internal and external requirements, to validly execute, deliver and perform the Dutch Non-Resident Investor Rules and any transaction or posting of collateral thereunder;
- ii. each Partner that is a natural person is of age (*meerderjarig*) and has all requisite capacity to validly execute, deliver and perform its obligations under the Dutch Non-Resident Investor Rules and any transaction in connection therewith and has obtained all relevant authorizations, consents, approvals and complied with all relevant requirements to execute, deliver and perform the Dutch Non-Resident Investor Rules and any transaction in connection therewith;
 - iii. no Insolvency Default has occurred in respect of any of the Partners;
 - iv. the partnership agreement of the Partnership has been duly authorized and agreed by all parties thereto and is legal, valid, binding and enforceable under all applicable laws;
 - v. neither it nor any of the Partners has been subjected to a debt rescheduling arrangement (*schuldsaneringsregeling natuurlijke personen*) or been placed under conservatorship (*onder curatele gesteld*) or similar or analogous to proceedings under the laws of any other jurisdiction than the Netherlands.

Additional representations in respect of a Dutch Non-Resident Investor in the form a Regulated Investment Fund

- 4.2. The Dutch Non-Resident Investor in the form of a Regulated Investment Fund, on each date that any transaction or position is outstanding and on each day that it delivers Dutch Module Credit Support to B3, represents and warrants that:
- i. each of the Manager and Title Holder (i) has been duly incorporated or formed and is validly existing under all applicable laws, (ii) has taken all action required by its corporate or constitutive documents and any applicable law, (iii) has obtained all relevant internal and external authorisations, consents, approvals, licenses or orders from or notices to or filings with any regulatory or other authority or governmental body and complied with all relevant internal and external requirements, to validly execute, deliver and perform the Dutch Non-Resident Investor Rules and any transaction or posting of collateral thereunder;
 - ii. the *sui generis* contractual relationship between the Manager, the Title Holder and the participants of the fund (i.e. the fund contract) has been duly authorized and agreed by all parties thereto and is legal, valid, binding and enforceable under all applicable laws;
 - iii. no Insolvency Default has occurred in respect of the Manager or the Title Holder;

- iv. the Title Holder, acting in its capacity as title holder (*juridisch eigenaar*) of the Investment Fund and acting in accordance with the fund contract, is (i) legally entitled to all the assets of the Investment Fund, (ii) is the legal debtor of all the liabilities of the Investment Fund, (iii) enters into and performs all legal acts that are or will be part of the Investment Fund and (iv) assumes all assets and liabilities arising out of such legal acts for the risk and account of the Investment Fund;
- v. any debts or obligations set out in or pursuant to the Dutch Non-Resident Investor Rules constitute debts and obligations that are connected with the management, safekeeping and holding of legal ownership of the assets of the Investment Fund and that the information that is provided by the Manager to participants in the Investment Fund includes that such debts and obligations can be recovered from the estate of the Investment Fund.

Additional representations in respect of a Dutch Non-Resident Investor in the form an Investment Company

4.3 The Dutch Non-Resident Investor in the form of an Investment Company, on each date that any transaction or position is outstanding and on each day that it delivers Dutch Module Credit Support to B3, represents and warrants that it does not have a title holder (*juridisch eigenaar*) which is legally entitled to all or part of the assets of the Dutch Non-Resident Investor or is the legal debtor to all or part of the liabilities of Dutch Non-Resident Investor.

**APPENDIX V: DEPOSIT, MAINTENANCE AND LIQUIDATION OF COLLATERAL
ABROAD – RULES AND PROCEDURES APPLICABLE TO CERTAIN
NONRESIDENT INVESTORS DOMICILED IN CAYMAN ISLANDS**

For the purposes of this appendix V, in case of conflict or inconsistency the English version below will prevail over the Portuguese version.

This Cayman Islands Module is for (i) non-resident investors who meet the eligibility criteria set forth in the B3 Clearinghouse risk management manual, as amended, supplemented or modified from time to time, and who are authorized to post collateral outside of Brazil and (ii) authorized participants (other than investors) who intermediate transactions for such investors.

1. General Provisions.

1.1. This Cayman Islands Module supplements and forms a part of the Rulebook, and provides for, among other things, the granting of a security interest by the Cayman Islands Non-Resident Investor to B3, Events of Default applicable to the Cayman Islands Non-Resident Investor and Intermediaries and the exercise of remedies by B3 upon an Event of Default.

1.2. The Cayman Islands Non-Resident Investor is required to enter into (A) an instrument adhering to the Cayman Islands Non-Resident Investor Rules, including this Cayman Islands Module, and, if applicable, (B) the SPPA Acceptance Agreement. Any delivery of securities, funds or Cayman Islands Module Collateral in connection with, or otherwise entering into, any transaction or position by the Cayman Islands Non-Resident Investor will evidence such Cayman Islands Non-Resident Investor's agreement to the terms of the Cayman Islands Non-Resident Investor Rules, including this Cayman Islands Module, and, if applicable, the SPPA Acceptance Agreement

.2. Definitions. Terms defined in this Cayman Islands Module supplement the definitions in the Rulebook. The terms "investor," "position" and "transaction" have the respective meanings assigned to such term in the Rulebook. The words "include," "includes" and "including" shall not be limiting. As used herein the following terms will have the meanings set forth below:

2.1. **B3** means B3 S.A. – Brasil, Bolsa, Balcão.

2.2. **B3 Representative** means any officer, affiliate, employee or agent of B3, but does not include any Intermediary.

2.3. **Cayman Islands Module** means these rules.

- 2.4. **Cayman Islands Module Collateral** means all commodity contracts, financial assets, security entitlements, and other investment property (each of the foregoing as defined in the UCC), including the DTC Securities and the Euroclear Securities, securities, money (including funds on deposit in any deposit account) and other property, in each case, delivered by the Cayman Islands Non-Resident Investor or any agent of such Cayman Islands Non-Resident Investor to or for the benefit of B3 outside Brazil, pursuant to the Cayman Islands Non-Resident Investor Rules or in connection with any transaction or position, and all proceeds of any of the foregoing.
- 2.5. **Cayman Islands Non-Resident Investor** means an investor that has delivered Cayman Islands Module Collateral to or for the benefit of B3.
- 2.6. **Cayman Islands Non-Resident Investor Rules** means this Cayman Islands Module and the Rulebook.
- 2.7. **DTC Pledgee Account** means an account opened in B3's name (or the name of any predecessor of B3) with the Depository Trust Company.
- 2.8. **DTC Securities** means securities delivered to the DTC Pledgee Account.
- 2.9. **Eligibility Criteria** means the eligibility criteria set forth in the Rulebook or the B3 clearinghouse risk management manual, as amended, supplemented, or modified from time to time, that the Cayman Islands Non-Resident Investor must satisfy to post collateral to B3 outside Brazil.
- 2.10. **Euroclear** means Euroclear Bank SA/NV.
- 2.11. **Euroclear Agreement** means, as applicable, (1) the Multi Pledgor Pledged Account Terms and Conditions, Pledgee's Representative Version, together with the Agreement to the Multi Pledgor Pledged Account Terms and Conditions executed by B3 and governing the MPPA, each as amended, supplemented, replaced or modified from time to time; and/or (2) the Single Pledgor Pledged Account Terms and Conditions (Pledgee's Representative Version) among the Cayman Islands Non-Resident Investor as pledgor, B3 as pledgee and Euroclear with respect to the SPPA, as amended, supplemented, replaced or modified from time to time.
- 2.12. **Euroclear Pledgee Account** means the MPPA and/or the SPPA, as applicable.
- 2.13. **Euroclear Securities** means securities delivered to any Euroclear Pledgee Account.
- 2.14. **Event of Default** means the occurrence of an Insolvency Default or Non-Insolvency Default.

