

April 16, 2024  
054/2024-PRE

## CIRCULAR LETTER

Listed B3 Participants

Re.: **Adapting Listed Derivatives Contracts for Extraordinary Public Holiday Processing – Securities Lending Contracts**

In Circular Letter 160/2023-PRE, dated October 10, 2023, B3 defined how it will process Listed B3 Derivatives Contracts (Contracts) in the case of public holidays that are not foreseen in national, state, municipal, or local calendars, nor reflected in the calendar published by B3, which are instituted by a competent authority and whereby no trading session at B3 is possible (Extraordinary Public Holiday).

We have separated processing into groups in accordance with the Contracts' characteristics, as described below.

**Group 1** – Contracts that accumulate a rate or index.

**Group 2** – Contracts that do not accumulate a rate or index and depend on a trading session.

**Group 3** – Contracts that do not accumulate a rate or index and that depend on variables outside of B3, being **a)** PTAX or **b)** Offshore Variable.

054/2024-PRE

B3's Normative Documents have considered processing for Extraordinary Public Holidays since January 30, 2023, set forth in Circular Letter 006/2023-PRE, dated January 24, 2023.

The new versions of the Contracts listed below, readjusted for Extraordinary Public Holiday processing, are contained in the Annexes hereto and come into effect as of the present date. The new versions will be available on the B3 website as of **April 30, 2024**, at [www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Products and Services, Securities Lending, Listed Products.

- Annex I: Assets Loan Contract - Registration
- Annex II: Sec. Lending Agreement for Fixed Income ETF Shares - Registration
- Annex III: Sec. Lending Contract - Electronic Trading with Settlement in D+0
- Annex IV: Sec. Lending Contract - Electronic Trading with Settlement in D+1

New Contracts and those that will be readjusted at a future date will be published encompassing this new item.

Further information can be obtained from the team of the Chief Operating Officer – Electronic Trading and CCP by telephone on +55 11 2565-5030 or by email at [pricing@b3.com.br](mailto:pricing@b3.com.br).

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Chief Executive Officer

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Chief Operating Officer – Electronic  
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**Annex I to CIRCULAR LETTER 054/2024-PRE**

**ASSETS LOAN CONTRACT - REGISTRATION**

**1. Contract information**

<p><b>Underlying</b></p>	<p>Shares, Units, Sponsored and Non-sponsored Brazilian Depository Receipts (BDRs) and Investment Fund Quotas admitted to trading on B3 (underlying asset)</p>
<p><b>Registration and settlement of the contract</b></p>	<p>The contract is registered by the intermediary in an electronic system on the date when the donor and the borrower accept the conditions of the loan. The donor must make the underlying assets available, and the borrower must deposit the pertinent guarantees to according to the rules and operational procedures of B3, which acts as the central counterpart of the transactions</p> <p>Settlement upon the registration of the asset loan agreement is made at the B3 Clearinghouse by the gross settlement module</p>

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	Settlement upon termination of the asset loan agreement is made at the B3 Clearinghouse by the multilateral net settlement
<b>Reference Price</b>	Average price of the underlying asset of the loan in the trading session prior to the date of registration or renewal of the contract, or the last average price available
<b>Loan Rate</b>	Remuneration to the contract donor due by the borrower, freely negotiated between the parties, with an annual rate of effective interest, base two hundred and fifty-two (252) Business Days), with five (5) decimal places
<b>Contract size</b>	The amount of underlying assets of a contract freely negotiated between the parties and subject to the limits established by B3
<b>Grace date</b>	Business day (as defined below) following the date of the contract or renewal (minimum date) until the due date (maximum date). From the grace date, it is possible to request the advanced settlement or renewal of the contract. If it is not a Business Day, the due date will be postponed to the first subsequent Business Day and Trading Session Day (as defined

	below), the provisions of clause 10 below
<b>Expiration date</b>	The expiration date is freely agreed between the parties, observing the minimum periods of one (1) Business Day and maximum of two (2) years, counted from the registration of the contract

For the purposes of this contract, (i) “Business Day” shall be considered the day for the purposes of transactions conducted in the national 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 B3, according to the calendar released by B3.

