

COMMODITY FUTURES TRADING COMMISSION

FORM FBOT

**FOREIGN BOARD OF TRADE APPLICATION FOR REGISTRATION (IN
ORDER TO PERMIT DIRECT ACCESS TO MEMBERS AND OTHER
PARTICIPANTS)**

MexDer, Mercado Mexicano de Derivados, S.A. de C.V.

Paseo de la Reforma 255, Col. Cuauhtémoc, México, D.F. C.P. 6500

- If this Form FBOT is a new application for registration, complete in full and check here.**
- If this Form FBOT is an amendment to a pending application or to a final application that resulted in the issuance of an Order of Registration, list and/or describe all items that are amended or otherwise updated and check here.**

When appropriate, please attach additional page(s) containing a list and explanatory statement of amendment(s) or update(s).

GENERAL INFORMATION

1. Name under which the business of the foreign board of trade will be conducted, if different than name specified above:
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2. List of principal office(s) where foreign board of trade activities are/will be conducted (please use multiple entries, when applicable):

Office (name and/or location): Colonia Cuauhtémoc, Mexico

Address: Paseo de la Reforma 255, Col. Cuauhtémoc, México, D.F. C.P. 6500

Phone Number: (5255) 5342-9900

Fax Number: (5255) 5342-9903

Website Address: <http://www.mexder.com.mx>

3. Contact Information.

- 3a. Primary Contact for Form FBOT (i.e., the person authorized to receive Commission correspondence in connection with this Form FBOT and to whom questions regarding the submission should be directed):

Name: _____

Title: _____

Email Address: _____

Katten Muchin Rosenman LLP

525 W. Monroe

Mailing Address: **Chicago, IL 60661**

Phone Number: **312-902-5494**

Fax Number: **312-902-1061**

- 3b. If different than above, primary contact at the foreign board of trade that is authorized to receive all forms of Commission correspondence:

Name:	
Title:	<hr/> Chief Executive Officer <hr/>
Email Address:	<hr/>
Mailing Address:	<hr/> Paseo de la Reforma 255, Col. Cuauhtémoc, México, D.F. C.P. 6500 <hr/>
Phone Number:	<hr/> (5255) 5342-9913 <hr/>
Fax Number:	<hr/> (5255) 5342-9903 <hr/>

BUSINESS ORGANIZATION

Describe organizational history, including date and, if applicable, location of filing of original organizational documentation, and describe all substantial amendments or changes thereto.

For example:

MexDer, Mercado Mexicano de Derivados, S.A. de C.V. (“MexDer”) is a corporation, having filed its articles of incorporation with the Public Property and Commerce Bureau in Mexico on October 16, 1998.

SIGNATURES

By signing and submitting this Form FBOT, the applicant agrees to and consents that the notice of any proceeding before the Commission in connection with the foreign board of trade’s application for registration or registration with the Commission may be given by sending such notice by certified mail or similar secured correspondence to the persons specified in sections 3a and 3b above.

MexDer has duly caused this Form FBOT to be signed on its behalf by the undersigned, hereunto duly authorized, this 15th day of August, 2012 and the undersigned represent that

all information and representations contained herein are true, current, and complete. It is understood that all information, documentation, and exhibits are considered integral parts of this Form FBOT. The submission of any amendment to Form FBOT represents that all items and exhibits not so amended remain true, current, and complete as previously filed.

Signature of Chief Executive Officer (or functional equivalent), on behalf of the Foreign Board of Trade

Title:

Chief Executive Officer

Name of Foreign Board of Trade

MexDer, Mercado Mexicano de Derivados, S.A. de C.V.

