

October 10, 2023
162/2023-PRE

CIRCULAR LETTER

Listed B3 Participants

Re.: **Change to the Tick Size for Call and Put Options on the Bovespa Index (IBOV11) – Put Option**

We hereby inform you that as of **November 20th, 2023**, the tick size of call and put options on the Bovespa Index will change from one to **five index points**.

The contract's other technical characteristics remain unchanged.

Participants who wish to validate the tick size change can request support at tradingcertification@b3.com.br.

The new version of the contract with this change is contained in the Annex to this Circular Letter and will be available at www.b3.com.br/en_us, Products and Services, Trading, Equities, Bovespa Index, Options, Options on Ibovespa, Put Options on Ibovespa.

Further information can be obtained from the Products Department by email at derivativosequities@b3.com.br.

Gilson Finkelsztain
Chief Executive Officer

José Ribeiro de Andrade
Chief Product and Client Officer

Annex I to CIRCULAR LETTER 162/2023-PRE

Bovespa Index Put Option Contract

1. Information

Purpose	Put Option on the Bovespa settlement Index (Ibovespa Option) calculated and disclosed by B3 S.A. – Brasil, Bolsa, Balcão (B3) (Underlying Asset), which gives the Holder the right to sell the Underlying Asset to the Writer
Parties to the Contract	“Holder”: the Option buyer who owns the option to sell the Underlying Asset of the Option “Writer”: Option writer who assumes the obligation to buy the Underlying Asset of the Option upon exercise by the Holder
Premium	Purchase value of the Option, paid by the Holder to the Writer, expressed in points, each point equivalent to BRL1.00
Tick size	5 index points

Contract size	Ibovespa multiplied by the value in reais of each point, as defined in item 'Premium'
Exercise Price	The exercise price is established and disclosed by B3 and expressed in index points
Contract Months	All months
Last Trading Day	The last trading day of the Option is the trading session immediately before the Maturity Date
Maturity date	The Wednesday closest to the 15th of the maturity month. If that day is not a Trading Session Day, the maturity will occur on the subsequent date when there is a trading session
Style	European

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 in which there is a trading session on according to the calendar released by B3.

2. Exercise

Exercise is the transaction by which the Holder, upon request, exercises the right to sell the Underlying Asset of the Option for the exercise price. Regardless of the request for exercise, the rights of the Holder and the obligations of the Writer will be automatically terminated on the maturity date of the Option.

On the maturity date of the Option, the exercise will be conducted by B3, subject to the following conditions:

- a) If the Ibovespa settlement value is less than the exercise price of the Option; and
- b) The Holder does not register in the trading system the intention not to exercise the Option on the maturity date.

3. Settlement of the Option

3.1 Premium Cash Settlement

The premium cash settlement will occur on the settlement date following the day of the negotiation and the values will be calculated according to the following formula:

$$VP = P \times M \times Q$$

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Where:

VP = premium cash settlement truncated in the second decimal place.

P = premium.

M = value in reais of each index point, as defined in clause 1 in item 'Premium';
and

Q = number of Options negotiated.

3.2. Settlement of exercised positions

Exercised positions will be cash settled exclusively. The settlement value shall be calculated according to the following formula:

$$VL = (PE - IBV) \times M \times Q$$

Where:

VL = Exercise settlement value.

IBV = Value of the settlement Ibovespa on the maturity date.

PE = Exercise price.

M = value in reais of each index point, as defined in clause 1; and

Q = number of Options negotiated.

The settlement value will be transacted on the second Trading Session Day following the maturity date.

4. Special conditions

a) Extraordinary Holiday

Extraordinary Holiday is defined as the holiday not foreseen in the domestic, 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 Maturity Date is an Extraordinary Holiday, the contract Maturity Date and reference for calculation of the premium cash settlement 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

If, for any reason, the value of the Ibovespa settlement corresponding to the Maturity Date of the contract is not disclosed, B3 may, at its discretion:

- a)** extend the official disclosure hour on the day; or
- b)** Use as settlement value a value arbitrated by it as outlined in the B3 Clearinghouse Operating Procedures Manual.

5. Margin

The margin criteria will be adopted as outlined in the B3 Clearinghouse Risk Management Manual.

6. Applicable Law

This instrument is governed by and construed in accordance with the laws in force in the Federative Republic of Brazil.

7. Application of B3 standards and regulations

All standards, regulations, rules, and procedures disclosed by B3 shall apply to this instrument.