2.15. **Insolvency Default** means a Cayman Islands Non-Resident Investor or Intermediary (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof, (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger), (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter, (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive), or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

2.16. **Intermediary** means any "authorized participant" (as defined in the Rulebook), other than the Cayman Islands Non-Resident Investor, that is liable for settling the obligations deriving from the transactions of the Cayman Islands Non-Resident Investor.

2.17. **MPPA** means the multi pledgor pledged account opened in B3's name (or the name of any predecessor of B3) with Euroclear.

2.18. **Non-Insolvency Default** means, other than an Insolvency Default, (1) any default, event of default, termination event or other similar event or condition (howsoever described) under the Cayman Islands Non-Resident Investor Rules, including, without limitation, any "default," as defined in the Rulebook, (2) any representation or warranty set forth in the Rulebook or this

Cayman Islands Module made or repeated, or deemed to have been made or repeated by the Cayman Islands Non-Resident Investor proves to have been incorrect, incomplete or misleading in any respect when made or repeated, or deemed to have been made or repeated; or (3) any breach of any agreement or obligation set forth in the Rulebook or this Cayman Islands Module.

2.19. **Rulebook** means the B3 Clearinghouse Rules, as supplemented by any related operating procedures, risk manuals, circular letters or any other document or instrument issued by B3 (other than this Cayman Islands Module or any other rule module for a non-Brazilian jurisdiction), and as each of the foregoing may be amended, supplemented, replaced or modified from time to time

2.20. **SPPA** means the single pledgor pledged account opened in B3's name (or the name of any predecessor of B3) with Euroclear for the purposes of holding only the Cayman Islands Module Collateral posted by the Cayman Islands Non-Resident Investor

2.21. **SPPA Acceptance Agreement** means an acceptance agreement to Euroclear's Single Pledgor Pledged Account Terms and Conditions (Pledgee's Representative Version) among the Cayman Islands Non-Resident Investor as pledgor, B3 as pledgee and Euroclear with respect to the SPPA, as amended, supplemented, replaced or modified from time to time.

2.22. **UCC** means the Uniform Commercial Code as in effect in the State of New York from time to time.

3. Cayman Islands Module Collateral.

3.1. The Cayman Islands Non-Resident Investor hereby grants a continuing first priority and first ranking security interest in all Cayman Islands Module Collateral to B3, acting for itself and as representative of each Intermediary, as security for the payment and performance by such Cayman Islands Non-Resident Investor of all of its obligations to B3 and each Intermediary arising under or in connection with the Cayman Islands Non-Resident Investor Rules and any transaction or position.

3.2. Nothing in this Cayman Islands Module shall supersede or amend any eligibility criteria or any other conditions of acceptance of assets as Cayman Islands Module Collateral set forth in the Rulebook, and no assets may be delivered as Cayman Islands Module Collateral under these Cayman Islands Non-Resident Investor Rules that fail to meet such criteria or other conditions of acceptance unless expressly approved by B3. The Cayman Islands Non-Resident Investor acknowledges and agrees that any Cayman Islands Module Collateral delivered to B3 is subject to the criteria, restrictions, requirements, limitations, conditions, rules, procedures and operations applicable to collateral (as defined in the Rulebook) as set forth in the Rulebook, and that such criteria, restrictions, requirements, limitations, conditions, rules, procedures and operations may not be the same as for collateral (as defined in the Rulebook) delivered by other types of investors.

3.3. The Cayman Islands Non-Resident Investor agrees to deliver Cayman Islands Module Collateral when and as required by B3 in accordance with the Cayman Islands Non-Resident Investor Rules. The Cayman Islands Non-Resident Investor, on each date that any transaction or position is outstanding and on each day that it delivers Cayman Islands Module Collateral to B3, represents and warrants that: (a) it is duly organized and validly existing in good standing under the laws of its jurisdiction of organization, incorporation and/or registration; (b) it has irrevocably and unconditionally agreed to be bound by the Rulebook; (c) it is solvent and not subject to any insolvency or similar proceedings under any applicable law; (d) it entered into this Cayman Islands Module (i) in good faith and for the purpose of carrying out its business, (ii) on arms' length commercial terms, and (iii) without any intention to defraud or deprive of any legal benefit any other parties (such as third parties and, in particular, creditors) or to circumvent any applicable mandatory laws, rules or regulations of any jurisdiction; (e) it has the power, capacity and corporate authority to grant a security interest in all Cayman Islands Module Collateral it delivers to B3 and has taken all necessary actions to authorize the granting of a security interest; (f) it has full legal title to, and is the sole owner of or otherwise has the right to deliver all Cayman Islands Module Collateral it delivers to B3, free and clear of any security interest, lien, encumbrance, claim, charge, mortgage, assignment, pledge, attachment or other restrictions other than the security interest granted to B3; and (g) it satisfies the Eligibility Criteria.

3.4. The Cayman Islands Non-Resident Investor agrees to provide notice to or cause notice to be provided to each Intermediary of (i) the occurrence of any event or change in circumstance that has adversely affected or may adversely affect the ability of the Cayman Islands Non-Resident Investor to satisfy the Eligibility Criteria and (ii) the Cayman Islands Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in the case of (i), no later than the date the Cayman Islands Non-Resident Investor becomes aware of the relevant event or change of circumstance or that such event or change in circumstance is reasonably likely to occur, and in the case of (ii), no later than the date the Cayman Islands Non-Resident Investor ceases to satisfy the Eligibility Criteria.

3.5. The Cayman Islands Non-Resident Investor acknowledges and agrees that (i) B3 will have no duties or responsibilities with respect to the Cayman Islands Module Collateral (including, without limitation, any duty to collect any distributions or enforce or preserve any rights pertaining thereto), other than those expressly set forth in the Cayman Islands Non-Resident Investor Rules; and (ii) in no event shall B3 be liable for special, indirect or consequential damages arising in connection with the Cayman Islands Non-Resident Investor Rules.

3.6. To the extent permitted by applicable law, the Cayman Islands Non-Resident Investor acknowledges and agrees that it shall retain any and all risk of loss of the Cayman Islands Module Collateral and that in no event shall B3 bear such risk.

3.7. The Cayman Islands Non-Resident Investor agrees (i) to treat any Euroclear Pledgee Account for all purposes as a special account specifically opened for the purpose of holding Cayman Islands Module Collateral and (ii) that Euroclear Securities will consist of only financial instruments.

3.8. With respect to Euroclear Securities, the Cayman Islands Non-Resident Investor, on each day that the Cayman Islands Non-Resident Investor's Cayman Islands Module Collateral includes Euroclear Securities, represents, warrants and agrees that (i) it has the full power and authority to grant the security interest in such Cayman Islands Module Collateral and that it is the beneficial owner of the Cayman Islands Module Collateral or that the owner of such Cayman Islands Module Collateral has duly vested it to grant the security interests in the Cayman Islands Module Collateral, (ii) it authorizes Euroclear to accept any instructions of B3 with respect to the Euroclear Securities, including instructions to deliver Euroclear Securities or any proceeds thereof to any account or person, whether or not outside the control of Euroclear, (iii) it authorizes Euroclear to treat B3 as being fully and irrevocably authorized by it to exercise all subscription, voting and other rights with respect to the Euroclear Securities, (iv) it shall provide to B3 or Euroclear such certifications or documentation, accurately and fully completed, by it or the beneficial owners of the Euroclear Securities (if different from it), in order to obtain payment of principal or income, or to obtain exemption from or reduction or refund of withholding tax, on any Euroclear Securities, and (v) it hereby indemnifies B3 for any damages resulting from its incorrect or untrue representation or warranty or its breach of agreement.

