CHANGE TO PRODUCT OR SERVICE

New operating rules for Retail Liquidity Provider (RLP) Orders in the Equities Market and for WIN and WDO Mini Futures Contracts

Destined for segment participants: Listed.

Summary: B3 informs you of the new operating rules for RLP orders for Mini Ibovespa Futures (WIN) and Mini U.S. Dollar Futures (WDO) and for the equities market, following the CVM board decision regarding RLP orders.

The Securities and Exchange Commission of Brazil (CVM) Board definitively approved on August 13, 2024, the use of Retail Liquidity Provider ("RLP") orders for Mini Ibovespa Futures (WIN) and for Mini U.S. Dollar Futures (WDO) and maintained the use of RLP orders for equities, in an experimental capacity, for another 18 (eighteen) months, as of the implementation of the measures established in the decision, which will come into effect as of **November 3, 2025**.

1. **Implementations executed by B3**

    1.1. **Changes to how the Retail Liquidity Provider (RLP) order works in the equities market**

As of November 3, 2025, a new 18-month experimental period will start for the RLP in the cash market, for the same 20 (twenty) stocks that have already been enabled for such, but now with a single operating rule along the same lines as in the derivatives market, regardless of the status of the spread with the compulsorily better price when the spread is open.

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The updated table containing the available instruments for RLP orders is available at www.b3.com.br/en_us/ > Solutions > Platforms > PUMA Trading System > Participants and Traders > Rules and trading parameters > Retail Liquidity Provider (RLP), Available instruments.

1.2. Use of Sender Location for assisted liquidation (ZAS)

As foreseen in B3's Trading Procedures Manual, the participant must use the sender location that is appropriate to its liquidation model. B3 therefore understands that it needs to standardize and clarify the following definitions:

i. Compulsory liquidation: liquidation occurs only when the participant, as the responsible for risk management and control, reverses or reduces its client's position when it reaches the loss limit established by this participant. In this case, when using a system for automatic liquidation, the Sender Location with the 'ZER' prefix must be used. Liquidations commanded by the trading desk or by the risk management area of the participant must use a Sender Location with the 'MES' prefix.

ii. Assisted liquidation: liquidation is performed systemically by the participant based on parameters defined by the investor, which may be a percentage of the allocated limit for day trading, the stipulated maximum financial loss, or any other controls that may act in reducing or liquidating the position based on parameters determined optionally or mandatorily by the investor at the platforms provided by the participant. In this case, the Sender Location with the 'ZAS' prefix must be used.

iii. The use of the stop loss order as a mechanism for closing out positions by the client must not be confused with compulsory or assisted liquidation. In this case the Sender Location of the client's connection method must be used.

The full instructions for filling in the sender locations are available at www.b3.com.br/en_us/ > Solutions > Platforms > PUMA Trading System > Participants and traders > Rules and trading parameters > Trading rules, Sender Location.

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To exemplify the above concepts, consider the following scenarios for a client that has BRL 100,000 in assets allocated with a participant:

Scenario 1
- The participant uses, as a compulsory liquidation metric, reaching a 70% loss in relation to the client's assets. When the client reaches the BRL 70,000 financial loss level, the participant will enter an order to compulsorily liquidate this client's positions, using the Sender Location with the 'ZER' prefix.

Scenario 2:
- At its platform, the participant provides the limit allocation for day trading functionality and uses, as a compulsory liquidation metric, reaching a 70% loss in relation to the limit allocated for day trading. In this case in which the client has allocated BRL 10,000, when the loss level reaches BRL 7,000 in day trading the participant will enter an order to compulsorily liquidate the positions of this client, using the Sender Location with a 'ZER' prefix.

Scenario 3:
- At its platform, the participant provides the limit allocation for day trading functionality and also the possibility of configuration of the maximum financial loss parameter stipulated for day trading, should the client allocate, respectively, to these parameters the values of BRL 10,000 and BRL 500.00. When the client reaches the financial loss level of BRL 500.00 in day trades, the participant will enter an order to liquidate the positions of this client, using the Sender Location with the 'ZAS' prefix.

Scenario 4:
- The client enters a stop loss order. In this case, when the condition is reached for triggering the order in the book, the participant will execute the order given by the client using the Sender Location in accordance with the client's connection method.

