

**CHAPTER THREE
GENERAL CONTRACT CONDITIONS**

**PART ONE
CONTRACT ACTIVATION PROCEDURES**

300.00.

In order to activate Contracts previously unlisted on the Exchange, the Exchange must submit an application to the Clearinghouse requesting the Contracts be cleared for trading, and the application should meet with the requirements stipulated in the General Contract Conditions.

301.00.

The application referred to in point 300.00 shall be evaluated by the Clearinghouse within three Business Days of the date it is received, so as to determine when the Contract may be registered in the System for Clearing and Settlement. Once the Clearinghouse notifies the Exchange when the approval is to take effect, the Exchange shall express its agreement or, where applicable, request that the Clearinghouse move up the date.

**PART TWO
PROCEDURES FOR ACTIVATING NEW SERIES**

302.00.

In order to register a listed Contract Series, the Exchange shall submit an application to the Clearinghouse to register the Series; the application should fully comply with the requirements and conditions set forth in the General Contract Conditions.

303.00.

The application referred to in point 302.00 must be delivered to the Clearinghouse at least one Business Days before the Contract Series is to be registered with the System for Clearing and Settlement.

304.00.

The Clearinghouse shall verify that the information contained in the application is correct, or if it is not, shall notify the Exchange of this fact so that a correction can be made. Official reception of the application will take place only after it meets with all necessary requirements.

305.00.

The Series shall be registered on the same day they are listed in the Exchange, through the corresponding exchange of daily information at the moment communication is established between the systems.

305.01

The Clearinghouse shall establish Position Limits for contracts, in accordance with the criteria established by the Sub-Committee on Admission and Risk management. These are the limits beyond which Open Contracts may not be

increased, or at which Clearing Members and Traders that manage Global Accounts must begin to monitor the activities of the Client whose Open Contracts exceed the Position Limits, on the Exchange and in the Clearinghouse.

The above notwithstanding, the Clearinghouse may, on an intraday basis, reduce Position Limits according to the volume traded on the market.

305.02

Clearing Members must notify the Clearinghouse in writing, at any time it requests, and for both new accounts and modifications to existing accounts, regarding the limit position imposed on each Client, notifying it of the number of individual Contracts and in opposite positions, by Class, Series, and Client, identifying the account number, the Excess Margins, and the Position Limits that apply to that Client.

305.03

The Clearinghouse may establish lower Position Limits in the following cases:

- I. When, in the opinion of the Clearinghouse, a position represents an excessive concentration that could jeopardize proper price formation.
- II. When, in the opinion of the Clearinghouse, the measure would help to preserve the security of Clients, Clearing Members and Traders, the Clearinghouse, and the Exchange itself.

305.04

The clearinghouse may prohibit a Clearing Member or Trader from opening new positions when:

- I. Its equity or capital falls below the minimum established for trading on the Exchange.
- II. It fails to close the Open Contracts of Clients in default, and thus may not make use of the funds contributed by that Client in order to cover the default.
- III. It exceeds or fails to reduce the number of Open Contracts to within the Position Limits established in accordance with the General Contract Conditions.
- IV. For any other reason the Clearinghouse deems necessary

305.05

Traders that manage Global Accounts must inform the Clearing Member and the Clearinghouse when a Client that participates in a Global Account exceeds the Position Limits or participates in more than one Global Account. The Clearing Member that manages the Global Accounts has the same obligation.

305.06

Clearing Members and Traders that manage Global Accounts must comply with the limits established by the Clearinghouse, at the proposal of the Sub-Committee on Admission and Risk Management, which are:

- I. The trading limit above which the Clearinghouse will be informed of the identity of the Clients in the Global Account;
- II. The limit on open positions in the Global Account;
- III. The limit on all net open positions per Underlying Asset that may be held with the Clearinghouse.

Clearing Members and Traders must also inform the Clearinghouse when one or more of the Clients in the Global Account surpass the above-mentioned limits.

A trading limit may consist of any or all of the following:

1. Position Limits below those established in the General Contract Conditions.
2. A ban on opening new positions.
3. An order to close positions.
4. Trading limits.

305.07

The Clearinghouse may request that the Exchange impose a preventive suspension of a Clearing Member or trader that manages Global Accounts when it fails to close the Open Contracts of a Client that the Clearinghouse has detected and requested to close contracts in order to avoid surpassing Position Limits, and which has Open Contracts with a number of Clearing Members and Traders that manage Global Accounts.

**PART THREE
POSITION LIMITS AND
HEDGE POSITION**

306.00.

Clearing Members seeking authorization to maintain a position greater than the Position Limit for a Series, as defined under the terms of the Exchange's regulations, must send a letter addressed to the Chief Executive Officer containing the following information:

- I. The Position it wishes to cover.
- II. The number of Contracts it wishes to leave open, specifying their Class and Series.
- III. Term of the hedge.
- IV. A sworn statement verifying that the above information is truthful; the corresponding disciplinary measure shall be applied in instances when any false data is provided.

When the application referred to in the current point is filed on behalf of a Client, the declaration must be signed by the Client and approved by the Clearing Member.

307.00.

It is the responsibility of the Clearing Member to notify the Clearinghouse the moment in which the hedge position ceases to apply, in compliance with Position Limits as defined under the terms of the Exchange's regulations.

308.00.

The Clearing Member shall document and make available to the Clearinghouse, information regarding the existence of positions held in markets other than the Exchange, or of other types of commercial Transactions that are the basis for assuming a Hedge Position.