

## CHAPTER ONE

### GENERAL PROVISIONS

#### PART ONE

#### SPHERE OF APPLICATION AND DEFINITIONS

##### 100.00

This Regulation is issued pursuant to trust indenture number F/30,430, created in Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero, identified as Asigna, Compensación y Liquidación. They apply to all clearing members and, in the pertinent aspects, to the Clearinghouse, Traders, and independent auditors, with reference to the activities they perform in or in connection with the market for Futures and Options Contracts traded on the Exchange.

##### 101.00

**The definitions below will have for all the legal effects the meaning that here is defined:**

**Underlying Asset(s).** Any good or reference index used as the basis for a Futures or Option Contract entered into on (through) the Exchange.

**Minimum Capital.** The capital that Traders that are authorized to manage Global Accounts must maintain; this amount may under no circumstances be less than the amount established in the Rules.

**Contribution(s).** Cash, securities or other assets approved by the Authorities, which must be delivered to Clearing Members, or when applicable, Traders, for each open contract, to ensure their compliance with the obligations derived from Futures and Options Contracts.

**Initial Minimum Contribution (Margin).** The contribution that each Clearing Member must deliver to the Clearinghouse.

**Basic Initial Minimum Contribution (Margin).** The contribution that the Clearing Member must deliver to the Clearinghouse, which shall be established to hedge the portfolio against settlement risk, in the event of which, within a Class Group, the clearing of credits and debits in additional margins results in an amount less than the Margin.

**Initial Minimum Contribution (Margin) for Exercise/Assignment.** This is the contribution required by the Clearinghouse from a Clearing Member, to cover at least, the settlement value of the exercised/assigned positions using the algorithm determined by the Clearinghouse.

**Initial Minimum Contribution (Margin) for Spread Positions.** This is the contribution required by the Clearinghouse from the Clearing Member that results of applying a reduction in the Initial Margin Contribution for each contract, determined on the basis of the correlation between the price changes of the Contract Series in a same class, and

based on the correlation in the price variation in the respective underlying in the case of contracts of a same Class Group.,

**Initial Mimimun Contribution (Margin) for Premiums.** This is the contribution required by the Clearinghouse from the Clearing Member. The amount will be the result of multiplied the premium by the number of underlying assets by number of Option Contracts that make up the Short positions in one series of an Option Contract, or the result of multiplied the difference between the Exercise Price and the Market Price by number of underlying assets by the number of Option Contracts of a Short position assigned.

**Initial Mimimun Contribution (Margin) for Risk.** This is the contribution required by the Clearinghouse from a Clearing Member, resulting from applying a reduction in the Initial Minimum Contribution by each contract. The reduction will be determined according the expected potential changes in the underlying assets in portfolios with options short and long positions, or according the potential variations on the underlying assets prices or correlations in the underlying assets in the casos of Futures and Options in a same Class Group of a client.

**Authorities.** Any or all of the following: the Ministry of Finance and Public Credit, the National Banking and Securities Commission, and Banco de México (the central bank).

**Bulletin.** The medium for distribution of market information generated in Exchange trading sessions, as well as information regarding Underlying Assets, Clearing Members, Traders, and the Clearinghouse.

**Exchange.** The corporation known as MexDer, Mercado Mexicano de Derivados, S.A. de C.V. (the Mexican Derivatives Exchange), whose purpose is to supply the facilities and other services necessary for Futures and Options Contracts to be quoted and traded.

**Clearinghouse.** Mercantile negotiation that will be established by the trustee, charged to the equity of Trust number F/30,430, whose purpose is to clear and settle Futures and Options Contracts, as well as to act as counterparty for every transaction performed on the Exchange; it is identified by the trade name of "Asigna Compensación y Liquidación."

**Class.** All Futures Contracts which are based on or refer to the same Underlying Asset.

All Call Options which are based on or refer to the same Underlying Asset.

All Put Options which are based on or refer to the same Underlying Asset.

**Global Account(s).** An account managed by a Trader or Clearing Member, in which transactions for one or more Clients are recorded, according to individual and anonymous instructions.

**Global Account manager.** A Clearing Member or Trader that has been approved by the Clearinghouse to manage Global Accounts.

**Client(s).** Party or parties who enter into Futures and/or Options Contracts through the Exchange, through a Clearing Member or a Trader acting as broker for a Clearing Member, and whose counterparty is the Clearinghouse.

**Execution Commissioner.** Party designated by the Technical Committee to assume the administration of a Clearing Member when any of the grounds for intervention described in the Regulation are present.