## 2. Settlement conditions

### i. On the contract expiration

On the expiration date the underlying asset will be delivered by the borrower plus the remuneration agreed between the donor and the borrower as cited in the loan agreement.

### ii. Early settlement requested by the borrower

The borrower may deliver the underlying asset in whole or in part before the contract expiration date. The request for early settlement may occur from the grace date until the second Business Day before the expiration date. In this case, the settlement will occur on the Business Day following the request.

**iii. Early settlement requested by the donor**

The donor may request the total or partial advance settlement of the contract if this is provided for.

The borrower will deliver the underlying asset within the terms outlined in the B3 Clearinghouse Operating Procedures Manual.

The operating rules and procedures for the settlement of loan contracts cited herein and in items (i) and (ii) above are outlined in the B3 Clearinghouse Operating Procedures Manual.

**iv. Payment of the interest rate**

Payment of the loan rate will be made upon full or partial deliver or renewal of the underlying assets of the loan agreement, by the multilateral net balance.

The loan rate will be calculated per the formula below:

$$VL = P \times Q \times \left\{ \left[ (1 + Tx)^{n/252} \right] - 1 \right\}$$

Where:

VL = settlement value of the loan rate, expressed in reais, truncated in the second decimal place.

P = reference price of the underlying asset.

Q = amount of underlying assets to which the expiration of the contract refers.

Tx = annual effective interest rate for the loan, with five decimal places.

n = number of Business Days between the Business Day following and excluding the settlement date of the contract and the expiration or early settlement date, or

the number of Business Days between and including the Business Day following the settlement date of the contract and the renewal date.

The settlement value will be deducted from the income tax for the transaction, based on the legal nature of the donor.

### **3. Cancellation of the contract**

The contract may be canceled only on the date of registration (execution of the loan), upon request of one of the parties and consent of the counterpart and authorization of B3, as outlined in the B3 Clearinghouse Operating Procedures Manual.

### **4. Modifications in the contract characteristics**

The following characteristics may be modified: (i) the grace date; (ii) possibility of early settlement requested by the donor; and (iii) the information relating to the custody account for delivery or receipt of the underlying asset.

Contract changes may be requested from the Business Day following the contract date up to two Business Days before the contract expiration date. The characteristics of the contract outlined in this item may be altered per the B3 Clearinghouse Operating Procedures Manual.

### **5. Renewal of the contract**

The following characteristics may be altered upon renewal of the contract: (i) the equal or lesser size of the original contract; (ii) due date, if it is later than the original due date; (iii) loan fee ; (iv) grace date; and (v) conditions for early settlement.

054/2024-PRE

The renewal may be requested subject to the terms outlined in the B3 Clearinghouse Operating Procedures Manual.

The changes in the contract characteristics upon renewal are outlined in the B3 Clearinghouse Operating Procedures Manual.

## **6. Coverage**

Borrower may obtain full or partial coverage for the contract. The coverage is mandatory if there is an insufficient margin at the time of registration of the contract.

## **7. Margin**

Borrower will be required to provide margin as outlined in the B3 Clearinghouse Operating Procedures Manual.

## **8. Treatment of corporate events**

The aspects related to the treatment of corporate events will be defined and disclosed by B3 pursuant to the B3 Clearinghouse Operating Procedures Manual.

## **9. Assumption of transactions arising from intermediation of asset loans**

In the event of default or extrajudicial liquidation of the full trading participant holder of the intermediation account, the asset loan contracts composing an intermediation may, at the discretion of the B3 Clearinghouse or the liquidator, respectively, be transferred to another full trading participant. If it is impossible to transfer using the intermediary account of the destination-participant the original contracts will be replaced by new contracts, without the use of the intermediary



account, by direct assumption between the donor principal and the borrower, according to the procedures outlined in the B3 Clearinghouse Risk Management Manual and the B3 Clearinghouse Operating Procedures Manual.

## **10. Special Provisions**

### **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.

If the event of an Extraordinary Holiday is established on days previously considered Business Days during the term of the contract, the proceedings related to the asset loan will be postponed by the number of Business Days corresponding to the days of the Extraordinary Holiday.

