

February 27, 2020

020/2020-PRE

C I R C U L A R L E T T E R

To: B3's Market Participants – BM&FBOVESPA Segment

Re: **Cia Brasileira de Distribuição Pão de Açúcar-CBD (PCAR4) in B3's Index Portfolios.**

B3 hereby informs you that due to the conversion of all Pão de Açúcar-CBD preferred shares (PCAR4) into common shares (PCAR3), to the proportion of one to one, the adjustment procedures described below will be adopted for the following theoretical portfolios:

- Bovespa Index (IBOV)
- Brazil 50 Index (IBrX 50)
- Valor BM&FBOVESPA Index – 2nd Tier (IVBX 2)
- Midlarge Cap Index (MLCX)
- Brazil Broad-Based Index (IBrA)
- Corporate Governance Trade Index (IGCT)
- Brazil 100 Index (IBrX 100)
- BM&FBOVESPA Consumer Stock Index (ICON)
- Carbon Efficient Index (ICO2)
- Special Corporate Governance Equity Index (IGC)

At the end of trading on **February 28, 2020**, preferred shares of the company (PCAR4) will be excluded from the portfolios of the above indices and common shares (PCAR3) will be included at the price of the last executed transaction, with the same theoretical quantity of PCAR4, except for the Special Corporate Governance Equity Index (IGC), whose quantity will be multiplied by a governance factor of two.

Due to the start of trading on March 2, 2020 of Pão de Açúcar-CBD (PCAR3), in the Novo Mercado Segment and with a Tag Along of 100%, the common shares

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will also be included in the Novo Mercado Corporate Governance Equity Index (IGC-NM) and in the Special Tag-Along Stock Index (ITAG).

The above procedures mean that only the divisors of the ITAG, IGC-NM and IGCX indices will be adjusted.

Please note that according to the *BM&FBOVESPA Manual de Definições e Procedimentos dos Índices* definitions and procedures manual for indices, the above indices' divisors may be adjusted as a consequence of corporate actions in the other equities that comprise them.

Further information may be obtained from Instrument Registration, Special Auctions and Indices, by email at instrumentoseindices@b3.com.br or by telephone on +55 11 2565-5027.

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