EXHIBIT A – GENERAL INFORMATION AND DOCUMENTATION

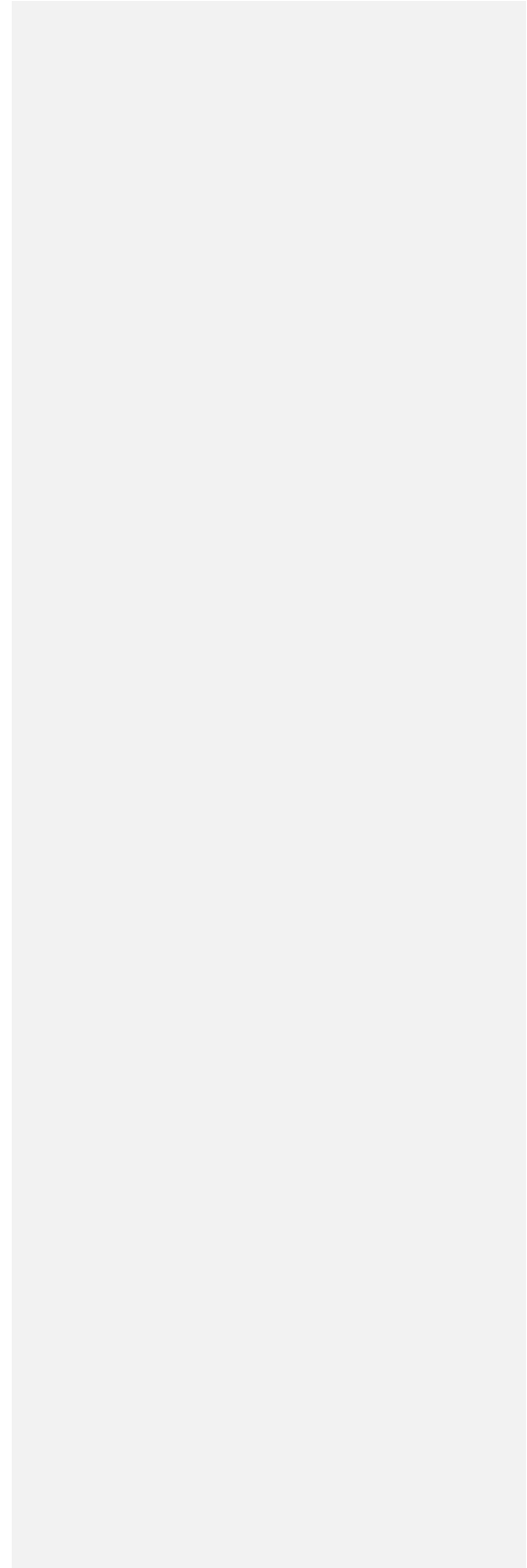


EXHIBIT A-1

Attach, as Exhibit A-1, a description of the following for the foreign board of trade: Location, history, size, ownership and corporate structure, governance and committee structure, current or anticipated presence of offices or staff in the United States, and anticipated volume of business emanating from members and other participants that will be provided direct access to the foreign board of trade's trading system.

1. Location

Mercado Mexicano de Derivados, S.A. de C.V.'s ("MexDer" or the "Exchange") principal business office is located at Paseo de la Reforma 255, Col. Cuauhtémoc, México, D.F. C.P. 06500. MexDer's principal business telephone number is +52 (55) 5342-9900.

MexDer's website is located at www.mexder.com.mx.

2. History

MexDer is a self-regulatory organization that is authorized by the Mexican Ministry of Finance and Public Credit ("Ministry of Finance" or "SHCP"), to do business as a derivatives exchange. The development of an exchange-listed derivatives market in Mexico was initiated by the Mexican Stock Exchange ("Bolsa Mexicana de Valores") and the Central Securities Depository ("S.D. Indeval"). The Bolsa Mexicana de Valores financed the creation of the futures and options market that became MexDer, while S.D. Indeval assumed responsibility for the organization and initial financing of MexDer's clearinghouse, Asigna, Compensación y Liquidación ("Asigna"). Together with the Association of Securities Brokerage Firms, the Bolsa and S.D. Indeval developed the infrastructure and facilities necessary to satisfy the legal, operational, systems and other requirements promulgated by the Financial Authorities (*i.e.*, the Ministry of Finance, the Mexican Central Bank ("Central Bank") and the National Banking and Securities Commission of Mexico ("CNBV"). The incorporation of MexDer under the laws of Mexico was authorized by Ministry of Finance, and MexDer began operations on December 15, 1998.

3. Size

For 2010, MexDer had a total volume of 41,827,321 futures contracts and 768,254 options contracts. From January to July of 2011, MexDer had a total volume of 29,792,221 futures contracts and 168,327 options contracts. In the same period of 2012, MexDer's total volume for futures grew to 32,248,738 futures contracts and 766,178 options contracts.

4. Ownership

Currently, Bolsa Mexicana de Valores owns approximately ninety-seven percent of the shares in MexDer and other MexDer members and investors own the remaining shares.

The capital stock of MexDer is comprised of common stock, with each share having an equal value and conferring the same rights and obligations. Common shares in MexDer may be acquired by

brokers¹, clearing members (or, more precisely, their trustor banks), and other individuals and entities authorized by MexDer under the terms of its bylaws.

5. *Corporate Structure, Governance and Committee Structure*

Details of MexDer's internal organization and corporate governance are set forth in MexDer's bylaws ("Bylaws"). As required by applicable Mexican law, MexDer has additionally promulgated internal regulations ("MexDer's Internal Regulations") and a manual of policies and procedures ("MexDer's Manual of Policies and Procedures") that address the organization of the Exchange and govern its market participants.

a. General Meeting of Shareholders

As mentioned above, the capital stock of the Exchange is comprised of common stock, with each share having an equal value and conferring the same rights and obligations. Common shares in MexDer may be acquired by trading members, clearing members, and other individuals and entities authorized by the Exchange under the terms of its Bylaws. The Shareholders' Assembly is the highest body of MexDer and is charged with, among other duties, appointing members of MexDer's Board of Directors. Resolutions adopted by the Shareholders' Assembly are binding on all MexDer shareholders.

b. Board of Directors

MexDer is managed by a Board of Directors that is elected by the shareholders and comprised equally of MexDer members and independent members of the Board. The Bylaws require that independent Board members be recognized authorities in the financial field who (i) do not own any share in the capital or equity of the shareholders of MexDer, its clearing members or its brokers, or in financial institutions that are lenders to or owners of MexDer clearing members, and (ii) are not employed or commissioned by any of the foregoing.