If the expiration date of the loan contract occurs (i) during the Extraordinary Holiday or (ii) until the 3rd Business Day counted after the end of an Extraordinary Holiday, its expiration date will be postponed by the number of Business Days corresponding to the days of Extraordinary Holiday. The postponed expiration date will be no later than the fourth (4th) Business Day after the end of the Extraordinary Holiday in reference.

The deadlines for early settlement and loan renewal will follow the postponement of the expiration date pursuant to the B3 Clearinghouse Operating Procedures Manual.

The calculation of the remuneration rate, commissions, and fees of B3 applicable to asset loan transactions will consider the counting of Business Days during the

term of the transaction.

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

In the event of situations not foreseen in this instrument, including, without limitation, those arising from acts emanating from government entities, regulatory authorities or competent bodies, or any other facts, which directly or indirectly impact formation, the manner of calculation, representativeness, disclosure, availability or continuity of the underlying asset or any of the variables of this contract, B3 shall take the measures it deems necessary, in its sole discretion, aiming to the settlement, continuity or extension of the contract on equivalent terms.

#### **11. Applicable Law**

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

#### **12. Application of B3 standards and regulations**

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

**Annex II to CIRCULAR LETTER 054/2024-PRE**

**SECURITIES LENDING AGREEMENT FOR FIXED INCOME ETF SHARES -  
REGISTRATION**

**1. Contract information**

<b>Underlying</b>	Shares in fixed income ETF admitted to trade on B3 (underlying asset)
<b>Registration and contract settlement</b>	The contract is registered by the intermediary in an electronic system on the date when the borrower and the lender accept the conditions of the contract agreement. The lender must make the underlying assets available, and the borrower must deposit the pertinent guarantees according to the rules and operational procedures of B3, which acts as the central counterpart of the transactions. Settlement upon registration of the loan contract of fixed income ETF shares is conducted at the B3 Chamber by the gross settlement process. Settlement upon expiration of the securities lending contract is conducted at the B3 Chamber by the multilateral net balance
<b>Reference Price</b>	Average price of the underlying asset in the Trading Session before the registration or renewal of the contract, or the last average price

	available
<b>Lender fee</b>	Remuneration to the contract lender due by the borrower, freely negotiated between the parties, with an annual rate of effective interest, base two hundred and fifty-two (252) Business Days, with five (5) decimal places
<b>Contract size</b>	Quantity of underlying assets of the contract, freely agreed between the parties subject to the limits established by B3
<b>Grace Date</b>	Business Day (as defined below) after the date of trading or renewal (minimum date) until the expiration date (maximum date). After the grace date it is possible to request early settlement or renewal of the contract. If it is not a Business Day, the expiration date will be postponed to the next Business Day and Trading Session Day (as defined below), observing the provisions of clause 9 below
<b>Expiration Date</b>	The expiration date is freely agreed between the parties, observing the minimum periods of one (1) Business Day and maximum of two (2) years, counted from the registration of the contract

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

054/2024-PRE

Council, as amended from time to time; and (ii) “Trading Session Day”, any of the days in which there is a trading session on B3, according to the calendar released by B3

## 2. Conditions for settlement

### i. On the contract expiration

On the expiration date the underlying asset will be delivered by the borrower plus the remuneration agreed between the lender and the borrower as cited in the lending contract registered in the system.

### ii. Early settlement requested by the borrower

The borrower may deliver the underlying asset in whole or in part before the contract expiration date. The request for early settlement may occur from the grace date until the second Business Day before the expiration date. In this case, settlement will occur on the Business Day following the request.

### iii. Early settlement requested by the lender

The lender may request the total or partial early settlement of the contract if this is provided for in the position recorded in the system. The borrower will deliver the underlying asset within the terms outlined in the B3 Clearinghouse Operating Procedures Manual.

The operating rules and procedures for settlement of the lending contracts cited in this item and in items (i) and (iii) above are outlined in the B3 Clearinghouse Operating Procedures Manual.

### iv. Payment of the Lender Fee

Payment of the Lender Fee will occur upon the total or partial delivery or renewal of the underlying assets of the lending contract, by the multilateral net balance.