3.9. Each Intermediary acknowledges and appoints B3 as its representative on its behalf in connection with any security interest in any Cayman Islands Module Collateral created pursuant to the Cayman Islands Non-Resident Investor Rules (including, without limitation, within the meaning of Article 5 of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time, for the purposes of holding on behalf of such Intermediary any Cayman Islands Module Collateral delivered to any Euroclear Pledgee Account) as security for the payment or performance by Cayman Islands Non-Resident Investors of all their obligations to the Intermediary arising under or in connection with the Cayman Islands Non-Resident Investor Rules or any transaction or position. Each Intermediary represents and warrants that it has the power and authority to adhere to the Cayman Islands Non-Resident Investor Rules, including any rules relating to any Cayman Islands Module Collateral, and to enter into any agreements or arrangements, including any pledge agreement, pursuant to the Cayman Islands Non-Resident Investor Rules.

3.10. Each Intermediary acknowledges and agrees that, to the extent permitted by applicable law, B3 (i) shall have no duties or responsibilities other than those expressly set forth in the Cayman Islands Non-Resident Investor Rules, (ii) shall not be responsible to any Intermediary for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Cayman Islands Module Collateral or any related document referred to or provided for in the Cayman Islands Non-

Resident Rules or for any failure by any Cayman Islands Non-Resident Investor or any other person to perform any of its obligations under the Cayman Islands Non-Resident Investor Rules, and (iii) shall not be responsible for any action taken or omitted to be taken by B3 under the Cayman Islands Non-Resident Investor Rules, and in no event shall B3 be liable for special, indirect or consequential damages arising in connection with the Cayman Islands Non-Resident Investor Rules. Further, each Intermediary authorizes B3 to execute and deliver any Euroclear Agreement and to take all actions authorized by such Euroclear Agreement for such Intermediary's account.

3.11. Each Intermediary acknowledges and agrees that (i) its security interest in any Cayman Islands Module Collateral, whether created under the Cayman Islands Non-Resident Investor Rules or otherwise, is subject and subordinate to any security interest in such Cayman Islands Module Collateral in favor of B3, (ii) it shall have no right to exercise or direct the exercise of any remedies provided for in this Cayman Islands Module in respect of any transaction or position or any Cayman Islands Module Collateral and (iii) it waives any rights of subrogation to any claims against any Cayman Islands Non-Resident Investor with respect to any transactions or positions or any Cayman Islands Module Collateral.

3.12. Each Intermediary, on each date that any transaction or position of the Cayman Islands Non-Resident Investor is outstanding and on each day that the Cayman Islands Non-Resident Investor delivers Cayman Islands Module Collateral to B3, represents and warrants that the Cayman Islands Non-Resident Investor satisfies the Eligibility Criteria. Each Intermediary represents and warrants that it has verified that (i) the Cayman Islands Non-Resident Investor satisfies the Eligibility Criteria; and (ii) all representations and warranties granted by the Cayman Islands Non-Resident Investor in this Cayman Islands Module are and remain at all times correct and not misleading.

3.13. Each Intermediary agrees to provide notice to B3 of (i) any event or change in circumstance that may adversely affect the ability of the Cayman Islands Non-Resident Investor to satisfy the Eligibility Criteria and (ii) the Cayman Islands Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in either case, within [one (1)] day of such Intermediary's becoming aware of such relevant event, change of circumstance or cessation or that such event, change in circumstance or cessation is reasonably likely to occur.

3.14. The Cayman Islands Non-Resident Investor represents and agrees that it will only deliver Cayman Islands Module Collateral.

3.15. The Cayman Islands Non-Resident Investor authorizes B3 to use and dispose of the Cayman Islands Module Collateral in the cases and terms described in the Rulebook, as if it were the owner thereof in order to obtain liquidity, including, through the liquidity fund as set forth in title II, chapter IV, section V of the Rulebook. Such right of utilization by B3 (including, without

limitation, within the meaning of Article 11 of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time) includes the right to sell, lend, mortgage, charge, pledge, assign, invest, use, commingle and/or otherwise dispose of or otherwise use the Cayman Islands Module Collateral, free from any claim or right of any nature whatsoever of the Cayman Islands Non-Resident Investor, in the cases and terms described in the Rulebook. Nothing in this section relieves B3 of any obligation under applicable law to return the Cayman Islands Module Collateral to the DTC Pledgee Account or the Euroclear Pledgee Account.

4. Remedies. If B3 has determined that an Event of Default has occurred with respect to the Cayman Islands Non-Resident Investor or an Intermediary (as determined by B3 in B3's sole discretion or based on information communicated to B3 by an Intermediary), B3 and any designated representative of B3, shall, notwithstanding the exercise of any remedies or other action taken by any Intermediaries, (i) have all the rights and remedies provided to a secured party under the UCC or any other applicable law, (ii) have all rights available to it under the Rulebook, (iii) have any rights otherwise available to it under any other agreement or applicable law and (iv) be entitled to, at its option, (and without notice to such Cayman Islands Non-Resident Investor or applicable Intermediaries) exercise any or all of the following rights and remedies provided in this Section 4:

4.1. (i) liquidate, terminate, accelerate or otherwise close out any or all of such Cayman Islands Non-Resident Investor's transactions and positions and treat any or all obligations owing to B3 under the Cayman Islands Non-Resident Investor Rules as immediately due and payable, (ii) on or following the date of B3's determination that an Event of Default has occurred, determine the net amount of the losses, damages, expenses, costs realized, incurred or payable by B3 (including all fees, including reasonable attorneys' fees, expenses, taxes and commissions) and gains, as applicable, that are or would be realized or incurred by B3 in connection with or as a result of such Event of Default and B3's or any Intermediaries' exercise of rights or remedies in respect thereof, (iii) net and set off any obligation, including any obligation with respect to the Cayman Islands Module Collateral or other property, of B3 to such Cayman Islands Non-Resident Investor, against any of such Cayman Islands Non-Resident Investor's obligations to B3 (whether or not any of such obligations are matured, unmatured, unliquidated or contingent and irrespective of the currency of such obligations), and (iv) enforce the security interest in the Cayman Islands Module Collateral granted pursuant to Section 3 of this Cayman Islands Module by, in its sole discretion, (A) selling, on or following the date of B3's determination that an Event of Default has occurred, in a recognized market at such price or prices as B3 deems reasonably satisfactory any or all non-cash Cayman Islands Module Collateral and applying the proceeds thereof and the amount of any cash Cayman Islands Module Collateral to such Cayman Islands Non-Resident Investor's obligations to B3 and/or any Intermediaries and/or (B) in lieu of selling all or a portion of such non-cash Cayman Islands Module Collateral, appropriating all or a portion of such Cayman Islands Module Collateral and applying the market value thereof at the time of appropriation (as

determined by B3 in its sole discretion) to such Cayman Islands Non-Resident Investor's obligations to B3 and/or any Intermediaries.