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 The Participant must make it clear in its rules and manuals and procedures and internal controls that the reference values for liquidation, whether established by itself or by the client, are trigger values that set off the liquidation procedure, in such way that the result of the transactions after execution of the procedure may vary in relation to the respective reference values.

The following definitions apply to the provisions and examples presented herein: (i) assets is the total volume of resources in custody in the name of the client with the Participant; (ii) the limit allocation for day trading is the part of the equity the client sets aside for day trading; and (iii) maximum financial loss stipulated is the acceptable maximum loss defined by the client for transactions executed in day trading.

1.3. New indicator for monitoring client's liquidations

B3 will calculate and monitor the liquidations commanded by participants. The indicators will correspond to the division of the number of liquidations commanded up to 60 (sixty) seconds, counted from the average time of opening the position[1], by the total liquidations commanded by the Participant, with one indicator for compulsory liquidations and another for assisted liquidations. At the end of the calendar month, if any of the indicators has surpassed 5%, B3 will begin the sanctions procedures foreseen in the following item. The process is applicable only in cases where the total number of liquidations in up to 60 (sixty) seconds has surpassed 100 (one hundred) in the month. These indicators will be shared with the Participants and with BSM.

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[1] When opening a position with more than one transaction, B3 will calculate the average time weighted by the volume. Example: at 10:20:00 there was a first transaction to buy one contract; at 10:22:00 there was a new purchase of one contract. Therefore, the average time for creating this position of two contracts, which will be used as a reference for calculating the duration of the position up to liquidation, will be 10:21:00.

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1.4. New sanctions applicable to the participants in relation to the compulsory liquidations and the use of the RLP order

B3 will monitor the participants' adherence with the mandatory or assisted liquidation indicators and will inform BSM of noncompliance. For its part, BSM, in the scope of its indirect monitoring of RLP, will inform B3 of failures to comply with the obligation of sending educational material that is incumbent on those participants that offer the RLP order. In either case of noncompliance, B3 will notify the participants and request a action plan for realignment with the established rules. The action plan must be presented to B3 within 10 (ten) business days after the notification.

If the Participant fails to comply with the obligation of submitting the action plan, does not comply with the plan that has been presented or if this plan does not have the expected effect, or if the Participant presents a justification that B3 does not accept, the Participant will be notified and it will be the responsibility of B3's Electronic Trading Department to apply a daily punitive fine until the participant meets its obligation, with the fine being the highest of the following:

2. BRL 10,000.00 (ten thousand Brazilian Reals); or
3. 2.5% times the number of contracts traded via RLP during the entire calculation month, times 0.5 the tick size.

Regardless of the punitive fine, B3 may also apply the sanctions foreseen in the normative documents if the Participant fails to comply with obligations related to the RLP order. Reoffending will be considered an aggravating factor in the case of the decision to apply a punitive fine and the sanctions foreseen in the normative documents and also impacts determination of the severity of the penalty.

The Participant may lodge an appeal again the decision to apply a punitive fine, to the Chief Operating Officer – Electronic Trading and CCP, with no suspensive effects. Resources from payment of the punitive fine that are received by B3 will be entirely destined toward educational measures for the RLP product.

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B3 will grant a month to adapt to the new processes described herein, so that the foreseen sanctions may begin to be applied on activity in the second month of these rules coming into effect.

1.5. Discontinuation of the mandatory submission of a declaration of compliance with requirements for Retail Liquidity Provider (RLP) order use for the WIN and WDO mini contracts

With CVM's definitive approval of the RLP for the mini contracts, B3 no longer requires that participants submit a quarterly declaration of compliance with the requirements associated with the RLP order for WIN and WDO.

2. New obligations of the Participants that offer the RLP order

The Participants that offer the Retail Liquidity Provider (RLP) order must inform their clients, upon activation, of the following information and maintain it permanently on their websites, in a visible and easily accessible location and in accessible language:

i. Significant risks: warning that day trades may entail significant risks.

ii. Client profile appropriateness: communicating that not all investment profiles are appropriate for such transactions.

iii. Total loss of investment: warning that the client may lose all its invested money.

iv. Commissions, fees and charges: clarifying that the client must find out about the commissions, fees and other charges involved in the transactions (which must also be provided on the Participants' websites).

v. Conflicts of interest: explaining that the Participant may be a counterparty to the client in transactions and obtain gains in this situation, as well as qualitatively explain all of the manners and structures of remuneration and the potential conflicts of interest regarding understanding of the mechanism and risks and the incentives associated with it.

