

June 30, 2022
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CIRCULAR LETTER

Listed B3 Participants

Re.: **Accreditation Process for the Market Maker Program for New Underlying Assets to Single Stock and Unit Futures**

B3 hereby informs you of the procedures for accreditation in the new Program for Market Makers in Single Stock and Unit Futures, encompassing new tickers.

Up to seven market makers will be accredited under this program.

To participate the market maker must trade in all the assets eligible for the program.

Selection procedure

Institutions that wish to take part in the program can request accreditation by sending a completed application form ("Expression of Interest") to formadordemercadob3@b3.com.br by the appropriate deadline, as shown below.

The Expression of Interest form is available at www.b3.com.br/en_us, Products and Services, Trading, Market maker, Join in, Programs, Single stock and unit futures.

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If the number of applications for accreditation exceeds the number of openings offered, B3 will select the applicants to be accredited by means of a system of points. The institutions ranked in the top seven will be selected.

To calculate each applicant's score in points, B3 will analyze the following variables:

- Duration of the institution's participation in single stock and unit futures market maker programs
- Performance in the previous program
- Share of total trading in single stock and unit futures by all applicants

Having calculated their scores, B3 will announce the rankings of all applicants and the names of those selected for the program.

Accreditation procedure

The institutions selected must formalize their accreditation as market makers for the securities concerned by signing the Accreditation Instrument by the deadline stipulated in this Circular Letter.

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

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Institutions that have not yet signed the Market Maker Accreditation Agreement with B3 must follow the procedures set out in items 4, 5 and 6 of the Accreditation Guide.

For this program, a specific Accreditation Instrument form is available at www.b3.com.br/en_us, Products and Services, Trading, Market maker, Join in, Programs, Single stock and unit futures.

Deadlines

Expression of interest filed	Selected market makers announced	Accreditation instrument filed	Accounts registered	Activity starts	Obligation ends
Up until July 15, 2022	July 22, 2022	Up until August 12, 2022	August 19, 2022	September 5, 2022	May 19, 2023

B3 may at its sole discretion assess accreditation applications submitted after these deadlines, provided the delay is duly justified.

Activity parameters

Market makers accredited for this program must enter bids and asks in accordance with the trading parameters defined by B3.

The list of securities eligible for the program and the respective activity parameters can be found in the document “Rules for Activity by Market Makers in Single Stock and Unit Futures” (Rules), available at www.b3.com.br/en_us, Products and Services, Trading, Market maker, Join in, Programs, Single stock and unit futures.

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Market makers are required to register bids and asks for the contract months listed in the Rules, and must do so until the second business day before the expiration date. As of the last business day before the expiration date, they are not obliged to trade in the first contract month but must trade in the two subsequent contract months authorized for trading.

The activity parameters may be changed during the course of the program with the prior consent of the market makers accredited for the program. B3 will formally advise market makers of any proposals to change the activity parameters. They will have seven business days to respond in writing, and the lack of a timely reply will be taken as consent to the proposed change.

The prior consent of market makers will not be necessary if the parameters are changed owing to atypical market situations that incur a change in trading patterns or to adjustments required to avoid the creation of artificial demand, supply or pricing conditions.

Test period

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

De-accreditation

In the event of de-accreditation of market makers from this program, B3 may select other institutions that have expressed interest in the securities concerned to replace the de-accredited institutions.

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

Maximum number of parameter breaches

Any market maker's accreditation to this program may be cancelled in the event of more than twelve unjustified breaches of the activity parameters and/or of the obligations set forth in this Circular Letter and in the Accreditation Instrument, or if the justification is not accepted by B3. The accreditation instrument is available at www.b3.com.br/en_us, Products and Services, Trading, Market maker, Join in, Contracts, Futures, Market Maker Agreement.

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 eligible for the program with the total quantity of the same asset traded during its activity period.

If a market maker's share of the total quantity of each 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 program.

Minimum activity period

If a market maker desists from the accreditation process without having begun its activities under this program, it will be exempted from meeting the thirty-day minimum activity period required by Circular Letter 109/2015-DP, dated October 8, 2015. If a market maker withdraws after the start of its activity, it must comply with the thirty-day notice period without fail so that its de-accreditation can be communicated to the market.

Benefits

Accredited institutions will be exempted from exchange fees and from all other fees on trades in any contract months of the securities in this program, and on trades in the underlying stocks or units performed for hedging purposes, provided the latter comply with the criteria and limits established in the fee policy set out in the Annex to this Circular Letter

The message flows, trades and volume generated by the accredited institutions will not be considered for the purposes of the Trading Message Control Policy, as per Circular Letter 039/2013-DP, dated May 27, 2013, and Circular Letter 050/2013-DP, dated July 30, 2013.

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General provisions

B3 will resolve any omissions regarding this accreditation process and program. Further information can be obtained from the Listed Products and Data Department by calling +55 11 2565-7249, or by emailing formadordemercadob3@b3.com.br

Gilson Finkelsztain
Chief Executive Officer

José Ribeiro de Andrade
Chief Product and Client Officer

Annex to CIRCULAR LETTER 077/2022-PRE

Fee Policy for Market Makers in Single Stock and Unit Futures

1. Eligibility conditions for the market makers

This fee policy applies only to market makers that B3 has accredited for this program and will be conditional upon meeting the requirements set out in the items below.

2. Fee structure

Market makers will be exempted from exchange, registration, permanence and settlement fees on buying and selling in Single Stock and Unit Futures Contracts for which they have been accredited.

3. Hedge trades exemption

Market makers will be exempted from exchange fees and settlement fees on hedge trades with single stocks/units that are the underlying assets of the futures contract in which the market maker is accredited, in accordance with the criteria and limits defined below.

3.1 Limits to exemption from fee on hedge trades

Market makers are exempt from fees on hedge trades only if the total quantity of buy and sell orders for the stocks and units executed for hedging purposes does

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not exceed the same-day (T0) volume or next-day (T+1) volume (if the futures contract is held to expiration) of offsetting sell and buy orders for the single stock and unit futures in which the market maker is accredited to trade.

If a market maker surpasses the above limit on one or more days, the exchange and other fees specified in the fee policy for the cash equity market products concerned are charged on the daily excess volume. In this case no distinction is made for day-trade volume, and no other discount offered by B3 applies.

Excess volume is calculated by multiplying the excess quantity by the average price of the security traded by the market maker on the day.

Market makers are responsible for payment in full of all exchange fees and settlement fees on each month's daily excess volumes not later than the second business day of the following month.

4. General provisions

If a market maker is de-accredited by B3 or requests de-accreditation before the end of its obligation, the exemptions provided for in items 2 and 3 of this fee policy will cease to be applicable as of the date of its de-accreditation.

This fee policy does not apply to market makers for other securities admitted to trading on the markets operated by B3.