4.2. The Cayman Islands Non-Resident Investor shall be liable to B3 for the amount equal to the amount by which the aggregate of the losses, damages, expenses and costs referenced in Section 4.1(ii) exceeds the aggregate of (i) the gains referenced in Section 4.1(ii), (ii) the proceeds of any non-cash Cayman Islands Module Collateral applied pursuant to Section 4.1(iv)(A), (iii) the amount of any cash Cayman Islands Module Collateral applied pursuant to Section 4.1(iv)(A), and (iv) the value of the Cayman Islands Module Collateral appropriated pursuant to Section 4.1(iv)(B), in each case as determined in accordance with Section 4.1. If the aggregate of the gains referenced in Section 4.1(ii), the proceeds of any non-cash Cayman Islands Module Collateral applied pursuant to Section 4.1(iv)(A), the amount of any cash Cayman Islands Module Collateral applied pursuant to Section 4.1(iv)(A), and the value of the Cayman Islands Module Collateral appropriated pursuant to Section 4.1(iv)(B) exceeds the aggregate of (a) the losses, damages, expenses and costs referenced in Section 4.1(ii) and (b) any amounts owing to the relevant Intermediaries, then B3 shall be obligated to remit such excess in accordance with the Rulebook within a reasonable time frame after the Cayman Islands Non-Resident Investor provides to B3 a full release (reasonably acceptable to B3 and conditional only on the foregoing payment) of all liability of B3 under or in connection with the Cayman Islands Non-Resident Investor Rules and any transaction or position.

4.3. Interest on any amounts due to B3 shall accrue and be payable in accordance with the Rulebook.

4.4. In the event that the Cayman Islands Non-Resident Investor or an Intermediary notifies B3 in accordance with Section 3.4 or 3.13, B3 shall be entitled to require the Cayman Islands Non-Resident Investor to post collateral in accordance with the terms of the Rulebook, terminate any transaction or position of the Cayman Islands Non-Resident Investor, exercise any right or remedy under this Section 4 as though an Event of Default has occurred and take such other actions it deems necessary or appropriate.

4.5. In the event that any obligation to B3 (including, for the avoidance of doubt, any judgment or order) is denominated in a currency different from another obligation to B3, for the purpose of exercising its rights and remedies under the Cayman Islands Non-Resident Investor Rules, B3 may convert one obligation into the currency in which the other is denominated at the rate of exchange at which B3 would be able to purchase the relevant amount of such currency. Furthermore, if an obligation is unliquidated, contingent or otherwise unascertained, B3 may in good faith estimate such obligation for the purposes of applying its rights of netting and set off under the Cayman Islands Non-Resident Investor Rules.

4.6. The rights and remedies provided to B3 in this Cayman Islands Module are cumulative and not exclusive of any rights or remedies provided by law or the Rulebook. Any rights and remedies provided to B3 by this Cayman Islands Module that are additional to or more expansive than those provided by law or the Rulebook (including, without limitation, those covering the same subject matter) shall be construed so as not to conflict with each other, and all such provisions and remedies shall be applicable and available to B3.

4.7. Each Intermediary shall, to the maximum extent permitted by law, indemnify, protect and hold harmless B3 and each B3 Representative from and against any and all losses, liabilities, claims, damages, expenses, penalties, costs (including reasonable attorneys' fees) or taxes when and as incurred by, or asserted against, B3 and each B3 Representative, in each case, on an after-tax basis resulting from, arising out of or in connection with any matter relating to any provision of this Cayman Islands Module, including in case of breach of its duties and responsibilities and in case any of the representations or warranties set forth in the Rulebook or this Cayman Island Module made or repeated or deemed to have been made or repeated by such Intermediary prove to have been incorrect, incomplete or misleading in any respect.

5. Miscellaneous.

5.1. Subject to Section 4.5, if there is an inconsistency between this Cayman Islands Module and the Rulebook, then except as otherwise provided for in this Cayman Islands Module, this Cayman Islands Module shall govern.

5.2. All notices provided for herein shall be in writing and electronically mailed to [garantias@b3.com.br, or such other address as B3 shall provide from time to time. B3 shall be entitled to rely upon, and shall not have any liability for any action taken pursuant to this Cayman Islands Module on the basis of, any notice received by B3 and believed in good faith by B3 to be from the Cayman Islands Non-Resident Investor or an Intermediary.

5.3. This Cayman Islands Module shall be governed by the laws of the State of New York insofar as it relates to DTC Securities and by the laws of Belgium insofar as it relates to the Euroclear Securities. This Cayman Islands Module shall be governed by the laws of England and Wales, including its mandatorily applicable choice-of-law rules, insofar as it relates to any other Cayman Islands Module Collateral.

5.4. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with the Cayman Islands Non-Resident Investor Rules ("Proceedings"), the Cayman Islands Non-Resident Investor irrevocably: (i) submits to (A) the non-exclusive jurisdiction of the Belgium and Brazilian courts if the Proceedings do not involve a court which is bound to apply to the Proceedings under either article 17 of the 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters or under article 17 of the 1988 Lugano

Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (a “Convention Court”) and (B) the exclusive jurisdiction of the English courts if the Proceedings do involve a Convention Court; (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party; and (iii) agrees, to the extent permitted by applicable law, that the bringing of Proceedings in any one or more jurisdictions will not preclude the bringing of Proceedings in any other jurisdiction.

5.5. The Cayman Islands Non-Resident Investor irrevocably and unconditionally (i) submits to the jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this Cayman Islands Module and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.

5.6. To the extent a Cayman Islands Non-Resident Investor has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such Cayman Islands Non-Resident Investor hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this Cayman Islands Module.

5.7. THE Cayman Islands NON-RESIDENT INVESTOR HEREBY WAIVES TRIAL BY JURY IN ANY PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH, THIS Cayman Islands MODULE.

**APPENDIX VI: DEPOSIT, MAINTENANCE AND LIQUIDATION OF COLLATERAL
ABROAD – RULES AND PROCEDURES APPLICABLE TO CERTAIN
NONRESIDENT INVESTORS DOMICILED IN LUXEMBOURG**

For the purposes of this appendix VI, in case of conflict or inconsistency the English version below will prevail over the Portuguese version.

Rule Module Applicable to Luxembourg Non-Resident Investors.

This Luxembourg Module is for (i) non-resident investors who meet the eligibility criteria set forth in the B3 Clearinghouse risk management manual, as amended, supplemented or modified from time to time, and who are authorized to post collateral outside of Brazil and (ii) authorized participants (other than investors) who intermediate transactions for such investors.

1. General Provisions.

1.1. This Luxembourg Module supplements and forms a part of the Rulebook, and provides for, among other things, the granting of a security interest by the Luxembourg Non-Resident Investor to B3, Events of Default applicable to the Luxembourg Non-Resident Investor and Intermediaries and the exercise of remedies by B3 upon an Event of Default.

1.2. The Luxembourg Non-Resident Investor is required to enter into (A) an instrument adhering to the Luxembourg Non-Resident Investor Rules, including this Luxembourg Module, and, if applicable, (B) the SPPA Acceptance Agreement. Any delivery of securities, funds or Luxembourg Module Collateral in connection with, or otherwise entering into, any transaction or position by the Luxembourg Non-Resident Investor will evidence such Luxembourg Non-Resident Investor's agreement to the terms of the Luxembourg Non-Resident Investor Rules, including this Luxembourg Module, and, if applicable, the SPPA Acceptance Agreement.