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The page with this content must have its language and content approved by B3 and CVM before it is published. The participant must send to rlp@b3.com.br the path to the page on its public website so that B3 can make this validation.

Any eventual benefits that are granted to the clients that accept being counterparties to the Participants using RLP orders must be disclosed in sober and moderate language and may not be used as mitigators for linked information related to remuneration and to conflicts of interest.

Furthermore, the Participants must offer at least one configurable platform that sends margin consumption alerts for day trading, in sufficient time, so that their clients can react rapidly to market fluctuations, thus avoiding compulsory liquidations. These alerts may be sent at the trading platform itself, via instant messages by cellphone or other channels that are judged appropriate.

All the other rules related to the RLP Order will remain in effect and must continue to be followed, including but not restricted to:

i. The CAP of the WIN and WDO mini contracts will be maintained, for both, at 15% of the total trading volume of the derivatives and, for equities, at 30% of the volume of the retail flow of the instrument. Any changes that are to be implemented will be announced to the market in due course.

ii. Control of leverage: the required minimum margin values will be maintained at BRL 100.00 for the Ibovespa mini contract and BRL 150.00 per U.S. Dollar mini contract. B3 will review these values every quarter in order to, if necessary, adjust the margin requirement to the notional exposure and volatility levels of the contracts.

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iii. A continued educational process will be provided through free courses to clients that are considering the topics described below.

    a. Educational journey with free courses for investors covering the following content, without limitation: (1) introduction to day trading and mini contracts; (2) types of offers and how they work (detailing the advantages and disadvantages as well as the costs of market offers); (3) risk management (benefits of using the stop loss methodology); (4) behavioral biases and tools to avoid them.

    b. Active involvement in the initiation of the investor: after the first day trade performed by the investor and after the first daily loss exceeding R$1,000.00 (one thousand reais), participants should send informative content about: (1) risks of mini contracts and leverage, including statistics on day trading of mini contracts at B3; (2) a guide on risk management and the importance of the stop loss methodology; (3) the importance of using limit orders and the differences compared to market orders; (4) costs of compulsory liquidation; (5) behavioral biases.

    c. Participants should monitor the following indicators: financial results achieved by retail investors, use of limit orders, and the number of compulsory liquidations per investor.

        i. Financial results of investors: if the investor incurs a loss of 10% (ten percent) and 25% (twenty-five percent) of their assets, the participant must communicate with the investor at the time of the loss, and only the first time the loss occurs, to encourage the use of the stop loss methodology and to send alerts and suggestions to avoid future losses.

        ii. Use of limit orders: if the investor does not send a maker[2] order within the first 15 days of operation, or if the investor sends more than 85% of

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[2] Type of order that generates liquidity for the book, not being sent against the best price on the opposite side of the central book ("resting order")

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taker[3] orders (taker orders/total orders) in the first 30 (thirty) days of operation, the participant must send educational content to the investor covering the following topics: (1) advantages of using limit orders; (2) implicit costs (spread cost) of market orders; (3) detailed explanation on how to send a limit order.

iii. Number of compulsory liquidations: upon the first and fifth compulsory liquidation of the investor, the participant must send the educational content for the initiation of the investor and suggest that they take the free courses in the investor's educational journey.

The obligations of the Participants that offer the RLP order and the consequences in the case of breaching the limits foreseen for its execution, described in B3's Trading Procedures Manual in sections 4.3.4.1 and 4.3.4.2 respectively.

The publication of this Circular Letter revokes Circular Letters 003/2022-VPC dated January 6, 2022, 043/2022-PRE, dated April 5, 2022, and 011/2023-PRE, dated January 31, 2023.

For further information please contact our service centers.

Central – Trading

+55 11 2565-5022

trading@b3.com.br

B3 S.A. – Brasil, Bolsa, Balcão

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[3] Type of aggressive offer that is sent against the best available price on the opposite side of the central order book.

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