

CHAPTER SEVEN CONTRIBUTIONS FUND

PART ONE GENERAL PROVISIONS

700.00.

The Margin for an account is calculated as the sum of the Margins of the open positions in each of the listed Classes.

The Margins for each Class shall be obtained by multiplying the maximum expected change in a single day in the price or value of the Underlying Asset, as established by the Clearinghouse through the Sub-committee on Admission and Risk management for that Class, by the number of units of the Underlying Asset, and again by the number of long and short Open Contracts.

The Clearinghouse may calculate the amount of Margins in recognition of the reduction in risk on a Portfolio position.

Accordingly, for the purposes of calculating Margins, the Clearinghouse may consider only the net Long Positions or net Short Positions of an Account. Furthermore, for the purposes of calculating Margins, the Clearinghouse may group together the listed Contracts by their Underlying Assets, into Class Groups or Product Groups.

This type of Margin calculation shall be referred to as the Margin calculation for Portfolio positions.

700.01

Margins for Portfolio positions

Margin calculation for Portfolio positions shall be determined according to algorithms recognized for this purpose.

Margin calculation for Portfolio positions begins by obtaining the net position of the accounts, in other words subtracting the Long Positions from the Short Positions and subtracting the positions exercised from the positions assigned in each of the Series of the same Class.

The resulting net positions shall be included, as applicable, in a Class Group or Product Group. In a Class Group, the Clearinghouse may include the Futures and Options Contracts on the same Underlying Asset. In a Product Group, the Clearinghouse may include two or more Class Groups whose Underlying Assets are related.

Margin calculation for Portfolio positions shall be determined according to the following articles.

700.02.

Margins for Spread Positions in Futures Contracts

Once the net position of an account is established, the Clearinghouse shall automatically establish the Spread Positions of the Futures Contracts for the

Proprietary Accounts of the Clearing Member, the Proprietary Accounts of the Trader, those of the Market Maker, and all Accounts or sub-accounts with positions belonging to a single Clearing Member or Trader. In the Client Accounts, .Trader Client Accounts and Group Accounts, the Spread Positions shall be declared by the Clearing Member in the clearing and settlement system, while the Transactions in this Account are not recorded at the sub-account level. The Clearinghouse will apply to these positions the Margin approved for Spread Positions by the Subcommittee on Admission and Risk Management.

The remaining Individual Positions shall be included in the calculation of Risk Margins and, when applicable, together with the Options Contracts within a Class Group.

700.03.

Margins for delivery of Futures Contracts

The Clearinghouse shall apply a Margin for delivery of the positions in Futures Contracts to be settled in kind which reach expiration, as well as those that have been offered and assigned during the expiration month.

The amount of Margins shall be calculated by multiplying the delivery Margin for each Contract by the number of Contracts subject to expiration or delivery.

700.04.

Margins for Premiums .

Once the positions have been cleared for each Series in a given account, the Clearinghouse shall obtain the amount of Margins for Premiums by multiplying the Settlement Premium announced by the Exchange at the close of trading, by the number of units of the Underlying Asset referred to in the contract, and again by the number of Contracts in the position. For Long Positions, the amount shall be considered a credit (negative sign) and for Short Positions, a debit (positive sign).

For the positions exercised, the amount of Margins for premiums shall be the intrinsic value of the Option Contract, multiplied by the number of units of the Underlying Asset referred to in the Contract, by the number of Contracts exercised.

For call Option Contracts, the intrinsic value shall be obtained by subtracting the Strike Price from the Market Price of the Underlying Asset. When the difference is positive, it shall be a credit for the Long Positions and a debit for Short Positions. When negative, it shall be a debit for the Long Positions and a credit for the Short Positions.

For put Option Contracts, the intrinsic value shall be obtained by subtracting the market price of the Underlying Asset from the Strike Price. When the difference is positive, it shall be a credit for the Long Positions and a debit for Short Positions. When negative, it shall be a debit for the Long Positions and a credit for the Short Positions.

The amount of Margins for Premiums for each Class Group shall in turn be calculated as the algebraic sum of the amounts of the Margins for Premium of the Series with Short Positions (considered as debits) and the amount of Margins for Series with Long Positions (considered as credits).

700.05.

Risk Margins

Risk Margins shall be calculated for all the individual positions in the Futures Contracts, as well as for all the positions in Option contracts within a Class Group or Product Group that result once the position clearing has been performed.

Risk Margins include the Risk Margins on the net open position as well as the Risk Margins for delivery at Exercise of the Options Contracts, calculated on each of the Series for the Class Group, or, when applicable, the Product Group.