The value of the lender fee will be calculated according to the formula below:

$$VL = P \times Q \times \left\{ \left[ (1 + Tx)^{n/252} \right] - 1 \right\}$$

Where:

**VL** = settlement value of the lender fee, expressed in Reals, truncated in the second decimal place

**P** = reference price of the underlying asset

**Q** = quantity of underlying assets to which the expiration of the contract refers

**Tx** = effective annual interest rate for the loan, with five decimal places.

**n** = number of Business Days between the Business Day following the settlement date of the contract trade and the expiration or early settlement date (exclusive), or the number of Business Days between the Business Day following the settlement date of the contract trade and the renewal date (including).

The settlement value will be deducted from the income tax for the transaction, based on the legal nature of the lender.

### 3. Cancellation of the Contract

The contract may be canceled only on the date of registration (date of the lending) by request of one of the parties and consent of the counterpart, and authorization of B3 as outlined in the B3 Clearinghouse Operating Procedures Manual.

### 4. Change of characteristics of the contract

054/2024-PRE

The following characteristics may be modified: (i) the grace date; (ii) the possibility of early settlement requested by the lender; and (iii) the information relating to the custody account for delivery or receipt of the underlying asset.

Contract changes may be requested from the Business Day following the contract date up to two Business Days before the contract expiration date. The characteristics of the contract outlined in this item may be altered per the B3 Clearinghouse Operating Procedures Manual.

## **5. Renewal of the Contract**

Upon contract renewal the following characteristics may be modified: (i) the equal or lesser size of the original contract; (ii) due date if it is later than the original due date; (iii) loan fee; (iv) grace date; and (v) conditions for early settlement.

The renewal may be requested observing the terms outlined in the B3 Clearinghouse Operating Procedures Manual.

The changes in the contract characteristics upon renewal are outlined in the B3 Clearinghouse Operating Procedures Manual.

## **6. Coverage**

Borrower may obtain full or partial coverage for the contract. The coverage is mandatory if there is an insufficient margin at the time of registration of the contract.

## **7. Margin**

Margin will be required from the lender as outlined in the B3 Clearinghouse Risk Management Manual and B3 Operating Procedures Manual.

## **8. Assumption of transactions arising from lending of fixed income ETF shares**

In the event of default or extrajudicial liquidation of the participant holder of the intermediary account, the fixed rate ETF unit lending contracts that form the intermediation may, at the discretion of the B3 Chamber or liquidator, respectively, be transferred to another participant. If it is impossible to transfer using the intermediary account of the carrying-participant, the original contracts will be replaced by new contracts, without the use of the intermediary account, by direct assumption between the lender and the borrower, according to the procedures outlined in the B3 Clearinghouse Risk Management Manual and the B3 Clearinghouse Operating Procedures Manual.

## **9. Special Conditions**

### **a) Extraordinary Holiday**

Extraordinary Holiday is defined as the 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.

If an Extraordinary Holiday is declared in days formerly considered Business Days during the term of the contract, the procedures related to the securities lending will be postponed for the number of Business Days corresponding to the days of the Extraordinary Holiday.

If the expiration date of the loan contract occurs (i) during the Extraordinary Holiday or (ii) until the 2nd Business Day counted after the end of an



054/2024-PRE

Extraordinary Holiday, its expiration date will be postponed by the number of Business Days corresponding to the days of Extraordinary Holiday. The postponed expiration date will be no later than the third (3rd) Business Day after the end of the Extraordinary Holiday in reference.

The deadlines for early settlement and loan renewal will follow the postponement of the expiration date pursuant to the Clearinghouse Operating Procedures Manual.

The calculation of the remuneration rate, commissions, and fees of B3 applicable to securities lending transactions will consider the Business Days during the term of the transaction.

#### **b) Other Unforeseen Situations**

In situations not foreseen in this instrument, including , without limitation, those arising from acts emanating from government entities, regulators or other or competent authorities as well as any others that directly or indirectly impact formation, calculation, representativity, publication, availability or continuity of the underlying asset or any of the variables of this contract, B3 will, at its sole discretion, aiming to the settlement, continuity or extension of the contract on equivalent terms.

