

July 19, 2019
050/2019-PRE

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

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

Re: **Treatment of Securities Lending Positions, Equity Forwards, and Delivery Failure and Repurchase Positions to Account for Public Tender Offer (PTO) to Cancel Tec Toy S.A.'s Public Company Registration**

On July 4, 2019, Tec Toy S.A. (company) held a Public Tender Offer (PTO) for common and preferred shares to cancel its registration with CVM as a public company, in accordance with the Tender Offer Notice issued on June 4, 2019.

Securities lending positions, equity forwards, and delivery failure and repurchase positions will be treated as detailed below, in compliance with item 6.8 of BM&FBOVESPA Clearinghouse's Operating Procedures Manual.

1. Securities lending positions

Securities lending agreements active on the third day after the trading suspension date (T+3) will be removed from BM&FBOVESPA Clearinghouse's system on the next business day, and will be settled in cash between borrowers (debit) and lenders (credit) on that day.

Cash settlement of securities lending agreements involving TOYB3 and TOYB4 will be effected at the price determined by the PTO, adjusted until the cash settlement date for securities lending agreements in accordance with the rule established by the company in the Tender Offer Notice.

Investors who opt for early settlement of securities lending agreements must time their requests so that the settlement date is no later than the date for cash settlement of outstanding securities lending agreements. The time limit for

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borrowers to request early settlement will be two days after the trading suspension date (T+2). The time limit for lenders to request early settlement will be the trading suspension date.

Fees and commissions will be calculated and settled on the cash settlement date using the reference price for each agreement and considering the time elapsed between the opening date of the agreement and the cash settlement date.

2. Equity forwards

For equity forward agreements active on the third day after the trading suspension date (T+3), B3 will enter early settlement requests for the next business day. Equity forwards with early settlement requests being processed on T+3 for subsequent dates will instead be settled on the next business day.

3. Delivery failure and repurchase positions

Delivery failure and repurchase positions outstanding after the suspension of trading will be treated in accordance with BM&FBOVESPA Clearinghouse's Operating Procedures Manual, except that repurchase execution will no longer be accepted.

Repurchases not canceled by the respective time limit will therefore be reversed at the price determined by the PTO and adjusted until the date for settlement of the reversal.

Further information can be obtained from Support for Settlement Processes & Services by telephone on +55 11 2565-5013, option 2, or by email at liquidacao.posicoes@b3.com.br.

Gilson Finkelsztain
Chief Executive Officer

Cícero Augusto Vieira Neto
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