700.06.

Risk Margins for the net open position of a Class Group

To obtain the amount of Risk Margins in a Class Group, the clearinghouse shall calculate the maximum expected change in price of each of the Underlying Assets in a single day. The maximum expected change in one day includes the estimate of ten potential price scenarios for the Underlying Asset: five increments in market price up to the price with the greatest upside change, and five decrements, up to the price with the greatest downside change.

The Clearinghouse shall calculate the prices or theoretic premiums of the Option Contracts and futures contracts corresponding to each of the prices of the Underlying Asset established in that interval.

To determine the potential credits and debits that arise from each of these ten scenarios, the Clearinghouse shall subtract the Settlement Premiums or Prices from the Theoretic Prices or premiums calculated for all of the positions involved.

The potential debit for the Individual short Positions in call Option Contracts shall be that which is greater, the debit for the price with the maximum expected upside change, and the Premium added to a percentage of the maximum expected change by Class.

The potential debit for the Individual short Positions in put Option Contracts shall be that which is greater, the debit for the price with the maximum expected downside change, and the Premium added to a percentage of the maximum expected change by Class.

The maximum expected change for the Class shall be defined by the Subcommittee on Admission and Risk management.

The total credits and debits of the position shall be obtained by multiplying the differences obtained by the number of Contracts, and in turn by the size of the Contract. The Clearinghouse shall add the algebraic sum of all the credits and debits obtained in each of the upside and downside scenarios of the positions incorporated into the Class Group.

The amount of the Risk Premium for a Class Group shall be that corresponding to the scenario that yields the highest potential debits.

700.07.

Margins for the risk of Delivery at Exercise of Option Contracts in a Class Group.

The Clearinghouse shall apply a Delivery Risk Margin to the short and long Option Contract positions to be settled in kind, which are exercised.

I. Exercise at expiration

The Clearinghouse shall apply a Delivery Risk Margin to the positions in Option Contracts to be settled in kind which are exercised at expiration.

The amount of the Delivery Risk Margin is calculated by multiplying the Delivery Risk Margin by the total number of contracts exercised or assigned.

The Delivery Risk Margin of each Class Group shall be determined by the Clearinghouse Sub-committee on Admission and Risk Management.

II. Advance Exercise

Advance exercise is the Exercise of an Option Contract before the expiration date.

1. When the settlement of the requested Exercise does not coincide with the expiration date, the Delivery Risk Margins shall be calculated by multiplying the intrinsic value of the Option Contract by the number of Units of the Underlying Asset referred to in the Contract, by the number of Contracts exercised.

The intrinsic value to be used shall be the highest among the set of values obtained from the difference between the Strike Price and the Underlying Asset prices estimated for each of the scenarios of the interval that includes the maximum expected price change for the Underlying Asset of the Class Group in a single day.

When the exercise of Option Contracts has an intrinsic value higher than the self-exercise threshold, the resulting amount for the Long Positions in call and put Option Contracts that requested the Exercise shall be assumed as a credit (negative sign). For the Short Positions to which this exercise has been assigned, the resulting amount shall be assumed as a debit (positive sign).

When the Exercise of Option Contracts does not have an intrinsic value above the self-exercise threshold, the resulting amount for Long Positions in call and put Option Contracts that requested the Exercise, it shall be assumed a debit (positive sign). For Short Positions to which this Exercise has been assigned, the resulting amount shall be assumed as a credit (negative sign).

2. When the settlement of the requested Exercise overlaps with the expiration date, the Delivery Risk Margins shall have two components:

(a) For the days between the Exercise Notice Date and the Expiration Date, exclusive, these Margins shall be calculated according to the terms established for Delivery Risk Margins for advance Exercise.

(b) For the days between the Expiration Date, inclusive, and the Settlement Date, the calculation shall be based on the terms established for Margins for the Risk of

Delivery due to Exercise at expiration, adjusted to the days remaining until settlement.

700.08

Risk Margins for Open Net Positions in a Product Group

To obtain the amount of Margins necessary to cover Product Group Risk, the Clearinghouse reduces the amount of potential credits obtained on the upside and the downside for each Class Group. This downward adjustment will be based on the correlation between the Underlying Assets and the Class Groups that make up the Product Group. The parameter for adjustment will be defined by the Clearinghouse Sub-Committee on Admission and Risk Management. Once the adjustment has been made, the credits and debits obtained on the upside and downside for each Class Group incorporated in the Product Group shall be added together algebraically.

