

POLICY AND RULES

NEW TRADING NETWORK

CO-LOCATION

NETWORK POLICY AND RULES – VERSION 1.8

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1 CONTACT INFORMATION

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2 CHANGELOG

Date	Version	Description	Author
May 20, 2025	1.0	- Initial version of the document.	AIR
August 6, 2025	1.4	- Adjusted the packet rate format in section 4c. - Contact information added. - Some minor revisions.	AR, RNKH
September 5, 2025	1.5	- Section 7 (Sanctions for Policy Violations) adjusted.	RNKH
September 15, 2025	1.6	- Added message fragmentation in section 5.	AR, RNKH
September 26, 2025	1.7	- Rules related to multicast sources and joins for entire multicast subnets are added to section 6. - Rules for regulating connections and domain of expanded services are added to subsection 5b. - Leave the specific packet/frame rate per cross-connect in subsection 5d. - New sanctioning actions have been added to section 7. - URL to the B3 Trading Rules Book and Trading Procedures added in section 7. - Guidelines for the implementation of B3's network infrastructure mentioned in section 7.	AR, RNKH

November 7, 2025	1.8	- Cancellation of included items for trade links - Trading Cross Connections Information	EYK, VRB
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3 INTRODUCTION

This guideline aims to present the policies established by B3 to ensure the orderly and efficient operation of its network infrastructure. It is essential that all users and participants follow these rules to maintain the integrity and functionality of the system.

4 GENERAL GUIDELINES FOR NETWORK USE

- a) **Use of network protocols:** All users should use network protocols appropriately. The following behaviors are prohibited:
- Sending corrupted Ethernet frames (e.g., CRC, shortened packets, filled packets).
 - Using invalid checksums (Ethernet, IP, TCP, etc.).
 - Fragment IP traffic or send TCP packets out of order.
 - Adding Ethernet trailers on 10GB cross connection links.
- b) **Designated Subnets:** Each pair of lines (Cross-Connects) must use only the assigned LAN subnet. You may not use the same source of IP addresses on different lines.
- c) **VLAN tagging:** The use of VLAN tagging (e.g., 802.1Q, 802.1P, or 802.1AD) on 10GE cross-connect links is strictly prohibited.

5 GUIDELINES FOR ORDER ENTRY (OE)

- a) **Valid packets:** Sending packets that do not arrive at the gateway (e.g., low TTL, incorrect MAC addresses) is not allowed.
- b) **Connections:** Running port scans on gateway servers is prohibited. It is also forbidden to connect to ports available for purposes other than sending messages related to **B3's Entrypoint-related services** (Binary/FIX and FIX Drop Copy gateways).
- c) **Messages:** Do not send unnecessary packets or messages that are not related to the **Binary Entrypoint specification** or fragment a message into two or more packets.
- d) **Packet/Frame Rate Limits:** The packet/frame rate per *cross connection* must respect the values below:

Packages / Frames	Period
8,000	Second
160,000	Minute

6 GUIDELINES FOR MARKET DATA (MD)

- a) **Incoming traffic:** Only incoming PIM, BGP, and ARP traffic is expected on Market Data links. Link-layer traffic should be kept to a minimum.
 - No IGMP will be allowed.

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- b) More than 2,000 packets per second per Cross connection can cause some control packets (ARP, PIM, BGP) to be dropped.
- c) **Designated subnets:** Do not send BGP routes through these links.
- d) Acting as a multicast source for B3 multicast group prefixes is strictly prohibited; Violations will result in the link being shut down.
- e) Static joins for the entire B3 multicast group (for example, a /24 subnet) are not allowed.
- f) **Other examples:**
 - 1. **Packet limits:**
 - 60 unicast packets per minute per cross connection.
 - 120 broadcast packets per minute per cross-connect.
 - 1800 multicast packets per minute per cross-connect, with specific limits for IGMP reporting.
 - 2. **IGMP Reports:**
 - One IGMP joins report every 120 seconds per multicast group.
 - An overall limit of 250 IGMP joins reports (joins) per second.

7 ENFORCEMENT AND SANCTIONS FOR POLICY VIOLATIONS

Adherence to these guidelines is essential to maintain a safe environment for B3, its clients, and the market, ensuring market integrity and minimizing risks and potential violations.

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B3 diligently supervises the proper use of its network infrastructure and reserves the right to implement corrective measures in response to any violations of the policy, in accordance with the B3 Trading Rulebook, Article 103 and the **B3 Trading Procedures Manual**, Title IV, Chapter I, item 1. For more details, see: https://www.b3.com.br/en_us/regulation/regulatory-https://www.b3.com.br/en_us/regulation/regulatory-framework/regulatory-framework/operational/framework/regulatory-framework/operational/. There is also the B3 Network Infrastructure Implementation Guidelines document that your Relationship Management can provide to you upon request, helping you with details to properly and securely connect your colocation infrastructure to B3's new network infrastructure.

Violations of the established rules may incur sanctions that can be enacted on the same day (T+0), the next day (D+1) after the violation, or at a later date after the violation in cases that depend on more detailed analysis. Such actions may include, but are not limited to:

- i. Issuance of formal notifications requiring a remediation plan.
- ii. Enforce immediate connection restrictions, such as speed limitations, by temporarily blocking the session connection.
- iii. Precautionary suspension of access authorization.
- iv. Cancellation of access authorization.
- v. Revocation of the authorization of the market maker programme for market makers; or "Execution Broker" seal of the Operational Qualification Program for Full Trading Participant (PNP).
- vi. Or apply any other measures deemed necessary to safeguard the interests of all participants and the integrity of the market.

8 CANCELLATION FOR TRADING LINKS

All trading links will be subject to a **mandatory minimum cancellation period of 3 (three) months**. Once a trading link (Order Entry and Market Data) has been activated, **cancellation will not be allowed before the completion of this period**, except in exceptional circumstances that are formally justified and approved by the co-location team.

9 TRADING CROSS CONNECTIONS INFORMATION

We inform you that, as of this date, B3 will no longer disclose information regarding the switch and the specific port on which each connection is established. This change stems from automating the process of deploying new ports, which eliminates the need for manual changes or frequent reconfigurations.

We reinforce that, due to the automated nature of the process, no modifications are planned in the doors currently used.

10 REVIEW AND UPDATES

These guidelines will be reviewed periodically and may be adjusted and supplemented as necessary to meet the specific requirements of B3 and its operations. Customers will be notified of these changes in advance so that they can adapt to them.

Compliance with these guidelines is essential to ensure the stability and security of B3's network infrastructure. We appreciate the cooperation of all participants in maintaining an orderly and efficient trading environment. For any questions or clarifications, please contact B3's technical support team, whose contact details are described in the dedicated section of this document.