



*The English version of the Terms and Conditions for Futures Contracts is published for information purposes only and does not constitute legal advice. However, in case of any Interpretation controversy, the Spanish version shall prevail.*

**Terms and Conditions for the “MINI”  
Mexican Stock Exchange (BMV) Price and Quotation Index (IPC)  
Futures Contracts  
(Cash Settlement)**

**I. PURPOSE.**

**1. Underlying Asset.**

The Price and Quotation Index issued by the Mexican Stock Exchange “Bolsa Mexicana de Valores, S.A. de C.V.” (hereinafter “IPC” and “BMV” respectively).

The IPC is the BMV’s main index of stock market performance, and expresses market yield based on the price variations from a balanced, weighted and representative sample of the total stock certificates quoted on the BMV.

The sample is reviewed on a yearly basis and it is made up by approximately 35 issuers from different sectors of the economy. Applied in its current structure since 1978, the IPC accurately expresses the status of the stock exchange market and constitutes a highly reliable index.

The IPC is an index calculated by market capitalization. The IPC weighs the participation of each of the issuers that constitute the sample, based on the market value of the outstanding shares. The calculation and adjustment of rights method is defined by the BMV. The IPC is updated automatically in real time, as a consequence of the execution of registered trades of the stock certificates included in the sample during the BMV’s capitals market auction session.

**2. Face Value of a Futures Contract.**

MXN \$2.00 (Two Mexican Pesos 00/100) multiplied by the IPC value.

**3. Series.**

Under the terms of its Internal Regulations, MexDer will quote and make available for trading different Series of the “MINI” IPC Futures Contract on a quarterly basis, which means that Futures Contracts with Maturity Dates in the months of March, June, September and December will be permanently available for trading.

If the Market demands availability of “MINI” IPC Futures Contracts with Maturity Dates different than those indicated in the preceding paragraph, MexDer may list new Series for trading.

## II. TRADING MECHANISM

### 1. Ticker Symbol or Code

The different Series of the “MINI” IPC Futures Contract will be identified with a ticker symbol or code, which will consist of the expression “MIP” followed by the first letter and the following consonant of the maturity month and the last two digits of the maturity year, as shown in the following example:

Futures Contract Ticker Symbol or Code	Underlying Asset Code	Maturity Month	Maturity Year
MIP MR10	IPC	MR = March	10 = 2010
MIP JN10	IPC	JN = June	10 = 2010
MIP SP10	IPC	SP = September	10 = 2010
MIP DC10	IPC	DC = December	10 = 2010
MIP MR11	IPC	MR = March	11 = 2011

In case the market requires new series for “MINI” IPC Futures Contract, according to the second paragraph num 1.3., MexDer will publish in the “Bulletin” the additional specific characteristics that will include the ticker symbol or code at least 1 business day in advance.

### 2. Quotation unit

Trading of Contracts in MexDer will have as quotation unit of the Futures Price the absolute value of the IPC.

### 3. Tick

Submittal of Bids or Offers for trading “MINI” IPC Futures Contracts will be reflected in minimal fluctuations of the Futures Price of ten (10) points of the IPC.

Cama and Ronda Trades, as well as Rollovers Transactions will be executed on minimal fluctuations of the Futures Price of one (1) point of the IPC. The corresponding Tick to round the Daily Settlement Price and Settlement Price at maturity will be one (1) point of the IPC.

### 4. Value of the Tick per Futures Contract

According to the first paragraph of section 3 above, the value of the change in a Bid or Offer in the Futures Price of a Contract is MXN \$ 20.00, which is the result of multiplying one tick 10.00 (ten IPC points) times the value of one IPC point (MXN \$2.00 pesos).

### 5. Means for Trading

“MINI” IPC Futures Contracts will be traded by means of electronic procedures using MexDer’s Electronic Trading System, in accordance with the standards and procedures set forth in MexDer’s Internal Regulations, without detriment to MexDer’s right to establish a different mechanism.

## III. CHARACTERISTICS AND TRADING PROCEDURES

### 1. Maximum daily fluctuation of the Futures Price

There will be no maximum fluctuation in the Futures Price during the same trading session.

## **2. Trading hours**

Trading hours for the “MINI” IPC Futures Contracts will be Business Days from 7:30 to 15:00 hours, Mexico City time.

Without detriment to MexDer’s right to establish a different schedule, same that must be published in the Bulletin within three Business Days prior to its implementation.

## **3. Trading Hours at Daily Settlement Price**

The Daily Settlement Price shall be calculated by MexDer at the close of each trading session, and will allow the trading of “MINI” IPC Futures Contracts throughout the submittal of live Bids or Offers at the Daily Settlement Price by Clearing Members and MexDer Brokers, using Block Trades according to the terms and conditions established in MexDer’s Internal Regulation.

