The English version of the Terms and Conditions for Options 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 Mexican Stock Exchange Index "S&P/BMV IPC" <u>Options on Futures Contracts</u>

I. PURPOSE

1. Underlying Asset

The Underlying Asset is the **Mexican Stock Exchange Index "S&P/BMV IPC"** Futures Contract.

2. Number of Units of the Underlying Asset backing an Options Contract (Contract Size)

Each Options Contract relates to one S&P/BMV IPC Futures Contract corresponding to the Maturity term of the Option contract.

3. Options Contract Types

MexDer shall at all times make available both Call (buy) and Put (sell) Options Contracts.

4. Options Contract Style

European. May only be exercised on their Maturity Date.

5. Series

According to its Internal Regulations, MexDer shall list and keep available for trading various Series of Options Contracts on the S&P/BMV IPC Futures, both Call (buy) and Put (sell), at the Strike Prices specified in number I.6, and on a quarterly basis. This means Options Contracts with maturity months in March, June, September and December shall be available at all times.

If the market exhibits a demand for S&P/BMV IPC Options on Futures contracts with Maturity Dates different from those indicated in the preceding paragraph, MexDer may list new Series for trading.

6. Strike Prices

Strike Prices shall be expressed in whole points of the S&P/BMV IPC, and shall be multiples of 50 points.

For each Maturity Date, MexDer will list the various Series as follows:

- A Strike Price equivalent to the last price of the S&P/BMV IPC Futures corresponding to the term of the Option on the immediately preceding business day, rounded off to the closest multiple of 50 points.
- In addition, MexDer will list at least two higher Strike Prices and two lower Strike Prices than the price described above.

New Strike Prices in each maturity term may be listed during the life of the Options Contracts when the value of the S&P/BMV IPC Future at the end of a session is higher than the second highest Strike Price, or lower than the second lowest Strike Price. MexDer will keep the same Strike Prices current at all times for all maturities of the Options Contracts. The new Strike Prices shall be listed on the Business Day following that on which this situation occurs.

When market conditions require, MexDer may list more Strike Prices to provide appropriate Contracts under these conditions.

II. TRADING MECHANISM

1. Ticker Symbol

The various Series of the S&P/BMV IPC Options on Futures Contracts shall be identified with a ticker symbol published by MexDer in its Derivatives Products Market Indicator Bulletin (hereinafter, "Bulletin"), as follows:

The first two digits shall be the letters "IP", which describes the name of the Underlying, plus five digits that specify the Strike Price and finally, one more digit specifying the type of Options Contract and the maturity month.

The last digit used to identify the maturity month and type of Options Contract are shown in the following table:

Maturity	Call	Put
January	A	M
February	B	N
March	C	O
April	D	P
May	E	Q
June	F	R
July	G	S
August	H	T
September	I	U
October	J	V
November	K	W
December	L	X

The following are some examples:

Instrument	Description
IP 20000C	CALL Options with maturity on March, Strike Price 20,000
IP 19900F	CALL Options with maturity on June, Strike Price 19,900
IP 20100U	PUT Options with maturity on September, Strike Price 20,100
IP 19800X	PUT Options with maturity on December, Strike Price 19,800

2. Quotation Unit

Options Contract Premiums shall be quoted in S&P/BMV IPC index points.

3. Tick

Bids presented to enter into an Options Contract must be made with a minimum fluctuation of 1.00 index point.

4. Means for Trading

The S&P/BMV IPC Options on Futures Contracts shall be traded electronically, through MexDer's Electronic Trading System, in accordance with the rules and procedures established in its Internal Regulations, although MexDer reserves the right to establish any other trading mechanism.

III. TRADING CHARACTERISTICS AND PROCEDURES

1. Maximum daily fluctuation of the Premiums

There shall be no limit set on the maximum fluctuation of the Options Contract Premium during a single trading session.

2. Trading hours

The trading hours for S&P/BMV IPC Options on Futures Contracts shall be in Business Days from 7:30 to 15:00 hours, Mexico City time.

MexDer reserves the right to establish any other trading hour, which shall be published in its Bulletin three Business Days in advance of the day on which it takes effect.

3. Last Trading Day and Maturity Date of the Series

The Last Trading Day and Maturity Date of an S&P/BMV IPC Futures Options Contract Series shall be the third Friday of the maturity month, or the preceding business day if that Friday is a non-business day.

4. Trading new Series

Trading of Series with Maturity Dates different from those established in point I.5, above, shall begin on the business day following the date of its announcement in the market bulletin. New series in the Options Contract cycle, as mentioned in point 1.5, above, shall begin trading on the Business Day following the last trading day of the preceding series.

5. Date of Settlement at Maturity

For the purposes of complying with the obligations of the Clearinghouse and the Clearing Member with respect to the Client, the settlement date shall be the business day after the Maturity Date.

