

September 5, 2019

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

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

Re: **Market Maker Accreditation Process for Stocks, BDRs and ETFs.**

B3 hereby informs you of the postponement to **November 1, 2019** of the activity period and of the end of the formal ties of the program announced in Circular Letter 010/2018-VPC, dated August 16, 2018; and the procedures for accreditation with the new Stocks, BDRs and ETFs Market Maker Program (program).

Selection procedure

Institutions wishing to participate in this program may request accreditation by completing the Expression of Interest form with their personal details and the assets of interest. This should be sent by email to formadordemercadob3@b3.com.br, prior to the deadline shown in the Timetable section below.

The Expression of Interest form is available at http://www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Contracts, Cash Market.

After receiving the Expression of Interest forms, B3 will allocate assets to each of the institutions, respecting their preferences and the number of openings offered. B3 will then announce the institutions selected for each asset.

If the number of accreditation requests exceeds the number of available openings for each asset, B3 will select, at its sole discretion, the institutions to be accredited for each specific asset in question. This will take into consideration the assets

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selected in the Expressions of Interest form, in order to maximize the number of market makers accredited under this program.

Accreditation procedure

The selected institutions must formalize accreditation for the assets concerned by signing the Instrument of Accreditation prior to the deadline given in this Circular Letter.

Guidance on filing the Instrument of Accreditation can be found in the Procedures Guide for the Accreditation of Market Makers (Procedures Guide), available at http://www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Accreditation.

Institutions that have not yet signed an Instrument of Accreditation with B3 must follow the procedures outlined in chapters 4, 5 and 6 of the Procedures Guide.

A specific Instrument of Accreditation for this Program is available at http://www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Contracts, Cash Market.

Eligible assets and activity parameters

Market Makers must execute buy and sell orders in accordance with the activity parameters defined by B3.

The eligible assets for the program, their respective quoting parameters and discounts on fees are available in the document Stocks, BDRs and ETFs Market Maker Program Rules, at http://www.b3.com.br/en_us/, Products and Services, Trading, Market maker, Join in, Contracts, Cash Market.

The parameters in this document do not apply to market makers hired by asset issuers. Such market makers must comply with the parameters defined in their respective service agreements.

If an institution is interested in a stock that is not among the assets eligible for the program, and which has an average daily financial traded volume of under BRL 100 million in the 12 months prior to the announcement of the program, the

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institution may request consultation with B3 into the viability of including the intended stock among the program's eligible assets. In this case, B3 will analyze the request and may at its sole discretion include the stock among the program's eligible assets and provide places for activity as market maker for this equity outside of the accreditation period.

Timetable

Filing of Expression of Interest	Announcement of selected market makers	Filing of Instrument of Accreditation	Registration of accounts	Start of activity	End of agreement
By September 20, 2019	September 27, 2019	By October 11, 2019	October 21, 2019	November 4, 2019	April 30, 2021

B3 may, at its sole discretion, assess any market maker applications submitted outside the above timeframe.

Performance assessment

B3 may assess each market maker's performance six months after the start of its activity under this program, comparing the quantity traded by it in each asset for which it is accredited with the total quantity of the same asset traded during its activity period.

If a market maker's share of the total quantity of the asset traded during the period is less than five per cent (5%), B3 may replace it with another institution that has expressed interest in the asset concerned.

Test period

Market makers may enjoy the benefits specified below without having to observe the required quoting parameters for up to ten (10) business days before the start of their mandatory activity so that they can perform connectivity, trading session and order routing tests, as well as the necessary technological configurations. After this test period, market makers' activities will be monitored by B3.

Disaccreditation

In the event of disaccreditation of market makers accredited for the assets in this program, B3 may select other institutions that have expressed interest in the assets concerned to replace the disaccredited institutions.

Accreditation and disaccreditation of market makers will always be disclosed to market participants via B3's usual communication channels.

Maximum number of parameter breaches

Accreditation to this market maker program may be cancelled in the event of more than 12 unjustified breaches of the parameters and/or obligations set forth herein and in the Master Agreement and Instrument of Accreditation, or if the justification is not accepted by B3.

Minimum activity period

If a market maker gives up from the accreditation process without having begun its activities under this program, it will be exempted from meeting the minimum activity period of 30 (thirty) days required by Circular Letter 109/2015-DP, dated October 8, 2015, if communicated to B3 with a least seven days' notice prior to activity. If withdrawal occurs after the start of its activity, the market maker must comply with the 30-day notice period, keeping its activities in accordance with pre-set parameters.

Benefits

Institutions accredited under this program will enjoy the following benefits for the accredited stocks:

- 75% (seventy five per cent) discount on fees on purchases and sales of stocks with cumulatively: (i) average daily financial volume of more than BRL 100 million and (ii) turnover of up to 100% (one hundred per cent) or a tradability index less than 0.02 (two hundredths) in the period between July 1, 2018 and June 30, 2019.

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- 100% (one hundred per cent) discount on fees on purchases and sales for stocks with average daily financial volume of less than BRL 100 in the period between July 1, 2018 and June 30, 2019.

Institutions accredited under this program for ETF activity will be entitled to the benefits contained in the Fee Policy announced in Circular Letter 026/2019-PRE, dated March 26, 2019.

Institutions accredited under this program for BDR activity will be exempted from fees on purchases and sales of the BDRs for which they are accredited.

To enjoy the benefits of this program, each market maker must designate a single settlement account.

It should be noted that the flow of messages, trades and volumes generated by accredited institutions will not be considered for the purposes of the Policy for the Control of Messages, as set forth in Circular Letters 039/2013-DP, dated May 27, 2013, and 050/2013-DP, dated July 30, 2013.

General provisions

Market makers do not have exclusivity in the assets for which they are accredited, and asset issuers may therefore engage market makers of their own at their sole discretion.

Market makers have no obligations or formal ties to the issuers of the assets for which they are accredited and are accountable only for the obligations established in the rules and regulations issued by the Securities & Exchange Commission of Brazil (CVM) and B3 to govern this activity.

B3 may, at any time, include new assets in this program and accept the accreditation of interested institutions.

Any issues regarding this accreditation process and this program not explicitly addressed here will be resolved by B3.

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Further information can be obtained from the Chief Product and Client Officer's team by telephone on +55 11 2565-5546/4616/4042 or by email at formadordemercadob3@b3.com.br.

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