The amount of Margins to cover Product Group Risk shall be that corresponding to the highest potential debit.

700.09

Basic Margin.

The Basic Margin shall be the minimum amount the Clearinghouse will require on the net position of an Account.

The amount of the Margin shall be obtained by multiplying the Basic margin by the net number of Futures Contracts, Call Option Contracts, and Put Option Contracts in a Product Group.

The Basic Margin shall be established by the Sub-Committee for Risk Admission and Management.

700.10

Total Margin Requirement

For a Class Group that is not part of a Product Group, the Clearinghouse shall determine the Total Margin Requirement by taking the higher of the following amounts: the algebraic sum of the Margins for Spread Positions, for Delivery, for Premium, for Risk and for Delivery Risk at Exercise of a Class Group; or the Basic Margin calculated for that Class Group.

For a Product Group, the Clearinghouse shall set the Total Margin Requirement at the higher of the following amounts: the algebraic sum of the Margins for Spread Positions, for Delivery, for Premium, for Risk and for Delivery Risk at Exercise of the Class Groups of a Product Group; or the Basic Margin calculated for the same Class Groups.

701.00.

Repealed.

702.00.

During the month in which Futures and Options Contracts to be settled in kind are to expire, the Clearinghouse may set special Margins for these Series in

anticipation of a considerable increase in volatility as the Expiration Date approaches.

703.00.

The Clearinghouse shall establish delivery Margins to be created for Series to be settled in kind, based on the maximum expected loss for the period between the Expiration Date and the Settlement Date provoked by volatility in the Underlying Asset. Such Margins shall be returned following settlement of the expired Series and will be cleared, where applicable, as part of the Daily Settlement. In addition, the Margins shall be returned once the obligations pertaining to the advance exercise/assignment or expiration and assignment at maturity, as well as by the closing of open positions through trading via clearing.

**PART TWO
MANAGEMENT OF MARGIN SECURITIES**

704.00.

The System for Managing Securities Contributions for Derivatives makes it possible to separate out Margins as well as the Excess Margins in securities submitted by the Clearing Member or, where applicable, by the Trader. On this basis, the Clearinghouse will monitor the securities contributions of each and every Clearing Member for the Margins and Excess Margins of all registered Accounts.

Clearing Members shall obtain accreditation from the Clearinghouse for opening the following Accounts en la S.D. Indeval, S.A. de C.V.:

- I. A Centralized Derivatives Account for Proprietary Position Clearing Members.
- II. A Centralized Derivatives Account for Third-Party Position Clearing Members.

Where applicable, the financial institution that is a depositor of S.D. Indeval, S.A. de C.V. and which manages the Trader's securities, must open a Centralized Derivatives Account for the Trader.

705.00.

Clearing Members shall ask the Clearinghouse to open Securities Accounts for administering Excess Margins and Margins.

706.00.

The Clearinghouse may receive the following as Margin securities:

- I. Government securities with maturities of 90 calendar days or less.
- II. Stocks on which Futures and Options Contracts are traded in the Exchange, upon authorization by the Authorities.
- III. Any other instruments approved by the Authorities.

707.00.

Securities deposit transactions may be conducted between 9:00 A.M. and 3:45 P.M. Mexico City time. For special securities and instruments denominated in foreign currency, deposit transactions may be made according to the conditions

established by S.D. Indeval, S.A. de C.V. The excess cash Margins resulting from a securities margin deposit may be made withdrawn between 9:00 a.m. and 12:00 noon.

708.00.

Prior to the commencement of trading each day, the Clearinghouse will update information regarding the valuation of the securities deposited in the General Securities Account. Furthermore, it will periodically and over the course of the trading day update the System for the Clearing and Settlement of Transactions involving securities deposits and withdrawals.

709.00.

Payment of coupons or settlement at expiration of Margin securities deposited in the SAVAP Accounts by a Clearing Member shall appear in the Clearinghouse records as cash contributions in Mexico pesos from that Clearing Member.

Payment of coupons or settlement at expiration of securities deposited in the SAVAP Accounts as Excess Margins in favor of a Clearing Member shall appear in the Clearinghouse records as cash contributions in Mexican pesos from that Clearing Member and, when applicable, of the Trader who received securities through a depository institution affiliated with S.D. Indeval, S.A. de C.V.

710.00.

