

October 31, 2023  
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## CIRCULAR LETTER

Listed B3 Participants

Re.: **Launch of Weekly-Expiring Call and Put Options on Single Stocks, Units, ETFs and BDRs – Call Options**

We hereby inform you that as of **January 29, 2024**, Weekly-Expiring Call and Put Options on Single Stocks, Units, ETFs and BDRs will be available for trading.

The contracts' specifications and trading hours are available at [www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Trading, Equities/ETFs/BDRs, Options, Weekly Options.

The fee policy for these contracts is set out at [www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Fee schedules, Listed equities and derivatives, Equities, Equities and Investment Funds, Equity Options/ETF Options/BDR Options.

The manner of processing corporate actions is described in detail in the B3 Clearinghouse Operating Procedures Manual, at [www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Regulation, Regulatory framework, Regulations and manuals, Clearing, settlement and risk management, Access the documents, B3 Clearinghouse.

Option series will only be opened for assets authorized by B3. The list of series that are authorized for trading is available at [www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products

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and Services, Trading, Equities, Equities/ETFs/BDRs. Options, Weekly Options, Available Tickers.

Further information can be obtained from the Listed Products and Data Department by telephone on +55 11 2565-7748 or by email at [derivativosequities@b3.com.br](mailto:derivativosequities@b3.com.br), or from the Electronic Trading Department by email at [tradingsupport@b3.com.br](mailto:tradingsupport@b3.com.br) and [trading@b3.com.br](mailto:trading@b3.com.br).

Gilson Finkelsztain  
Chief Executive Officer

José Ribeiro de Andrade  
Chief Product and Client Officer

## Annex I to CIRCULAR LETTER 181/2023-PRE

### Weekly-Expiring Call Options on Singles Stocks, Units, ETFs and BDRs

#### 1. Contract information

<b>Underlying</b>	These are Call Options on Single Stocks, Units or Investment Fund Shares, Exchange Traded Funds (ETFs) and Brazilian Depositary Receipts (BDRs) admitted for trading on the exchange market of B3 S.A. – Brasil, Bolsa, Balcão (B3) (underlying assets) which grant the holder the right to buy the underlying from the writer.
<b>Parties to the contract</b>	Holder: option buyer who has the prerogative to buy the underlying asset of the option  Writer: option seller who assumes the obligation to sell the underlying asset of the option upon exercise by the holder.
<b>Premium</b>	Purchase value of the option, paid by the holder to the writer, expressed in Brazilian Reals for a unit or lot of the underlying asset, depending on the quotation factor, with up to two decimal places.  The quotation factor is published by B3 and indicates whether the underlying asset's quotation in BRL refers to a unit or a multiple of the underlying asset.
<b>Tick size</b>	BRL 0.01
<b>Contract size</b>	Quantity of the option's underlying asset

<b>Strike price</b>	Established and published by B3 expressed in Brazilian Reals per unit or lot of the underlying asset, depending on the quotation factor, with up to two decimal places.
<b>Expiration weeks</b>	Every week of the month, except the week of the third Friday of the month.
<b>Last trading day</b>	On the Expiration Date
<b>Expiration date</b>	Every Friday of the month, except the third Friday of the month.  If that date is not on a Trading Session Day, the expiration will occur on the immediately previous date when there is a trading session, pursuant to clause 6 below.
<b>Style</b>	<ul style="list-style-type: none"> <li>• European: option can only be exercised on the expiration date; or</li> <li>• American: option can be exercised as of the business day following its acquisition (T+1) up until and including the expiration date, which shall involve automatic exercise on the trading day.</li> </ul>
<b>Coverage</b>	Total or partial coverage of the option is allowed all the writer's discretion, as established in the B3 Clearinghouse Operating Procedures Manual.
<b>Margin</b>	The margin requirement criteria are established in B3's Risk Management Manual.

For the purposes of this contract, (i) "Business Day" shall be considered the day for the purposes of operations conducted in the domestic financial market, pursuant to Resolution 4880 of December 23, 2020, of the National Monetary

Council, as amended from time to time; and (ii) "Trading Session Day", any of the days on which there is a trading session at B3.

## **2. Exercise**

### **a) Manual exercise**

The option is exercised manually when the holder notifies the writer that he intends to use his right to buy the underlying asset at the strike price.

The option may be exercised even if the price of the underlying asset is lower than the strike price, but in this case B3's permission is required.

### **b) Automatic exercise**

Option exercise will be performed automatically on the expiration date whenever the difference between the underlying asset's reference price on the cash market and the option's strike price is positive (option in the money).

## **3. Contrary exercise**

If the difference between the underlying asset's reference price on the cash market and the option's strike price is negative (option out of the money) or if the difference is zero (option at the money), the holder may exercise the option by request to B3, provided the strike price is within the price tunnel, with the underlying asset's reference price as the center of the tunnel.

If the option is in the money, the holder may block automatic exercise by request to B3.

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In-the-money options with automatic exercise blocked by the holder and the writers' option positions that are not exercised will be automatically extinguished.

#### **4. Settlement of the option**

##### **a) Cash settlement of the premium**

Cash settlement of the premium occurs on the settlement date subsequent to the trade date and is calculated according to the following formula:

$$PV = \frac{P \times Q}{QF}$$

Where:

**PV** is the cash settlement value of the premium expressed in BRL and truncated to two decimal places

**P** is the premium

**Q** is the quantity of options traded

**QF** is the underlying asset's quotation factor

##### **b) Settlement of the exercised position**

Settlement of the exercised position is performed by the option holder's purchase and the writer's sale of the underlying asset at the strike price.

## **5. Treatment of corporate actions**

B3 may adjust the strike price and quantity in an amount equivalent or proportional to a corporate action, as established in the B3 Clearinghouse Operating Procedures Manual.

## **6. Special conditions**

### **a) Extraordinary Holiday**

An Extraordinary Holiday is defined as a holiday not foreseen in the national, state, or local calendar and not reflected in the calendar published by B3, established by competent authorities, which does not permit the occurrence of a trading session at B3.

When the Expiration Date is an Extraordinary Holiday, the contract's Expiration Date and reference for calculation of the premium settlement value will be postponed and will correspond to the first Trading Session Day following the Extraordinary Holiday, as described in Clause 1.

### **b) Other unforeseen situations**

In situations not foreseen in this instrument, including without limitation those deriving from measures implemented by government entities, regulators or other competent authorities, as well as any other events that directly or indirectly affect the formation, calculation, representativity, publication, availability or continuity of the underlying object or any of the variables of this contract, B3 will at its sole discretion and based on its regulations take the measures it deems necessary for the contract's cash settlement, continuity or extension on an equivalent basis.

## **7. Governing law**

This instrument is governed by and will be construed under the laws in force in the Federative Republic of Brazil.

## **8. Application of B3's rules and regulations**

All norms, rules, regulations and procedures established by B3 apply to this instrument.