

December 12, 2019

096/2019-PRE

CIRCULAR LETTER

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

Re: **Changes to the Trading Specifications of Call and Put Options on Single Stocks, Units and Stock Index and International Index ETFs.**

We hereby inform you that as of **December 16th, 2019**, all call and put options on single stocks, units and ETFs that expire as of **May 2021** will be traded with the following characteristics.

Expiration date

The expiration date will no longer be the third Monday of every month, becoming instead the third Friday of every month. If there is no trading session on that date, expiration will be on the immediately preceding date with a trading session.

Last day of trading

The last day of trading will no longer be the trading session date that immediately precedes the expiration date and instead will **coincide with the expiration date** of the option.

Option exercise

American option holders will be able to exercise at any time, as of the trading session following acquisition up until the expiration date, except for options acquired on the expiration date, which will be automatically exercised on the same day.

096/2019-PRE

European option holders will be able to exercise manually only on the expiration date.

B3 will automatically exercise options, on the expiration date, when favorable conditions are verified for the option holder in regard to the option's strike price compared to the price of the underlying asset on the cash market (automatic exercise).

Contrary exercise

Functionality included that allows the option holder to request blocking of automatic exercise for in the money options and the automatic exercise for out of the money options, in compliance with established rules in the respective contract and referenced in the last price of the underlying asset traded in the regular session.

Trading hours

On the last day of trading, the closing time for expiring option trades will be an hour earlier than the regular trading hours of options on single stocks, units and ETFs.

Further information

The time grid for automatic exercise and contrary exercise will be available at www.b3.com.br/en, Solutions, Platforms, PUMA Trading System, Participants and Traders, Trading hours.

Contracts expiring **before May 2021** continue to be traded according to current characteristics.

The described specifications in this Circular Letter are available at www.b3.com.br/en, Products and Services, Trading, Equities, Options, Technical characteristics and in the B3's Trading Procedures Manual,

096/2019-PRE

available at www.b3.com.br/en, Regulation, Regulatory Framework, Regulations and manuals, Trading, Access the documents.

Further information is available from the Electronic Trading Department, by telephone on +55 11 2565-5022/5023/5024 or by email at negociacao@b3.com.br.

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