IV. DAILY SETTLEMENT AND SETTLEMENT AT MATURITY

1. Settlement at Maturity

On the Maturity Date, at the close of the trading session, Brokers, Clients and Clearing Members that have short positions in S&P/BMV IPC Options on Futures Contracts must settle the obligations relating to the Contracts they have opened.

Contracts shall be settled at Maturity through an automatic exercise of all the positions that have a positive intrinsic value, leading to the registry of the position in S&P/BMV IPC Futures expiring on that same day.

The position in S&P/BMV IPC Futures produced through the expiration process shall be established in the respective accounts, at the strike price, leaving one long Futures contract for an account that has a long position in Calls or a short position in Puts, and a short Futures contract for an account that has a short position in Calls or a long position in Puts, when one or the other of these positions is in the money.

2. Settlement Date of the Price or Premium

For the purpose of complying with the obligations the Clearinghouse and Clearing Member have assumed with respect to the Client, the Settlement Date is the first Business Day following the date on which the transaction is performed on MexDer.

3. Intrinsic Value of the Options Contract at Maturity.

A Call Options Contract shall have positive intrinsic value when the Strike Price is lower than the closing price of the S&P/BMV IPC future with the same maturity date. The Settlement Price of the S&P/BMV IPC Future will be announced by MexDer on the Maturity Date.

A Put Options Contract shall have positive intrinsic value when the Strike Price is higher than the closing price of the S&P/BMV IPC future with the same maturity date. The Settlement Price of the S&P/BMV IPC Future will be announced by MexDer on the Maturity Date.

Otherwise, the Intrinsic Value on the maturity date shall be zero.

4. Daily Settlement

Clients and Clearing Members must settle their obligations as established in their respective Brokerage Agreement.

Clearing Members and the Clearinghouse shall settle their obligations on a daily basis, as stipulated in the Internal Regulations of the Clearinghouse, incorporating in that settlement any premium agreed upon, recalculation of Minimum Initial Contributions (Margins) and the Clearing Fund contributions, accrued interest, and any fees due.

5. Daily Settlement Price or Premium

MexDer shall calculate the Daily Settlement Price or Premium at the close of trading using the valuation model published in the Bulletin, and taking into account Market information for the variables that might affect the Price or Premium.

V. POSITION LIMITS

1. Limit on Short or Long Positions

The Position Limit established for the S&P/BMV IPC Options on Futures Contract is the maximum number of Open Contracts the Client may hold in a single Class. Position Limits are established jointly by MexDer and the Clearinghouse, and published through the Bulletin.

2. Limit on Hedge Positions

Clients may open Long and Short Positions that exceed the Position Limits established as mentioned in number IV.1, above, solely for the purpose of creating a risk hedge.
It is the responsibility of the Clearing Member to verify that the necessary conditions exist for carrying out these transactions, and demonstrating on behalf of their Clients to the Clearinghouse, that the positions to be hedged exist, by the Business Day following that on which the Position Limits are exceeded, in accordance with the procedure established in the Policies and Procedures Manual of the Clearinghouse.

According to the Internal Regulations of the Clearinghouse, hedge positions shall be understood to mean a Short or Long Position that a Client maintains in the Clearinghouse in order to hedge the risk of a position the Client maintains in a market or markets other than MexDer and outside the Clearinghouse, in Underlying Assets or securities of the same type as the Underlying Asset or other type of asset on which he hedge position is being taken.

The Clearinghouse may, at its own discretion, accept or reject the Client's request to maintain a hedge position, and if it is rejected, the Clearing Member must ensure that the Client closes the number of Contracts necessary to once again conform to the Position Limits established as mentioned in number IV.1, above. If the Contracts that exceed the Position Limit are not closed, the Clearing Member shall be subject to the disciplinary measures described in the Internal Regulations of the Clearinghouse.

VI. EXTRAORDINARY EVENTS

I. Definition of an extraordinary event

"Extraordinary event" shall be understood to mean the suspension of calculation of the Mexican Stock Exchange “S&P/BMV IPC” index, which underlies the Futures Contracts, which in turn underlie the Options Contracts. The suspension of a stock included in the S&P/BMV IPC index due to changes in its price within one Business Day that exceeds the Mexican Stock Exchange limits shall not be considered an extraordinary event.

If an extraordinary event causes suspension of the calculation of the Mexican Stock Exchange “S&P/BMV IPC” index, the corresponding Options Contract shall also be suspended.

2. Acts of God or Force Majeure

When by reason of acts of God or force majeure, it is impossible to continue calculating the S&P/BMV IPC, MexDer and the Clearinghouse may suspend or cancel trading, clearing and settlement, respectively, in the Options Contracts, and may under the terms of their respective Internal Regulations, determine the form of settlement for Contracts open at that time, endeavoring at all times to preserve the rights acquired by the Clients.

3. Contingency Situation

If MexDer declares a contingency situation, both the trading hours and the trading procedures may be modified, in accordance with the Contingency Manual of MexDer and of the Clearinghouse.

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