2. Definitions. Terms defined in this Luxembourg Module supplement the definitions in the Rulebook. The terms "investor," "position" and "transaction" have the respective meanings assigned to such term in the Rulebook. The words "include," "includes" and "including" shall not be limiting. As used herein the following terms will have the meanings set forth below:

2.1. **AIF** means an alternative investment fund pursuant to the AIFM Law.

2.2. **AIFM Law** means the law of 12 July 2013 on alternative investment fund managers.

2.3. **B3** means B3 S.A. – Brasil, Bolsa, Balcão.

- 2.4. **B3 Representative** means any officer, affiliate, employee or agent of B3, but does not include any Intermediary.
- 2.5. **Collateral Directive** means the directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements.
- 2.6. **Collateral Law** means the law of 5 August 2005 on financial collateral arrangements implementing the Collateral Directive into Luxembourg law.
- 2.7. **Company Insolvency Proceedings** means (i) bankruptcy (*faillite*) within the meaning of Articles 437 ff. of the Luxembourg Commercial Code, (ii) suspension of payments (*sursis de paiement*) within the meaning of Articles 593 ff. of the Luxembourg Commercial Code, (iii) controlled management (*gestion contrôlée*) within the meaning of the grand ducal regulation of 24 May 1935 on controlled management and (iv) voluntary arrangement with creditors (*concordat préventif de la faillite*) within the meaning of the law of 14 April 1886 on arrangements to prevent bankruptcy.
- 2.8. **DTC Pledgee Account** means an account opened in B3's name (or the name of any predecessor of B3) with the Depository Trust Company.
- 2.9. **DTC Securities** means securities delivered to the DTC Pledgee Account.
- 2.10. **Eligibility Criteria** means the eligibility criteria set forth in the Rulebook or the B3 clearinghouse risk management manual, as amended, supplemented, or modified from time to time, that the Luxembourg Non-Resident Investor must satisfy to post collateral to B3 outside Brazil.
- 2.11. **Euroclear** means Euroclear Bank SA/NV.
- 2.12. **Euroclear Agreement** means, as applicable, (1) the Multi Pledgor Pledged Account Terms and Conditions, Pledgee's Representative Version, together with the Agreement to the Multi Pledgor Pledged Account Terms and Conditions executed by B3 and governing the MPPA, each as amended, supplemented, replaced or modified from time to time; and/or (2) the Single Pledgor Pledged Account Terms and Conditions (Pledgee's Representative Version) among the Luxembourg Non-Resident Investor as pledgor, B3 as pledgee and Euroclear with respect to the SPPA, as amended, supplemented, replaced or modified from time to time.
- 2.13. **Euroclear Pledgee Account** means the MPPA and/or the SPPA, as applicable.
- 2.14. **Euroclear Securities** means securities delivered to any Euroclear Pledgee Account.
- 2.15. **Event of Default** means the occurrence of an Insolvency Default or Non-Insolvency Default.

- 2.16. **FCP** means a fonds commun de placement, i.e. an undivided collection of assets made up and managed by a management company on behalf of joint owners who are liable up to the amount contributed by them and whose rights are represented by units.
- 2.17. **Financial Institutions** means credit institutions (*établissements de crédit*) within the meaning of Article 1.12 of the Financial Sector Law.
- 2.18. **Financial Institutions Insolvency Proceedings** means (i) suspension of payments (*sursis de paiement*), as provided for in Article 122 ff. of the Financial Sector Insolvency Law and (ii) judicial winding-up (*liquidation judiciaire*), as provided for in Article 129 ff. of the Financial Sector Insolvency Law.
- 2.19. **Financial Sector Insolvency Law** means the law of 18 December 2015 on the reorganisation and winding-up of financial institutions.
- 2.20. **Financial Sector Law** means the law of 5 April 1993 on the financial sector.
- 2.21. **Fund** means (i) a SICAV, (ii) a SICAF, (iii) an FCP, each subject to any of (a) the UCI Law, (b) the SIF Law, (c) the SICAR Law or (d) the RAIF Law.
- 2.22. **Insolvency Default** means a Luxembourg Non-Resident Investor or Intermediary (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof, (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger), (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains

possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter, (8) is subject to any Insolvency Proceedings, (9) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (8) above (inclusive), or (10) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

2.23. **Insolvency Proceedings** means the Company Insolvency Proceedings, the Financial Institutions Insolvency Proceedings, the RAIFs Insolvency Proceedings, the SICARs Insolvency Proceedings, the SIFs Insolvency Proceedings, the UCIs Insolvency Proceedings and the UCITS Insolvency Proceedings.

2.24. **Insolvency Regulation** means the regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

2.25. **Intermediary** means any “authorized participant” (as defined in the Rulebook), other than the Luxembourg Non-Resident Investor, that is liable for settling the obligations deriving from the transactions of the Luxembourg Non-Resident Investor.

2.26. **Luxembourg Module** means these rules.

2.27. **Luxembourg Module Collateral** means all commodity contracts, financial assets, security entitlements, and other investment property (each of the foregoing as defined in the UCC), including the DTC Securities and the Euroclear Securities, securities, money (including funds on deposit in any deposit account) and other property, in each case, delivered by the Luxembourg Non-Resident Investor or any agent of such Luxembourg Non-Resident Investor to or for the benefit of B3 outside Brazil, pursuant to the Luxembourg Non-Resident Investor Rules or in connection with any transaction or position, and all proceeds of any of the foregoing.

2.28. **Luxembourg Non-Resident Investor** means an investor that has delivered Luxembourg Module Collateral to or for the benefit of B3.

2.29. **Luxembourg Non-Resident Investor Rules** means this Luxembourg Module and the Rulebook.

2.30. **MPPA** means the multi pledgor pledged account opened in B3’s name (or the name of any predecessor of B3) with Euroclear.

2.31. **Non-Insolvency Default** means, other than an Insolvency Default, (1) any default, event of default, termination event or other similar event or condition (howsoever described) under the Luxembourg Non-Resident Investor Rules, including, without limitation, any “default,” as defined in the Rulebook, (2) any representation or warranty set forth in the Rulebook or this Luxembourg Module made or repeated, or deemed to have been made or repeated by the Luxembourg Non-Resident Investor proves to have been incorrect, incomplete or misleading in any respect when made or repeated, or deemed to have been made

or repeated; or (3) any breach of any agreement or obligation set forth in the Rulebook or this Luxembourg Module.

2.32. **RAIF Law** means the law of 23 July 2016 on reserved alternative investment funds.

2.33. **RAIFs** means (i) a SICAV, (ii) a SICAF or (iii) a FCP, in each case that is subject to the RAIF Law, including RAIFs qualifying as AIFs.

2.34. **RAIFs Insolvency Proceedings** means dissolution and winding-up (dissolution et liquidation), as provided for in Article 35 of the RAIF Law.

2.35. **Rulebook** means the B3 Clearinghouse Rules, as supplemented by any related operating procedures, risk manuals, circular letters or any other document or instrument issued by B3 (other than this Luxembourg Module or any other rule module for a non-Brazilian jurisdiction), and as each of the foregoing may be amended, supplemented, replaced or modified from time to time.

2.36. **SICAF** means an investment company with fixed capital (*société d'investissement à capital fixe*).

2.37. **SICAR Law** means the law of 15 June 2004 relating to the investment company in risk capital.