The hours in which MexDer will receive live Bids or Offers for trading at Daily Settlement Price will be 3:20 to 3:30 p.m.

The foregoing is without detriment to MexDer’s right to establish a different schedule, same that must be published in the Bulletin within three Business Days prior to its implementation.

## **4. Last trading Day and Series Maturity Date**

The last trading day and the Maturity Date for a given Series of “MINI” IPC Future Contracts will be the third Friday of the maturity month, or the previous Business Day if such Friday is a non Business Day.

In case MexDer lists new series of “MINI” IPC Futures Contract according to num 1.3., MexDer will publish in its Bulletin the specific characteristics of the Series, including the Ticker Symbol, Last Trading Day, and Maturity Date, with at least one Business day prior to its listing.

## **5. Trading of new Series**

The trading of Series with a maturity different than those established in point (1.3) above will begin on the next Business Day as of the publication in the Bulletin. The new Series of the cycle of the Futures Contract according to point (1.3) will begin its trading the next Business Day as of the last day of trading of the previous Series.

## **6. Settlement Date on maturity**

For purposes of fulfillment of the obligations assumed by the Clearinghouse and the Clearing Members with respect to the Client, is the Business Day following the Maturity Date.

## **IV. DAILY SETTLEMENT AND SETTLEMENT AT MATURITY**

### **1. Settlement at Maturity**

The Client will carry out settlement at maturity on the Maturity Date.

### **2. Daily Settlement**

Clients and Clearing Members will settle their obligations as agreed in the brokerage agreement.

Clearing Members and the Clearinghouse will carry out daily settlement of their obligations in accordance with the Clearinghouse Internal Regulations, including in such daily settlements all profits and losses, the updating of the Margin, the updating of the Compensation Fund, accrued interest, and, if applicable, the corresponding fees.

### **3. Computation of the Daily Settlement Price**

The Daily Settlement Price for “MINI” IPC Futures Contracts will be the same as the one calculated for the IPC Futures Contract at the close of the current trading session.

### **4. Settlement Price at maturity.**

The Settlement Price at Maturity for an “MINI” IPC Futures Contract Series which has reached its maturity shall be equal to the closing price of the IPC calculated by BMV, according to the following formula:

$$PL = IPC_t$$

Where:

$PL$  = Settlement price of the contract.

$IPC_t$  = IPC closing level at day  $t$ .

$t$  = Maturity day of the contract.

## **V. POSITION LIMITS IN “MINI” IPC FUTURE CONTRACTS**

### **1. Position Limits in Short or Long Positions and in Crossed Positions.**

The Position Limits established for “MINI” IPC Futures Contracts is the maximum number of Open Contracts in the same Class that a Client may hold. The Position Limits shall be established together by MexDer and the Clearinghouse and shall be published through the Bulletin.

### **2. Position Limits for hedging positions.**

Clients may open Long Positions and Short Positions that exceed the Position Limits established according IV.1 above, solely for the purpose of creating a hedging position.

It will be the Clearing Member’s responsibility to verify the existence of the conditions necessary to carry out the trades and to prove to the Clearinghouse, on behalf of of its Clients, , the existence of positions eligible for hedging, no later than the next Business Day in which the Position Limits are exceeded, according to the procedure set forth in Operating Manual for the Clearinghouse.

In accordance with the Internal Regulations of the Clearinghouse, hedging position will be understood as the Short Position or Long Position a Client maintains in the Clearinghouse, which helps hedge risks in a Client’s position in other markets different than MexDer and the Clearinghouse, in Underlying Assets or securities of the same type as the Underlying Asset or in other kind of assets on which it is taking the hedging position.

The Clearinghouse will, at its discretion, approve or deny a Client’s request to maintain a hedging position, and in case of rejection the Clearing Member must assure that its Client closes the number of Contracts necessary to comply with the Position Limits established in point IV.1 above, in the understanding that failure to close those Contracts over the Position Limit will be grounds for sanctions under the terms of the Clearinghouse’s Internal Regulations.

## **VI. EXTRAORDINARY EVENTS**

### **1. Fortuitous Event or Causes of Force Majeure.**

When, due to a fortuitous event or causes of force majeure, it is impossible to continue with the calculation of the IPC, MexDer and the Clearinghouse may suspend or cancel trading, clearing, and settlement of the Contract, respectively, and will be authorized, in terms of their respective Internal Regulations, to determine the means for settling the opened Contracts in force at the time, trying to safeguard in all events, the rights acquired by their Clients.

### **2. Contingency Situations.**

If MexDer declares a contingency situation, both the auction hours and the operating mechanism may be modified in accordance with MexDer's and the Clearinghouse's Contingency Manuals.

### **3. Information.**

MexDer will inform the investors, through its Bulletin, of changes registered in the composition of the stock sample that the BMV uses to determine the IPC, no later than the next Business Day in which the IPC is calculated, considering the issuers for the sample.

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