**Technical Committee.** The Technical Committee of the Asigna Trust.

**Buyer(s).** In a Future Contract, the party that is obliged to pay the Settlement Balance at Expiration to the counterparty, on the Settlement Date. In an Option Contract, the party that pays a premium to acquire from the seller the right, but not the obligation, to buy or sell an Underlying Asset.

**General Contract Conditions.** The standardized characteristics of each Futures or Options Contract.

**Compliance Officer.** The party appointed under the terms of the corporate charter of the Exchange and authorized by the National Banking and Securities Commission (CNBV), responsible for monitoring compliance with the Regulations, Provisions, and self-regulatory standards issued by the Exchange and Clearinghouse, as well as other provisions issued by the Authorities and applicable to the market; and also responsible for proposing modifications to the self-regulatory standards to the board of directors of the Exchange.

**Contract(s).** Any Future or Option Contract.

**Open Contract(s).** A transaction performed on the Exchange by a Client through a Clearing Member, which has not been canceled by the same Client through the performance of a contrary transaction in the same series through the same Clearing Member.

**Future contract(s).** A standardized legal agreement specifying the term, amount, quantity and quality, among other features, to buy or sell an Underlying Asset at a certain price, to be settled at a future date.

If the Future Contract specifies payment by differences, the Underlying Asset shall not be physically delivered.

**Options contract(s).** A standardized legal agreement by which the Buyer pays a premium to acquire from the Seller the right, but not the obligation, to buy (CALL) or sell (PUT) an Underlying Asset at an agreed-upon price, on or before the Expiration Date, and the Seller is obliged to sell or buy, as the case may be, the Underlying Asset at the agreed-upon price. The Buyer may exercise the right as agreed upon in the respective contract.

If the Options Contract specifies payment by differences, the Underlying Asset shall not be physically delivered.

**American Style Option.** This is an Option Contract that gives the Buyer the right to exercise the put or call option at any time within regular Exchange trading hours, during the duration of the Contract.

**European Style Option.** This is an Option Contract that allows the Buyer to exercise the put or call option only on the Expiration Date.

**Account(s).** Set of Transaction records that the Clearinghouse maintains for each Clearing Member, on the basis of which the clearing and settlement are carried out.

**Client Account.** Transaction record that the Clearinghouse maintains within the clearing and settlement system for all the direct Clients of each Third-Party Position Clearing Member, on the basis of which clearing and settlement are carried out.

**Trader Client Account.** Record maintained by the Clearinghouse within the clearing and settlement system for all the Clients of a Third-Party Position Member, regarding transactions derived from its capacity as broker for each Trader, with the exception of the latter, on the basis of which clearing and settlement is carried out.

**Conciliation Account.** Record maintained by the Clearinghouse regarding Transactions performed as the result of trading errors by Third-Party Position Clearing Members.

**Market Maker Account.** Record maintained by the Clearinghouse within the clearing and settlement system regarding Transactions by each Trader acting as Market Maker, under the terms of the Exchange's regulations, on the basis of which clearing and settlement is carried out.

**Group Account.** Record maintained by the Clearinghouse within the clearing and settlement system, regarding Transactions by the other entities of the financial group to which the trustor and/or trustee bank or brokerage firm of a Proprietary Position Clearing Member, on the basis of which clearing and settlement is carried out.

**Trader Account.** Record maintained by the Clearinghouse regarding Transactions by each Trader that trades proprietary positions, including transactions performed according to the Liquidity Terms and Conditions established by the Exchange.

**General Trading Account.** Demand deposit account maintained by a bank in the name of the Clearinghouse, in which deposits and withdrawals of cash are made pertaining to net daily balances and Settlement Balances at Expiration.

**General Securities Account.** Securities account maintained by a securities depository in the name of the Clearinghouse, in which deposits and withdrawals of Margin securities are made.

**MexDer Account.** Individual account number assigned by the Exchange to each Client, Clearing Member or Trader for each Global Account it manages, at the request of the Clearing Member, which is used as the basis for identifying Transactions by Client, regardless of whether or not those Transactions are performed through different Clearing Members. Foreign Financial Entities may have one MexDer Account for proprietary trading and another for Transactions in accounts that they manage with characteristics equal, analogous or similar to Global Accounts.

**Operating Manual.** The Manual of Policies and Procedures, which establishes the procedures and specifications that the Clearinghouse, Clearing Members and Traders that manage Global Accounts must follow in carrying out their activities.

**Proprietary Account.** Record maintained by the Clearinghouse regarding Transactions by the multiple-service bank and/or brokerage firm that are the trustors of a Proprietary Position Clearing Member, on the basis of which clearing and settlement is carried out, including transactions performed according to the Liquidity Terms and Conditions established by the Exchange.