2.38. **SICARs** means (i) a SICAV or (ii) a SICAF, in each case that is subject to the SICAR Law, including SICARs qualifying as AIFs.

2.39. **SICARs Insolvency Proceedings** means (i) suspension of payments (*sursis de paiement*), as provided for in Article 18 of the SICAR Law and (ii) dissolution and winding-up (dissolution et liquidation), as provided for in Article 19 of the SICAR Law.

2.40. **SICAV** means an investment company with variable capital (*société d'investissement à capital variable*).

2.41. **SIF Law** means the law of 13 February 2007 relating to specialised investment funds.

2.42. **SIFs** means (i) a SICAV, (ii) a SICAF or (iii) a FCP, in each case that is subject to the SIF Law, including SIFs qualifying as AIFs.

2.43. **SIFs Insolvency Proceedings** means (i) suspension of payments (*sursis de paiement*), as provided for in Article 46 of the SIF Law and (ii) dissolution and winding-up (dissolution et liquidation), as provided for in Article 47 of the SIF Law.

2.44. **SPPA** means the single pledgor pledged account opened in B3's name (or the name of any predecessor of B3) with Euroclear for the purposes of holding only the Luxembourg Module Collateral posted by the Luxembourg Non-Resident Investor.

2.45. **SPPA Acceptance Agreement** means an acceptance agreement to Euroclear's Single Pledgor Pledged Account Terms and Conditions (Pledgee's Representative Version) among the Luxembourg Non-Resident Investor as pledgor, B3 as pledgee and Euroclear with respect to the SPPA, as amended, supplemented, replaced or modified from time to time.

2.46. **UCC** means the Uniform Commercial Code as in effect in the State of New York from time to time.

2.47. **UCI Law** means the law of 17 December 2010 relating to undertakings for collective investment.

2.48. **UCIs** means (i) a SICAV, (ii) SICAF or (iii) a FCP, in each case that is subject to Part II of the UCI Law, including UCIs qualifying as AIFs.

2.49. **UCIs Insolvency Proceedings** means (i) suspension of payments (*sursis de paiement*), as provided for in Article 142 (3) of the UCI Law and (ii) dissolution and winding-up (*dissolution et liquidation*), as provided for in Article 143 (1) of the UCI Law.

2.50. **UCITS** means (i) a SICAV or (ii) a FCP, in each case that is subject to Part I of the UCI Law.

2.51. **UCITS Insolvency Proceedings** means (i) suspension of payments (*sursis de paiement*), as provided for in Article 142 (3) of the UCI Law and (ii) dissolution and winding-up (*dissolution et liquidation*), as provided for in Article 143 (1) of the UCI Law.

3. Luxembourg Module Collateral.

3.1. The Luxembourg Non-Resident Investor hereby grants a continuing first priority / first ranking security interest in all Luxembourg Module Collateral to B3, acting for itself and as representative of each Intermediary, as security for the payment and performance by such Luxembourg Non-Resident Investor of all of its obligations to B3 and each Intermediary arising under or in connection with the Luxembourg Non-Resident Investor Rules and any transaction or position.

3.2. Nothing in this Luxembourg Module shall supersede or amend any eligibility criteria or any other conditions of acceptance of assets as Luxembourg Module Collateral set forth in the Rulebook, and no assets may be delivered as Luxembourg Module Collateral under these Luxembourg Non-Resident Investor Rules that fail to meet such criteria or other conditions of acceptance unless expressly approved by B3. The Luxembourg Non-Resident Investor acknowledges and agrees that any Luxembourg Module Collateral delivered to B3 is subject to the criteria, restrictions, requirements, limitations, conditions, rules, procedures and operations applicable to collateral (as defined in the Rulebook) as set forth in the Rulebook,

and that such criteria, restrictions, requirements, limitations, conditions, rules, procedures and operations may not be the same as for collateral (as defined in the Rulebook) delivered by other types of investors.

3.2.1. The Luxembourg Non-Resident Investor agrees to deliver Luxembourg Module Collateral when and as required by B3 in accordance with the Luxembourg Non-Resident Investor Rules. The Luxembourg Non-Resident Investor, on each date that any transaction or position is outstanding and on each day that it delivers Luxembourg Module Collateral to B3, represents and warrants that:

3.2.2. it is duly organized and validly existing under the laws of its jurisdiction of organization;

3.2.3. it has irrevocably and unconditionally agreed to be bound by the Rulebook;

3.2.4. it is solvent and not subject to any Insolvency Proceedings or any similar proceedings under applicable law;

3.2.5. it entered into this Luxembourg Module (i) in good faith and for the purpose of carrying out its business, (ii) on arms' length commercial terms, and (iii) without any intention to defraud or deprive of any legal benefit any other parties (such as third parties and, in particular, creditors) or to circumvent any applicable mandatory laws, rules or regulations of any jurisdiction;

3.2.6. the entry into this Luxembourg Module and the performance of any rights and obligations under this Luxembourg Module are in its best corporate interests, fall within its corporate object/purpose and do not constitute an abuse of corporate assets;

3.2.7. it has the power, capacity and corporate authority to grant a security interest in all Luxembourg Module Collateral it delivers to B3 and has taken all necessary actions to authorize the granting of a security interest;

3.2.8. it has full legal title to, and is the sole owner of or otherwise has the right to deliver all Luxembourg Module Collateral it delivers to B3, free and clear of any security interest, lien, encumbrance, claim, charge, mortgage, assignment, pledge, attachment or other restrictions other than the security interest granted to B3; and

3.2.9. it satisfies the Eligibility Criteria.

3.3. The Luxembourg Non-Resident Investor agrees to provide notice to or cause notice to be provided to each Intermediary of (i) the occurrence of any event or change in circumstance that has adversely affected or may adversely affect the ability of the Luxembourg Non-Resident Investor to satisfy the Eligibility Criteria and (ii) the Luxembourg Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in the case of (i), no later than the date the Luxembourg Non-Resident Investor becomes aware of the relevant event or change of circumstance or that such event or change in circumstance is reasonably likely to occur,

and in the case of (ii), no later than the date the Luxembourg Non-Resident Investor ceases to satisfy the Eligibility Criteria.

3.4. The Luxembourg Non-Resident Investor acknowledges and agrees that (i) B3 will have no duties or responsibilities with respect to the Luxembourg Module Collateral (including, without limitation, any duty to collect any distributions or enforce or preserve any rights pertaining thereto), other than those expressly set forth in the Luxembourg Non-Resident Investor Rules; and (ii) in no event shall B3 be liable for special, indirect or consequential damages arising in connection with the Luxembourg Non-Resident Investor Rules.

3.5. To the extent permitted by applicable law, the Luxembourg Non-Resident Investor acknowledges and agrees that it shall retain any and all risk of loss of the Luxembourg Module Collateral and that in no event shall B3 bear such risk.

3.6. The Luxembourg Non-Resident Investor agrees (i) to treat any Euroclear Pledgee Account for all purposes as a special account specifically opened for the purpose of holding Luxembourg Module Collateral and (ii) that Euroclear Securities will consist of only "financial instruments" (as defined in Article 3, 1° of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time and Article 1 (8) of the Collateral Law).