When a company that is listed in the Mexican Stock Exchange announces dividend payments in cash on shares that serve as Underlying Assets in derivatives Contracts, and which have been approved for use as Margins or Excess Margins, the dividends shall be settled in the respective Accounts the Clearinghouse and Clearing Members have established for such purposes in accordance with Articles 708.00. and 709.00. The settlement shall take the form of cash Contributions by the Clearing Member or Trader receiving the securities and the technical adjustments shall be reflected in the respective shares of the Accounts of the SAVAP.

711.00

When a company that is listed in the Mexican Stock Exchange announces a non-cash rights adjustment on shares that serve as Underlying Assets in derivatives Contracts and which have been approved for use as Margins or Excess Margins, the Clearinghouse may decide to register the corresponding rights the Accounts of the SAVAP, or it may order the Clearing Members and Traders to withdraw those shares prior to the ex-coupon date, thereby declaring the impossibility of reflecting in the Accounts of the SAVAP the rights adjustment that shall be applied to the corresponding Accounts of the SIDV.

712.00.

In the event that the Clearinghouse decides to reflect the rights adjustment in the Accounts of the SAVAP, these shall be applied with the same criteria and in the proportion currently used by S. D. Indeval, S.A. de C.V. once the applications in the accounts of S.D. Indeval, S.A. de C.V. the Clearinghouse and Clearing Members that contain the Margins and the Excess Margins have been announced.

In the event that the Clearinghouse decides to order the obligatory withdrawal of the shares, it shall proceed in the following manner:

- I. It shall apply a progressive discount to those securities from the moment in at which the notice of rights adjustment is published, until the previous date in which the security begins to trade “ex-coupon”.
- II. On the day prior to which the share trades “ex-coupon”, the valuation will be discounted 100%.
- III. The discounting of valuations may result in the application of additional cash requirements on the corresponding Extraordinary Settlement.
- IV. The referenced shares shall be accepted as Margins or as Excess Margins until the date the rights are settled and the corresponding adjustment process is completed.
- V. On the settlement date or at the conclusion of the ex-rights adjustment, the valuation discount for the security shall be determined by the procedures approved for such purposes.

The Clearinghouse shall make known which of these possibilities it has chosen through the Bulletin or whatever medium it deems suitable for such purposes.

PART THREE INVESTMENT OF THE CONTRIBUTION FUND

713.00.

Each day, the Clearinghouse will invest cash Margins in the following instruments

- I. Government securities with maturities of 90 calendar days or less.
- II. Overnight derivatives on government securities with maturities of 90 calendar days or less.
- III. Demand deposits.
- IV. Any other instrument approved by the Authorities.

714.00.

In accordance with point 713.00., the Clearinghouse may determine the best instruments, terms and credit institutions for guaranteeing the security and yield criteria stipulated in the Regulations, as well as for sustaining the liquidity needed to cover pending obligations in emergency situations or as a preventative means for helping a Clearing Member to avoid a situation in which it might otherwise default.

PART FOUR METHODOLOGY FOR CALCULATING MARGINS

715.00.

To determine the maximum expected change in the price or value of an underlying asset on a given day, they shall use the following methodologies:

- I. A "Monte Carlo" simulation shall be conducted for each of the Contracts, with a minimum of five thousand trials at a 99% confidence level.
- II. The historical method shall be used to determine the prices for each Contract with a 99% level of certainty.
- III. The parametric method shall be used to determine the expected change for each Contract at a 99% level of certainty and an adjustment parameter of 0.85.
- IV. The change expected in the price of each Contract will be calculated based on a confidence interval with an average variation plus 3.5 standard deviations in the returns on each Contract.
- V. Or by any new methodology the Sub-committee on Admission and Risk Management considers appropriate.

The last paragraph is repealed.

716.00.

Any change in the methodologies used for calculating the maximum expected change in the price or value of the Underlying Asset in one day, must be authorized by the Technical Committee at the request of the Sub-Committee for Risk Admission and Management.

Additionally, upon the request of the Sub-Committee for Risk Admission and Management, the Technical Committee may define the guidelines to be used to create Product Groups as well as the acceptable correlation levels that should exist between the Classes that will comprise such groups, and the amounts or percentages to be employed for reducing the credits for positions belonging to a Product Group.

717.00.

The Margins to be applied to the Contracts in the Spread Position shall be calculated as a percentage of the Margins, based on the correlation coefficient between the yields of each Series within the Class.

718.00.

The Margins to be applied to Contracts to be settled in kind on the Date of Expiration shall be calculated according to the methodology described in article 715.00. above, while also taking into account the days elapsed between the Expiration Date and the Settlement Date.