### **10. Applicable Law**

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

## **11. Application of B3 standards and regulations**

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

**Annex III to CIRCULAR LETTER 054/2024-PRE**

**SECURITIES LENDING CONTRACT - ELECTRONIC TRADING WITH  
SETTLEMENT IN D+0**

**1. Contract information**

<b>Underlying</b>	Stocks, Units, Sponsored and Un-sponsored Brazilian Depositary Receipts (BDRs), and shares in Exchange Trade Funds (ETFs) admitted to trading on B3 (underlying assets).
<b>Trading and contract settlement</b>	<p>The contract is traded in the electronic system as outlined in the B3 Clearinghouse Operating Procedures Manual, and B3 acts as central counterparty in the transactions</p> <p>Settlement of the trade of the securities lending contracts is conducted at the B3 Clearinghouse by the multilateral net balance on D+0 of the settlement date. Settlement upon expiration of the securities lending contract is conducted at the B3 Clearinghouse by the multilateral net balance</p>
<b>Reference Price</b>	Average price of the underlying asset

	of the lending in the Trading Session before the registration or renewal of the contract, or the last average price available
<b>Lender Fee</b>	Remuneration to the contract lender due by the borrower, freely negotiated between the parties, with an annual rate of effective interest, base two hundred and fifty-two (252) Business Days, with five (5) decimal places
<b>Contract size</b>	Quantity of underlying assets of the contract, freely agreed between the parties subject to the limits established by B3
<b>Grace Date</b>	Business Day (as defined below) after the date of the contract or renewal, after which it is possible to request the early expiration or renewal of the contract
<b>Expiration Date</b>	Date of the contract or renewal plus the standard term of thirty-three (33) calendar days. If it is not a Business Day, the expiration date will be postponed to the next day that is a Business Day and Trading Session Day (as defined below), observing the provisions of clause 8 below

For the purposes of this contract, (i) “Business Day” shall be considered the day

054/2024-PRE

for the purposes of transactions conducted in the national 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 B3, according to the calendar released by B3.

## 2. Conditions for settlement

### i. Early settlement requested by the borrower

The borrower may deliver the underlying asset in whole or in part before the contract expiration date. The request for early settlement may occur from the grace date until the third Business Day before the expiration date. In this case, settlement will occur on the Business Day following the request.

### ii. Early settlement requested by the lender

The lender may request the total or partial early settlement of the contract. The borrower will deliver the underlying asset within the terms outlined in the B3 Clearinghouse Operating Procedures Manual.

The operating rules and procedures for settlement of the lending contracts cited in this item and in item (i) above are outlined in the B3 Clearinghouse Operating Procedures Manual.

### iii. Payment of the Lender Fee

Payment of the Lender Fee will occur upon the total or partial delivery or renewal of the underlying assets of the lending contract, by the multilateral net balance.

The value of the lender fee will be calculated according to the formula below:

$$VL = P \times Q \times \left\{ \left[ (1 + Tx)^{n/252} \right] - 1 \right\}$$

Where:

054/2024-PRE

**VL** = settlement value of the lender fee, expressed in Reals, truncated in the second decimal place.

**P** = reference price of the underlying asset.

**Q** = quantity of underlying assets to which the expiration of the contract refers.

**Tx** = effective annual interest rate for the loan, with five decimal places.

**n** = number of Business Days between the Business Day following the settlement date of the contract trade and the expiration date (exclusive), or the number of Business Days between the Business Day following the settlement date of the contract trade and the renewal date (including).

The settlement value will be deducted from the income tax for the transaction, based on the legal nature of the lender.

### **3. Change of characteristics of the contract**

The information relating to the custody account for delivery or receipt of the underlying asset may be changed.

Contract changes may be requested from the Business Day following the trade up to two Business Days before the contract expiration date. The characteristics of the contract outlined in this item may be altered as outlined in the B3 Clearinghouse Operating Procedures Manual as well as as in view of the terms and conditions of this contract.