**Business Day(s).** Any day on which banks and brokerage firms are open for business and engage in transactions in accordance with current regulations.

**Chief Executive Officer.** The individual appointed under the terms of the Asigna Trust and approved by the Authorities to perform the duties of Chief Executive Officer of the Clearinghouse.

**Provisions.** "Prudential provisions that apply to participants in the futures and exchange-listed options markets as regards their transactions," as published in the Official Gazette of the Federation on May 26, 1997, and modifications thereto.

**Exercise.** The option buyer's right to exercise the right agreed upon in that contract.

**Foreign Financial Entity(ies):** Foreign financial entities that in their country of origin engage in brokerage and/or proprietary trading in Contracts, whether Clients of a Clearing Member or Trader, and which are authorized by the Exchange to manage accounts with characteristics equal, analogous or similar to Global Accounts.

**Style.** This refers to the type of option contract—American Style or European Style (see above).

**Excess Margin(s).** The difference between the initial contribution required of Clients by Clearing Members, and the Margin required of the Clearing Member by the Clearinghouse, which is administered by the Clearing Member in question.

**Expiration Date.** The Business Day up to or upon which the option contract buyer may exercise the right agreed upon in that contract.

**Settlement Date.** The business day on which obligations stemming from a Contract are due and payable, according to the General Contract Conditions.

**Expiration Date.** The business day on which the term of a Contract expires, according to the General Contract Conditions.

**Asigna Trust.** Trust indenture number F/30,430.

**Contribution Fund.** The fund created in the Clearinghouse out of Margins submitted by Clearing Members for each Open Contract.

**Clearing Fund.** The fund created in the Clearinghouse out of resources in addition to the Margins that the Clearinghouse itself requires of Clearing Members, equivalent to ten percent of the Margins; as well as any other amount required of Clearing Members for this fund.

**Market Maker(s).** Traders that have obtained approval from the Exchange to act in such capacity, and who must permanently and for their own account, maintain buy and sell bids on Futures and/or Options Contracts.

**Product Group.** A group of contracts approved by the authorities and consisting of two or more Classes, which allows Clearing Members to reduce Margins, by virtue of the correlation between them.

**Certifying Institution.** The self-regulatory body recognized by the Exchange for certifying the technical capacity of the personnel employed by Clearing Members and Traders and by the Clearinghouse.

**Daily Settlement(s).** A sum of money that is required, received and submitted daily, as the case may be, resulting from the Clearinghouse's daily valuation of changes in the Closing Price of each Open Contract, against the Closing Price of the immediately preceding Business Day, or, if such is the case, against the contract price, as well as the amounts corresponding to any Premiums that may have been agreed upon in the negotiation of Options Contracts.

**Extraordinary Settlement.** A sum of money demanded by the Clearinghouse under special circumstances described in the Regulations.

**Operating Manual.** Manual of Policies and Procedures establishing specific procedures and specifications for the Clearinghouse and Clearing Members in the performance of their duties.

**Member(s).** Repealed.

**Trader(s).** Banks, brokerage firms, and other individuals and incorporations, whether or not they are members of the Exchange, whose purpose is to act as an agent for one or more Clearing Members and, when applicable, as managers of Global Accounts, in entering into Futures and Option Contracts, and which may have access to the Exchange's electronic trading system for entering into those contracts.

**Notification of Exercise.** The process by which the clearing member notifies the Clearinghouse of its intention to exercise the right agreed upon in an Options Contract.

**Transaction.** Act by which a Futures or Options Contract is entered into, and by virtue of which a Client and the Clearinghouse must abide by the terms established in the General Contract conditions.

**Opening Trade.** For record-keeping purposes, a Transaction by which an Open Position is created or the number of a Client's Open Contracts in a given series is increased.

**Closing Trade or Cancellation.** For record-keeping purposes, a Transaction which an Open Position is reduced, or which cancels the number of a Client's Open Contracts in a given series.

**Trader(s).** Banks, brokerage firms and other individuals and corporations, whether or not they are members of the Exchange, whose purpose is to act as a broker of one or more Clearing members in entering into Futures and/or Options Contracts, and which may access the Exchange's Electronic Trading system to enter into such contracts.

When Traders engage in Futures and Options Contracts for their own accounts, they act as Clients.

**Minimum Equity.** The fund that Trustors must maintain with the Trust, whose purpose is to establish the Clearinghouse; the minimum amount of which is stipulated by the Authorities.