3.7. With respect to Euroclear Securities, the Luxembourg Non-Resident Investor, on each day that the Luxembourg Non-Resident Investor's Luxembourg Module Collateral includes Euroclear Securities, represents, warrants and agrees that (i) it has the full power and authority to grant the security interest in such Luxembourg Module Collateral and that it is the beneficial owner of the Luxembourg Module Collateral or that the owner of such Luxembourg Module Collateral has duly authorised it to grant the security interests in the Luxembourg Module Collateral, (ii) it authorizes Euroclear to accept any instructions of B3 with respect to the Euroclear Securities, including instructions to deliver Euroclear Securities or any proceeds thereof to any account or person, whether or not outside the control of Euroclear, (iii) it authorizes Euroclear to treat B3 as being fully and irrevocably authorized by it to exercise all subscription, voting and other rights with respect to the Euroclear Securities, (iv) it shall provide to B3 or Euroclear such certifications or documentation, accurately and fully completed, by it or the beneficial owners of the Euroclear Securities (if different from it), in order to obtain payment of principal or income, or to obtain exemption from or reduction or refund of withholding tax, on any Euroclear Securities, and (v) it hereby indemnifies B3 for any damages resulting from its incorrect or untrue representation or warranty or its breach of agreement.

3.8. Each Intermediary acknowledges and appoints B3 as its representative on its behalf in connection with any security interest in any Luxembourg Module Collateral created pursuant to the Luxembourg Non-Resident Investor Rules (including, without limitation, within the meaning of Article 5 of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time, for the purposes of holding on behalf of such Intermediary any Luxembourg Module Collateral delivered to any Euroclear Pledgee Account) as security for the payment or performance by Luxembourg Non-Resident Investors of all their obligations to the Intermediary arising under or in connection with the Luxembourg Non-Resident Investor Rules or any

transaction or position. Each Intermediary represents and warrants that it has the power and authority to adhere to the Luxembourg Non-Resident Investor Rules, including any rules relating to any Luxembourg Module Collateral, and to enter into any agreements or arrangements, including any pledge agreement, pursuant to the Luxembourg Non-Resident Investor Rules.

3.9. Each Intermediary acknowledges and agrees that, to the extent permitted by applicable law, B3 (i) shall have no duties or responsibilities other than those expressly set forth in the Luxembourg Non-Resident Investor Rules, (ii) shall not be responsible to any Intermediary for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Luxembourg Module Collateral or any related document referred to or provided for in the Luxembourg Non-Resident Rules or for any failure by any Luxembourg Non-Resident Investor or any other person to perform any of its obligations under the Luxembourg Non-Resident Investor Rules, and (iii) shall not be responsible for any action taken or omitted to be taken by B3 under the Luxembourg Non-Resident Investor Rules, and in no event shall B3 be liable for special, indirect or consequential damages arising in connection with the Luxembourg Non-Resident Investor Rules. Further, each Intermediary authorizes B3 to execute and deliver any Euroclear Agreement and to take all actions authorized by such Euroclear Agreement for such Intermediary's account.

3.10. Each Intermediary acknowledges and agrees that (i) its security interest in any Luxembourg Module Collateral, whether created under the Luxembourg Non-Resident Investor Rules or otherwise, is subject and subordinate to any security interest in such Luxembourg Module Collateral in favor of B3, (ii) it shall have no right to exercise or direct the exercise of any remedies provided for in this Luxembourg Module in respect of any transaction or position or any Luxembourg Module Collateral and (iii) it waives any rights of subrogation to any claims against any Luxembourg Non-Resident Investor with respect to any transactions or positions or any Luxembourg Module Collateral.

3.11. Each Intermediary, on each date that any transaction or position of the Luxembourg Non-Resident Investor is outstanding and on each day that the Luxembourg Non-Resident Investor delivers Luxembourg Module Collateral to B3, represents and warrants that the Luxembourg Non-Resident Investor satisfies the Eligibility Criteria. Each Intermediary represents and warrants that it has verified that (i) the Luxembourg Non-Resident Investor satisfies the Eligibility Criteria; and (ii) all representations and warranties granted by the Luxembourg Non-Resident Investor in this Luxembourg Module are and remain at all times correct and not misleading.

3.12. Each Intermediary agrees to provide notice to B3 of (i) any event or change in circumstance that may adversely affect the ability of the Luxembourg Non-Resident Investor to satisfy the Eligibility Criteria and (ii) the Luxembourg Non-Resident Investor's ceasing to satisfy the Eligibility Criteria, in either case, within [one (1)] day of such Intermediary's becoming aware of such relevant event, change of circumstance or cessation or that such event, change in circumstance or cessation is reasonably likely to occur.

3.13. The Luxembourg Non-Resident Investor represents, warrants and agrees that its head office (*administration centrale*) and the place of effective management (sieg de direction effective) and (for the purposes of the Insolvency Regulation) the centre of main interests (*centre des intérêts principaux*) and the establishment (*établissement*) of the Luxembourg Non-Resident Investor are located at the place of its registered office (*siège statutaire*) in Luxembourg and that the central administration of any Fund is effectively carried out in the Grand Duchy of Luxembourg.

3.14. The Luxembourg Non-Resident Investor represents, warrants and agrees that (a) the Luxembourg Module Collateral includes “avoirs” (as defined in Article 1 (1) of the Collateral Law) only and (b) under the laws of Belgium or the laws of the State of New York, as applicable, (i) a right in rem is created in favor of B3 over the Luxembourg Module Collateral, (ii) B3 receives the possession or control of the Luxembourg Module Collateral, (iii) B3 has the obligation to re-transfer the possession or control of the Luxembourg Module Collateral back to the Luxembourg Non-Resident Investor once the obligations secured by the security interests created pursuant to this Luxembourg Module are fully discharged and (iv) the obligations secured by the security interests created pursuant to this Luxembourg Module are monetary payment obligations only.

3.15. The Luxembourg Non-Resident Investor authorizes B3 to use and dispose of the Luxembourg Module Collateral in the cases and terms described in the Rulebook, as if it were the owner thereof in order to obtain liquidity, including, through the liquidity fund as set forth in title II, chapter IV, section V of the Rulebook. Such right of utilization by B3 (including, without limitation, within the meaning of Article 11 of the Belgian Financial Collateral Law of December 15, 2004, as amended from time to time) includes the right to sell, lend, pledge, assign, invest, use, commingle or otherwise dispose of or otherwise use the Luxembourg Module Collateral, free from any claim or right of any nature whatsoever of the Luxembourg Non-Resident Investor, in the cases and terms described in the Rulebook. Nothing in this section relieves B3 of any obligation under applicable law to return the Luxembourg Module Collateral to the DTC Pledgee Account or the Euroclear Pledgee Account.