### **4. Renewal of the Contract**

If the contract was not fully settled until the deadline for manual renewal, it will be automatically renewed subject to the following characteristics: (i) the contract size will be equal to the quantity of securities not yet liquidated; the expiration date will be after thirty-three (33) calendar days; and the (iii) lender fee will be equal to that of the original contract. The other characteristics will remain unchanged.

Additionally, in the terms outlined in the B3 Clearinghouse Operating Procedures Manual, it will also be possible to renew the contract manually and the following characteristics may be altered: (i) the contract size, which may be the same or lesser than the original contract; (ii) the expiration date, which will be the one established for agreements of the same nature (net settlement D+0) that are traded on the same date; and (iii) the lender fee.

The changes in the contract characteristics upon renewal are outlined in the B3 Clearinghouse Operating Procedures Manual.

## **5. Coverage**

The partial or full coverage of the contract by the borrower is allowed.

## **6. Margin**

Margin will be required from the lender as outlined in the B3 Clearinghouse Risk Management Manual and B3 Clearinghouse Operating Procedures Manual.

## **7. Treatment of corporate actions**

The aspects of treatment of corporate actions will be determined and published by B3 in accordance with the provisions the B3 Clearinghouse Risk Management Manual.

## **8. Special Conditions**

### **a) Extraordinary Holiday**

Extraordinary Holiday is defined as the 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.

If an Extraordinary Holiday is declared in days formerly considered Business Days during the term of the contract, the procedures related to the securities lending will be postponed for the number of Business Days corresponding to the days of the Extraordinary Holiday.

If the expiration date of the loan contract occurs (i) during the Extraordinary Holiday or (ii) until the 3rd Business Day counted after the end of an Extraordinary Holiday, its expiration date will be postponed by the number of Business Days corresponding to the days of Extraordinary Holiday. The postponed expiration date will be no later than the fourth (4th) Business Day after the end of the Extraordinary Holiday in reference.

The deadlines for early settlement and loan renewal will follow the postponement of the expiration date pursuant to the B3 Clearinghouse Operating Procedures Manual.

The calculation of the remuneration, commissions and fees of B3 applicable to securities lending transactions will consider the Business Days during the term of the transaction.

#### **b) Other Unforeseen Situations**

In situations not foreseen in this instrument, including , without limitation, those arising from acts emanating from government entities, regulators or other or competent authorities as well as any others that directly or indirectly impact formation, calculation, representativity, publication, availability or continuity of the underlying asset or any of the variables of this contract, B3 will, at its sole discretion, aiming to the settlement, continuity or extension of the contract on equivalent terms.



## **9. Applicable Law**

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

## **10. Application of B3 standards and regulations**

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

**Annex IV to CIRCULAR LETTER 054/2024-PRE**

**SECURITIES LENDING CONTRACT - ELECTRONIC TRADING WITH  
SETTLEMENT IN D+1**

**1. Contract information**

<p><b>Underlying</b></p>	<p>Stocks, Units, Sponsored and Un-sponsored Brazilian Depositary Receipts (BDRs), and shares in Exchange Trade Funds (ETFs) admitted to trading on B3 (underlying assets).</p>
<p><b>Trading and contract settlement</b></p>	<p>The contract is traded in the electronic system as outlined in the B3 Clearinghouse Operating Procedures Manual, and B3 acts as central counterparty in the transactions.</p> <p>Settlement of the trade of securities lending contracts is conducted at the B3 Clearinghouse by the multilateral net balance on D+1 of the settlement date. Settlement upon expiration of the securities lending contract is conducted at the B3 Clearinghouse by the multilateral net balance</p>
<p><b>Reference Price</b></p>	<p>Average price of the underlying asset of the lending in the Trading Session before the registration or renewal of the contract, or the last average price available</p>

<b>Lender Fee</b>	Remuneration to the contract lender due by the borrower, freely negotiated between the parties, with an annual rate of effective interest, base two hundred and fifty-two (252) Business Days, with five (5) decimal places
<b>Contract size</b>	Quantity of underlying assets of the contract, freely agreed between the parties subject to the limits established by B3
<b>Grace Date</b>	Business Day (as defined below) after the date of the contract or renewal, after which it is possible to request the early expiration or renewal of the contract
<b>Expiration Date</b>	Date of the contract or renewal plus the standard term of thirty-three (33) calendar days. If it is not a Business Day, the expiration date will be postponed to the next day that is a Business Day and Trading Session Day (as defined below), observing the provisions of clause 9 below

For the purposes of this contract, (i) “Business Day” shall be considered the day for the purposes of transactions conducted in the national 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 B3, according to the calendar released by B3.