**Sub-Committee on Administration.** The collegiate body in charge of assisting the Technical Committee in its market duties of verifying appropriate execution of the clearing and settlement processes, and proposing the operating and account management criteria to be applied by Clearing Members, Traders that manage Global Accounts, and the Clearinghouse, among others.

**Sub-Committee on Admission and Risk Management.** The collegiate body in charge of assisting the Technical Committee in its technical duties of admitting trust creators, approving Clearing Members and Traders for managing Global Accounts, accrediting their personnel, and setting parameters for risk management, investment and hedging.

**Projected Worst-Case Scenario.** The scenario that yields the greatest potential loss on a given position or portfolio, according to the maximum expected change incorporated into the algorithms used by the Clearinghouse to calculate Margins.

**Delivery Period.** The period during which settlement may be performed against delivery, for the Futures Contract on a long-term bond; this runs from the fourth Business Day to the last Business Day of the Expiration Month.

**Portfolio.** Group of instruments contained at the account or sub-account level so that Margins may be calculated and risks evaluated in accordance with the criteria defined for each Class Group and Product Group.

**Short Position.** In Futures Contracts, the number of Open Contracts in each series with respect to which the Client acts as Seller.

**Individual Position.** For the purposes of making Margins, the Long or Short Position in contacts belonging to a single series that are not part of an Spread Position.

**Intragroup Position.** Repealed.

**Long Position.** The number of Open Contracts in each of the Series with respect to which the Client acts as Buyer.

**Position Limit (s).** The maximum number of Open contracts a Client can maintain in the same Class or Series.

**Futures Spread.** For the purposes of contributing Margins, the position made up of a number of Futures Contracts in the Long Position and an equal number of Futures

Contracts in the Short Position of another Series, when both Series are of the same Class of Futures Contracts.

**Strike Price.** The price at which the Option Contract Buyer may exercise the right agreed upon in the contract.

**Daily Settlement Price or Closing Price.** In Futures contracts, the reference price per unit of the Underlying Asset, which the Exchange communicates to the Clearinghouse for the purpose of calculating the Daily Settlement.

In Options Contracts, the value of the Premium per unit of the Underlying Asset for each of the series, which the Exchange communicates to the Clearinghouse for the purpose of calculating the Daily Settlement.

**Settlement Price at Expiration.** The reference price per unit of the Underlying Asset, which is published by the Exchange, and on the bases of which the Clearinghouse settles the Futures Contracts on the Settlement Date.

Also, the strike price per unit of the Underlying Asset of the Series of Options Contracts that is expiring and which is settled in kind, on the basis of which the Clearinghouse performs settlement at expiration on the corresponding date.

Also, the value of the Premium per unit of the Underlying Asset of the Series of Options Contracts that is expiring, and which is settled by spreads, which the Exchange communicates to the Clearinghouse for the purpose of performing settlement at expiration on the corresponding date.

**Market Price.** The price of the Underlying Asset of Stock Option Contracts, according to the following specifications:

1. In the case of the exercise of the right or determination of the Margin for Risk, this is the Closing Price announced by the market on which the stock is traded, in accordance with the General Contract Conditions. 2. For determining the Margin for Risk during an Extraordinary Settlement, this is the stock's price in the last recorded trade announced by the stock exchange where the stock is listed, in accordance with the General Contract conditions at the time this settlement is calculated.

Also, the Price of the Underlying Asset of Index Option Contracts, as follows:

1. In the case of the exercise of a right or determination of the Margin for Risk, this is the closing value of the index announced by the market on which the index is calculated, or that which the Exchange uses for closing purposes. 2. For determining the Margin for Risk during an Extraordinary Settlement, this is the reported value of the price index on the securities market in question, at the time this settlement is calculated.

**Future Price.** The price per unit of the Underlying Asset specified in the Futures Contract at the time it is created; it may be expressed in monetary units or calculated in the form of rates of yield, indices, or any other unit.

**Chairman.** The person appointed under the terms of the Asigna Trust and approved by the Authorities to perform the duties of Chairman of the Technical Committee of the Clearinghouse.

**Premium.** Reference value agreed upon as consideration for the creation of an Options Contract. It may be expressed in monetary units or calculated in the form of rates of yield, indices, or any other unit.

**Regulations.** The Internal Regulations of the Clearinghouse.

**Regulations.** Refers to the document entitled " Regulations governing companies and trusts involved in establishing and operating a market for exchange-listed futures and options," published in the Official Gazette of the Federation on December 31, 1996, and modifications thereto.

