FOREIGN EXCHANGE RISK MANAGEMENT POLICY - GRUPO SBF S.A.

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1 OBJECTIVE, INITIAL INFORMATION, AND VALIDITY

1.1. The objective of this Foreign Exchange Risk Management Policy ("Policy") is to (i) assess the impact of foreign currency on operations conducted by the subsidiary of Grupo SBF S.A. ("Company") responsible for import operations of products designated by the "NIKE" brand, which shall adopt the corporate name "FISIA Comércio de Produtos Esportivos Ltda." ("FISIA"); and (ii) establish the protection strategy, defining permitted financial instruments (hedge instruments) and limits.

1.2. The term of this Policy is up to two years, and may be automatically renewed, one time only, for an equal period of time.

2 PURPOSE AND SCOPE

2.1. This Policy is an integral part of the Company's Risk Management Policy approved at the Meeting of the Company's Board of Directors held on February 15, 2019; therefore, it must be followed in conjunction with said policy.

2.2. This Policy applies to the operations of FISIA, a subsidiary of the Company.

2.3. This Policy sets out the guidelines for the Company's foreign exchange risk management functions, the roles and responsibilities of the bodies, limits on the use of derivative financial instruments, and their application for hedging purposes ("Hedge Operations").

3 RISK DEFINITION

3.1. **Risk:** possibility of an event occurring and having an impact on the objectives of organizations, projects or activities of the Company as a whole, being measured in terms of consequences and probability.

3.2. **Foreign Exchange Risk:** risk that is due to the fluctuation of market prices of foreign exchange rates, which include but are not limited to:

- ✓ Risks coming from FISIA's operations, from revenues, costs, operating expenses, investments, contracts, and commercial transactions;
- ✓ Risks related to existing operations and firm commitments, as well as those related to expected and highly probable future transactions;

3.3. **Exposure**: Exposure to foreign exchange risk can be represented by a monetary value subject to the exchange rate that best represents the economic or financial effect that a change in price may have.

4 OBJECTIVES OF THE IMPLEMENTATION OF FOREIGN EXCHANGE RISK MANAGEMENT

4.1. The primary objectives of implementing this Policy are as follows:

- ✓ Restrict the unexpected difference due to unfavorable conditions arising from Foreign Exchange Risks, which would affect the earnings of a particular period;
- ✓ Protect FISIA's cash flows within a given time frame, as well as the operating results (cost of inventory);
- ✓ Serve as a hedging strategy and economic basis for applying special accounting (hedge accounting), according to an internal document defined for this purpose.

4.2. The secondary objectives of foreign exchange risk management are:

- ✓ Reduce fluctuations in income statements, from each period to the following period;
- ✓ Reduce uncertainty about foreign currency flow;
- ✓ Reduce uncertainty about the cash balance on any date, at the Company's discretion;

5 ROLES AND RESPONSIBILITIES

5.1. Board of Directors:

- ✓ Approve this Policy, as well as revisions and renewals;
- ✓ Approve the coverage limits, according to the internal strategic document defined for such purpose, filed with the Company's Audit Committee.

5.2. Audit Committee

- ✓ Monitor the implementation of and compliance with this Policy.

5.3. Financial/Treasury Executive Board

- ✓ Track and implement the content of this Policy;
- ✓ Disclose this Policy to whomever it may concern;
- ✓ Propose improvements, changes and timely review, as well as ensure that the Policy is approved and in force;
- ✓ Identify, measure and deal with Foreign Exchange Risks;
- ✓ Quote and evaluate requests from the business areas for derivatives that involve financial institutions as a counterparty;
- ✓ Monitor market transactions vis-à-vis the cash flow of the Company and its subsidiaries, which may be affected by market volatility.

- ✓ Analyze and assess the integrity and adequacy of the Company's foreign exchange risk management functions, including administrative processes and organizational frameworks (with the possibility of promoting changes in this Policy);
- ✓ Calculate the currency exposure of accounts payable, import taxes, royalties and marketing fees.

5.4. Controllership Department / Planning & Financial Analysis Area

- ✓ Inform about the planning of purchases of imported materials, up to the moment of its effective confirmation;
- ✓ Supply the Company's Financial Department with the information necessary to allow adequate exchange risk management.

5.5. Foreign Exchange Risk Management

- ✓ Foreign Exchange Risk Management is the set of controls and actions, not an isolated event or contained in a single area, aimed at identifying, measuring and assessing the risks to which FISIA (a subsidiary of the Company) is subject, always with the purpose of mitigating the effects not expected from the market.

6 DERIVATIVE FINANCIAL INSTRUMENTS

6.1. A derivative financial instrument ("Derivative") is a contract that simultaneously fulfills the following three conditions:

- ✓ subject to future settlement;
- ✓ the contract must be referenced to a price, a change in which modifies the value of the rights and/or obligations provided for in the contract;
- ✓ the contract must be entered into with little or no upfront payment.

6.2. The Company may use derivatives to exclusively carry out Hedge Operations;

- ✓ To do so, the following items must be observed:
  - – Currency swap contracts;
  - – Futures contracts (standardized and over-the-counter) and NDF (non-deliverable forwards) of currencies;
  - – Strategies that use call option contracts;
  - – Any instrument, operation or strategy that, alone or in combination with others, creates any type of leverage or contains contractual provisions that make it leveraged, is strictly prohibited;

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– For commercial contracts with embedded derivative instruments, the derivative instruments must comply with the list and rules described.

✓ Additionally, the following limits shall be observed:
   – Maximum maturity period of 12 months for Hedge Operations.

7 POLICY APPLICATION AND LIMITS

7.1. The Company is exposed to foreign exchange rate risk arising from various activities and transactions, including:

✓ Purchase of products for resale;
✓ Checking account and financial investments;
✓ Borrowings and financing:
✓ Accounts receivable and payable;
✓ Other assets and liabilities in foreign currencies.

7.2. FISIA has additional limits to be observed in the execution of Hedge Operations, which must be observed according to the internal strategic document filed with the Company's Audit Committee, which are approved from time to time by the Company's Board of Directors pursuant to Item 5.1 herein.

8 APPENDIX

8.1. Sensitivity analysis

✓ Sensitivity to changes in any risk factor is determined by the relationship between the change in the price of an asset or portfolio in relation to a certain change in a risk factor that affects its price.

✓ The procedure for determining sensitivity to changes in a given risk factor is simply to apply the changes to the risk factor in the pricing an asset or portfolio, and observing its impact on the value of that portfolio.

✓ CVM Instruction 475 of December 17, 2008 requires an entity to demonstrate the impact of derivative operations on income and equity. This impact should be evidenced in three scenarios:

   — Probable scenario;
   — Pessimistic scenario (25% deviation);
   — Catastrophic scenario (50% deviation);

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- ✓ In the case of the Hedge Operations mentioned in this document, for each hedged risk and for each scenario, the Company must include a line to evidence the hedged exposure and another to evidence the hedge instrument.

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