## 2. Conditions for settlement

**i. Early settlement requested by the borrower**

The borrower may deliver the underlying asset in whole or in part before the contract expiration date. The request for early settlement may occur from the grace date until the third Business Day before the expiration date. In this case, settlement will occur on the Business Day following the request.

**ii. Early settlement requested by the lender**

The lender may request the total or partial early settlement of the contract.

The borrower will deliver the underlying asset within the terms outlined in the B3 Clearinghouse Operating Procedures Manual. The operating rules and procedures for settlement of the lending contracts cited in this item and in item (i) above are outlined in the B3 Clearinghouse Operating Procedures Manual.

**iii. Payment of the Lender Fee**

Payment of the lender fee will occur upon the total or partial delivery or renewal of the underlying assets of the lending contract, by the multilateral net balance.

The value of the lender fee will be calculated according to the formula below:

$$VL = P \times Q \times \left\{ \left[ (1 + Tx)^{n/252} \right] - 1 \right\}$$

Where:

054/2024-PRE

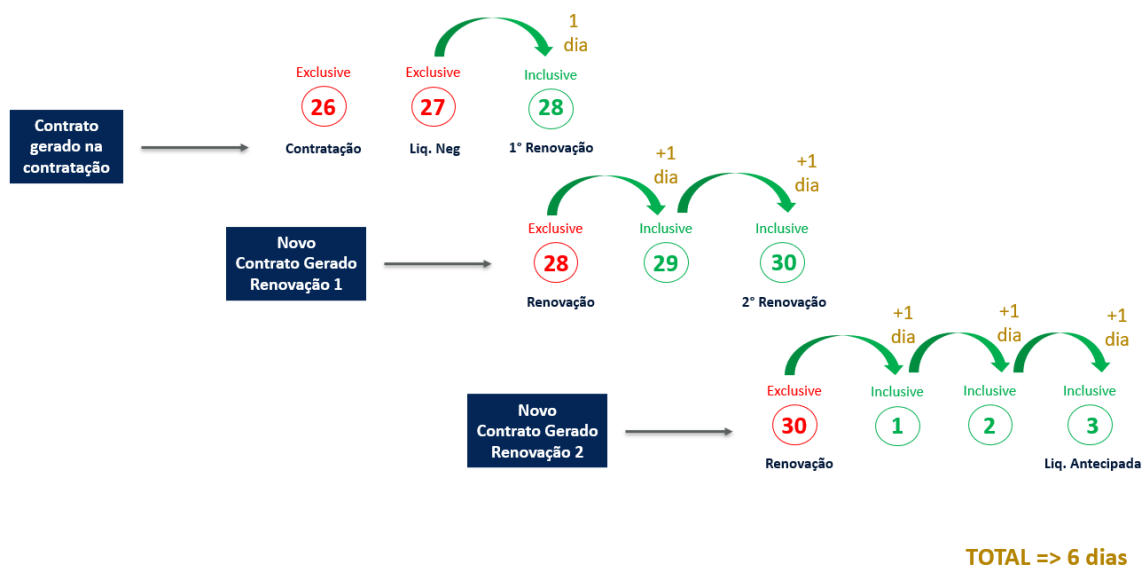
**VL** = settlement value of the lender fee, expressed in Reals, truncated in the second decimal place

**P** = reference price of the underlying asset.

**Q** = quantity of underlying assets to which the expiration of the contract refers.

**Tx** = effective annual interest rate for the lending, with five decimal places.

**n** = number of Business Days from the date of settlement of the contract trade (exclusive) and the date of early settlement or first renewal (inclusive). For the new contracts generated after a renewal, the number of Business Days from the date of creation of the renewed contract (exclusive) and the date of early settlement or renewal (inclusive) according to the example below.