**Process Delegate.** The person appointed by the Chief Executive Officer to assist in administering disciplinary processes, according to the obligations established in the Regulations.

**Settlement Balance at Expiration** In the case of a Long Position to be settled in kind, the amount obtained by multiplying the Settlement Price at Expiration by the number of units of the Underlying Asset referred to in the Futures Contract, by the number of Open Contracts.

In the case of a Short position to be settled in kind, the number of units of the Underlying Asset referred to in the Futures Contract, multiplied by the number of Open Contracts.

In the case of a Long or Short Position to be settled in cash, the difference between the Daily Settlement Price on the Business Day immediately preceding the Settlement Price, or the Strike Price and the Settlement Price at Expiration, multiplied by the number of units referred to in the Futures Contract, by the number of Open Contracts.

For a Long Position in call Options and a Short Position in put Options to be settled in kind, this is the amount that results from multiplying the Strike Price by the number of units of the Underlying Asset referred to in the Options Contract, by the number of Contracts exercised, according to instructions or assignment.

For a Short Position in call Options and a Long Position in put Options, to be settled in kind, it is the number of units of the Underlying Asset referred to in the Options Contract, multiplied by the number of Contracts assigned, as the case may be, or exercised as instructed.

For a Long (Short) position in call Options whose payment or settlement is to be determined by spreads, and which expire in the money (i.e., with a positive intrinsic value), this is the amount of cash to be received (delivered) from (to) the Clearinghouse, calculated by subtracting the Strike Price from the Future Price or value of the Underlying Asset, and multiplying this amount by the number of units of the Underlying Asset referred to in the Option Contract, and then by the number of Open Contracts.

**SAVAP.** The initials in Spanish of the System for Administering Contributed Securities for Derivatives, through which contributed securities received by the Clearinghouse and Clearing members are administered. Through SAVAP, the Clearinghouse may receive and record securities in the Minimum Equity fund and the Contributions Fund, while Clearing Members may receive and record securities delivered as minimum equity and as Excess Margins.

**Series.** In the case of Futures Contracts, all Contracts belonging to a single Class with the same Expiration Date and settlement procedure.

For Options Contracts, all Contracts belonging to a single Class with the same Strike Price, Style, Expiration Date and settlement procedure.

**SIDV.** The initials in Spanish of the Interactive Securities Deposit System owned and operated by S.D. Indeval, S.A. de C.V. , for the administration and registration of securities.

**Clearing Member.** A trust which is a member of the Exchange and which owns a share in the equity of the Clearinghouse, whose purpose is to settle and, in some cases, enter into exchange-listed Futures and Options Contracts on behalf of Clients.

**Proprietary Position Clearing Member.** A trust whose purpose is to clear and settle only Transactions on behalf of the trustors--multiple-service banks, brokerage firms, and other entities belonging to the same financial group--as well as the Trader whose equity is wholly or partly owned by the above-mentioned institutions.

**Third-Party Position Clearing Member.** A trust whose purpose is to clear and settle Transactions performed for Third parties.

**Administration Sub-Committee.** The collegiate body responsible for assisting the technical committee in its market faculties of verifying the appropriate execution of the clearing and settlement processes, and proposing the trading and account administrative criteria for Clearing Members and the Clearing house, among others.

**Sub-Committee on Admission and Risk Management.** The collegiate body responsible for assisting the Technical Committee in the technical duties of admitting trustors, approving Clearing members, accrediting their personnel, determining parameters for managing risk, investment and hedging.

**Auditing Sub-Committee.** The collegiate body responsible for assisting the technical committee in its auditing duties.

**Sub-Committee for Disciplinary Measures and Arbitration.** The collegiate body responsible for assisting the Technical Committee in its disciplinary and arbitration duties.

**Sub-Committee for Compliance and Ethics.** The collegiate body responsible for assisting the Technical committee in its regulatory and ethical duties.

**Reconciliation Sub-Account.** Record of Transactions kept by the Clearinghouse for Transactions stemming from trading errors.

**Intrinsic Value.** In a call option, this is any positive difference between the Daily Settlement Price or Price for Settlement at Expiration, and the Strike Price. When this difference is negative, the call option shall have no Intrinsic Value.

In the case of a put option, this is any positive difference between Strike Price and the Daily Settlement Price or Price for Settlement at Expiration. When this difference is negative, the put option shall have no Intrinsic Value.

**Seller(s).** In a Futures Contract, the party which must deliver the Settlement Balance at Expiration to the counterparty on the Settlement Date.

In an Options Contract, the party which must sell or buy, as the case may be, the Underlying Asset at the price agreed upon in the contract.