4. Remedies. If B3 has determined that an Event of Default has occurred with respect to the Luxembourg Non-Resident Investor or an Intermediary (as determined by B3 in B3’s sole discretion or based on information communicated to B3 by an Intermediary), B3 and any designated representative of B3, shall, notwithstanding the exercise of any remedies or other action taken by any Intermediaries, (i) have all the rights and remedies provided to a secured party under the UCC or any other applicable law, (ii) have all rights available to it under the Rulebook, (iii) have any rights otherwise available to it under any other agreement or applicable law and (iv) be entitled to, at its option, (and without notice to such Luxembourg Non-Resident Investor or applicable Intermediaries) exercise any or all of the following rights and remedies provided in this Section 4:

4.1. (i) liquidate, terminate, accelerate or otherwise close out any or all of such Luxembourg Non-Resident Investor's transactions and positions and treat any or all obligations owing to B3 under the Luxembourg Non-Resident Investor Rules as immediately due and payable, (ii) on or following the date of B3's determination that an Event of Default has occurred, determine the net amount of the losses, damages, expenses, costs realized, incurred or payable by B3 (including all fees, including reasonable attorneys' fees, expenses, taxes and commissions) and gains, as applicable, that are or would be realized or incurred by B3 in connection with or as a result of such Event of Default and B3's or any Intermediaries' exercise of rights or remedies in respect thereof, (iii) net and set off any obligation, including any obligation with respect to the Luxembourg Module Collateral or other property, of B3 to such Luxembourg Non-Resident Investor, against any of such Luxembourg Non-Resident Investor's obligations to B3 (whether or not any of such obligations are matured, unmatured, unliquidated or contingent and irrespective of the currency of such obligations), and (iv) enforce the security interest in the Luxembourg Module Collateral granted pursuant to Section 3 of this Luxembourg Module by, in its sole discretion, (A) selling, on or following the date of B3's determination that an Event of Default has occurred, in a recognized market at such price or prices as B3 deems reasonably satisfactory any or all non-cash Luxembourg Module Collateral and applying the proceeds thereof and the amount of any cash Luxembourg Module Collateral to such Luxembourg Non-Resident Investor's obligations to B3 and/or any Intermediaries and/or (B) in lieu of selling all or a portion of such non-cash Luxembourg Module Collateral, appropriating all or a portion of such Luxembourg Module Collateral and applying the market value thereof at the time of appropriation (as determined by B3 in its sole discretion) to such Luxembourg Non-Resident Investor's obligations to B3 and/or any Intermediaries.

4.2. The Luxembourg Non-Resident Investor shall be liable to B3 for the amount equal to the amount by which the aggregate of the losses, damages, expenses and costs referenced in Section 4.1(ii) exceeds the aggregate of (i) the gains referenced in Section 4.1(ii), (ii) the proceeds of any non-cash Luxembourg Module Collateral applied pursuant to Section 4.1(iv)(A), (iii) the amount of any cash Luxembourg Module Collateral applied pursuant to Section 4.1(iv)(A), and (iv) the value of the Luxembourg Module Collateral appropriated pursuant to Section 4.1(iv)(B), in each case as determined in accordance with Section 4.1. If the aggregate of the gains referenced in Section 4.1(ii), the proceeds of any non-cash Luxembourg Module Collateral applied pursuant to Section 4.1(iv)(A), the amount of any cash Luxembourg Module Collateral applied pursuant to Section 4.1(iv)(A), and the value of the Luxembourg Module Collateral appropriated pursuant to Section 4.1(iv)(B) exceeds the aggregate of (a) the losses, damages, expenses and costs referenced in Section 4.1(ii) and (b) any amounts owing to the relevant Intermediaries, then B3 shall be obligated to remit such excess in accordance with the Rulebook within a reasonable time frame after the Luxembourg Non-Resident Investor provides to B3 a full release (reasonably acceptable to B3 and conditional only on the foregoing payment) of all liability of B3 under or in connection with the Luxembourg Non-Resident Investor Rules and any transaction or position.

4.3. Interest on any amounts due to B3 shall accrue and be payable in accordance with the Rulebook.

4.4. In the event that the Luxembourg Non-Resident Investor or an Intermediary notifies B3 in accordance with Section 3.4 or 3.13, B3 shall be entitled to require the Luxembourg Non-Resident Investor to post collateral in accordance with the terms of the Rulebook, terminate any transaction or position of the Luxembourg Non-Resident Investor, exercise any right or remedy under this Section 4 as though an Event of Default has occurred and take such other actions it deems necessary or appropriate.

4.5. In the event that any obligation to B3 (including, for the avoidance of doubt, any judgment or order) is denominated in a currency different from another obligation to B3, for the purpose of exercising its rights and remedies under the Luxembourg Non-Resident Investor Rules, B3 may convert one obligation into the currency in which the other is denominated at the rate of exchange at which B3 would be able to purchase the relevant amount of such currency. Furthermore, if an obligation is unliquidated, contingent or otherwise unascertained, B3 may in good faith estimate such obligation for the purposes of applying its rights of netting and set off under the Luxembourg Non-Resident Investor Rules.

4.6. The rights and remedies provided to B3 in this Luxembourg Module are cumulative and not exclusive of any rights or remedies provided by law or the Rulebook. Any rights and remedies provided to B3 by this Luxembourg Module that are additional to or more expansive than those provided by law or the Rulebook (including, without limitation, those covering the same subject matter) shall be construed so as not to conflict with each other, and all such provisions and remedies shall be applicable and available to B3.

4.7. Each Intermediary shall, to the maximum extent permitted by law, indemnify, protect and hold harmless B3 and each B3 Representative from and against any and all losses, liabilities, claims, damages, expenses, penalties, costs (including reasonable attorneys' fees) or taxes when and as incurred by, or asserted against, B3 and each B3 Representative, in each case, on an after-tax basis resulting from, arising out of or in connection with any matter relating to any provision of this Luxembourg Module, including in case of breach of its duties and responsibilities and in case any of the representations or warranties set forth in the Rulebook or this Luxembourg Module made or repeated or deemed to have been made or repeated by such Intermediary prove to have been incorrect, incomplete or misleading in any respect.

5. Miscellaneous.

5.1. Subject to Section 4.5, if there is an inconsistency between this Luxembourg Module and the Rulebook, then except as otherwise provided for in this Luxembourg Module, this Luxembourg Module shall govern.

5.2. All notices provided for herein shall be in writing and electronically mailed to [garantias@b3.com.br], or such other address as B3 shall provide from time to time. B3 shall be entitled to rely upon, and shall not have any liability for any action taken pursuant to this Luxembourg Module on the basis of, any notice received by B3 and believed in good faith by B3 to be from the Luxembourg Non-Resident Investor or an Intermediary.

5.3. The rights and obligations under this Luxembourg Module in respect of the Euroclear Securities, the proprietary rights/in rem aspects of the security interests created over the Euroclear Securities and any non-contractual obligations arising out of or in connection with this Luxembourg Module in respect of the Euroclear Securities are governed by the laws of Belgium.

5.4. Without prejudice to Section 5.3, this Luxembourg Module and the rights and obligations under this Luxembourg Module in respect of the DTC Securities, the proprietary rights/in rem aspects of the security interests created over the DTC Securities and any non-contractual obligations arising out of or in connection with this Luxembourg Module in respect of the DTC Securities are governed by the laws of the State of New York.

5.5. To the extent neither Section 5.3 nor Section 5.4 applies, this Luxembourg Module shall be governed by the laws of the State of New York.

5.6. The Luxembourg Non-Resident Investor irrevocably and unconditionally submits to the jurisdiction of any court in Belgium, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this Luxembourg Module relating to the Euroclear Securities and the proprietary/in rem aspects of the security interests created over the Euroclear Securities and (B) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.

5.7. Without prejudice to Section 5.6, the Luxembourg Non-Resident Investor irrevocably and unconditionally: (A) submits to the jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce (i) its obligations under this Luxembourg Module and (ii) its obligations relating to the DTC Securities and the proprietary/in rem aspects of the security interests created over the DTC Securities and (B) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.

5.8. To the extent a Luxembourg Non-Resident Investor has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such Luxembourg Non-Resident Investor hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this Luxembourg Module.

5.9. THE LUXEMBOURG NON-RESIDENT INVESTOR HEREBY WAIVES TRIAL BY JURY IN ANY PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH, THIS LUXEMBOURG MODULE.