The settlement value will be deducted from the income tax for the transaction, based on the legal nature of the lender.

### 3. Change of characteristics of the contract

The information relating to the custody account for delivery or receipt of the underlying asset may be changed.

Contract changes may be requested from the Business Day following the trade up to two Business Days before the contract expiration date. The characteristics of the contract outlined in this item may be altered as outlined in the B3 Clearinghouse Operating Procedures Manual as well as in view of the terms and conditions of this contract.

#### **4. Renewal of the Contract**

If the contract was not fully settled until the deadline for manual renewal, it will be automatically renewed subject to the following characteristics: (i) the contract size will be equal to the quantity of underlying assets not yet liquidated; (ii) the expiration date will be after thirty-three (33) calendar days; and the (iii) lender fee will be equal to that of the original contract. The other characteristics will remain unchanged.

Additionally, in the terms outlined in the B3 Clearinghouse Operating Procedures Manual, it will also be possible to renew the contract manually and the following characteristics may be altered: (i) the contract size, which may be the same or shorter than the original contract; (ii) the expiration date, which will be the one established for agreements of the same nature (net settlement D+1) that are traded on the same date; and (iii) the lender fee.

The changes in the contract characteristics upon renewal are outlined in the B3 Clearinghouse Operating Procedures Manual.

#### **5. Coverage**

The partial or full coverage of the contract by the borrower is allowed.

## **6. Margin**

Margin will be required from the lender as outlined in the B3 Clearinghouse Risk Management Manual and B3 Clearinghouse Operating Procedures Manual.

## **7. Treatment of corporate actions**

The aspects of treatment of corporate actions will be determined and published by B3 in accordance with the provisions the B3 Clearinghouse Risk Management Manual.

## **8. Assumption of transactions arising from intermediation of securities lending**

In the event of default or extrajudicial liquidation of the participant holder of the intermediary account, the securities lending contracts composing an intermediation may, at the discretion of the B3 Clearinghouse or the liquidator, respectively, be transferred to another participant. If it is impossible to transfer using the intermediary account of the carrying-participant, there will be a contract assumption whereby the original contracts will be replaced by new contracts, without the use of the intermediary account, directly between the lender and the borrower, according to the procedures outlined in the B3 Clearinghouse Risk Management Manual and the B3 Clearinghouse Operating Procedures Manual.

## **9. Special Conditions**

### **a) Extraordinary Holiday**

Extraordinary Holiday is defined as the 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.

054/2024-PRE

If an Extraordinary Holiday is declared in days formerly considered Business Days during the term of the contract, the procedures related to the securities lending will be postponed for the number of Business Days corresponding to the days of the Extraordinary Holiday.

If the settlement on D+1 occurs during the Extraordinary Holiday, its settlement will be postponed by the number of Business Days corresponding to the days of Extraordinary Holiday. The postponement will be no later than the first (1st) Business Day after the end of the Extraordinary Holiday in reference.

If the expiration date of the loan contract occurs (i) during the Extraordinary Holiday or (ii) until the 3rd Business Day counted after the end of an Extraordinary Holiday, its expiration date will be postponed by the number of Business Days corresponding to the days of Extraordinary Holiday. The postponed expiration date will be no later than the fourth (4th) Business Day after the end of the Extraordinary Holiday in reference.

The deadlines for early settlement and loan renewal will follow the postponement of the expiration date pursuant to the B3 Clearinghouse Operating Procedures Manual.

The calculation of the remuneration, commissions, and fees of B3 applicable to securities lending transactions will consider the Business Days during the term of the transaction.

#### **b) Other Unforeseen Situations**

In situations not foreseen in this instrument, including , without limitation, those arising from acts emanating from government entities, regulators or other or competent authorities as well as any others that directly or indirectly impact



formation, calculation, representativity, publication, availability or continuity of the underlying asset or any of the variables of this contract, B3 will, at its sole discretion, aiming to the settlement, continuity or extension of the contract on equivalent terms.

## **10. Applicable Law**

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

## **11. Application of B3 standards and regulations**

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