The duties of the Board include:

- (i) establishing the committees discussed below;
- (ii) authorizing and suspending entry on the Exchange's registry of brokers and clearing members and approval of new trading and/or clearing members;
- (iii) issuing MexDer's Internal Regulations;
- (iv) ordering audits of brokers, and clearing members of Asigna; if not delegated to a committee, imposing sanctions for breaches of the MexDer regulations and the approval of the plans to be implemented by the Compliance Officer for audits and supervision of MexDer members, clearing members and Asigna;

¹ Brokers are defined in the Mandatory Rules for corporations and trusts participating in the establishment and operation of a market for Exchange traded futures and options as the legal entities approved by the exchange to act as trading members.

- (v) establishing the fees charged by the Exchange for its services; approving and submitting applications by proposed purchasers of MexDer stock to the Shareholders' Assembly for ratification;
- (vi) determining the subscription price of shares; and
- (vii) adopting measures to handle contingencies that may alter or interrupt trading; and generally managing the business of the Exchange.

c. Committees

The Board of Directors is supported by various committees, whose role is to address and resolve matters described in the Prudential Provisions to which market participants must be subject to in their trading with exchange traded derivatives contracts ("Prudential Provisions") (Attached hereto in Exhibit A 5), as well as in MexDer's Bylaws and Internal Regulations. The MexDer Board currently has appointed the following eight Committees:

- (i) the Executive Committee, consisting solely of persons appointed by the Board members, whose responsibilities include approval of all agreements and contracts and the development of the Exchange's futures and options markets;
- (ii) the Auditing Committee, none of whose members may be members of the Executive Committee, whose responsibilities include the Exchange's internal controls, appointment of the Exchange's independent auditors, and review the plans to be implemented by the Compliance Officer for audits and supervision of MexDer members, clearing members and Asigna;
- (iii) the Regulatory and Ethics Committee, whose members may not also serve on the Committee of Discipline and Arbitration, and which is responsible, inter alia, for the development of operating, conduct and ethics rules;
- (iv) the Committee of Discipline and Arbitration, none of whose members may also be members of the Board, which oversees hearing cases of alleged violations of MexDer's Internal Regulations, as well as disputes between and among brokers, clearing members or their clients;
- (v) the Committee of Admission and New Products, the members of which must be associated with a broker or clearing member, and whose duties include the evaluation of proposed new products, the review of the admission applications of new trading and/or clearing members, the establishment of position limits for each market participant, and the temporary suspension or delisting of a contract;
- (vi) the Clearinghouse Committee, which is responsible for oversight of the services provided by Asigna pursuant to the contract executed with MexDer;
- (vii) the Certification Committee, which establishes technical, proficiency and other requirements for the employees and officers of brokers and clearing members; and

(viii) the Promotion Committee, which oversees the Exchange's marketing efforts.

6. *No U.S. Presence*

MexDer has no offices in the U.S. and does not intend to open a U.S. office. MexDer's website is located at www.mexder.com.mx. With the exception of the MexDer website, MexDer's marketing activities in the U.S. are limited to (i) MexDer's presence at industry events, such as the International Futures Industry Conference held annually in Boca Raton, Florida and (ii) occasional meetings between MexDer staff and U.S.-based industry participants for the purpose of describing MexDer and products listed on the Exchange. MexDer endeavors as appropriate to describe the regulatory and legal restrictions applicable to U.S. persons trading Exchange products. MexDer's staff does not provide investment services or accept, solicit, receive or direct orders in the U.S. with respect to products traded on the Exchange, and no trade processing or clearance functions are performed by MexDer or Asigna in the U.S.

7. *Anticipated Volume in U.S.*

Attached please find a chart detailing the trading volume of MexDer from January 2012 through June 2012.

Product ¹	Volume from All Terminals ²	Total Buy/Sell Side Volume (COLUMN 2 X 2) ³	Volume from U.S. Terminals			Percentage from U. S. Terminals ⁷
			Buy Side ⁴	Sell Side ⁵	Total (4) + (5) ⁶	
28 day Interbank Equilibrium Interest Rate Futures	22,043,245	44,086,490				
10 year Centrally Cleared Swap	2048	4096				
2 year Centrally Cleared Swap	9,305	18,610				
91 day Treasury Bill Certificate Futures	915,700	1,831,400				
30 year Bond Futures	230,258	460,516				
20 year Bond Futures	791,962	1,583,924	1,067	1,732	2,799	0.18%
10 year Bond Futures	925,702	1,851,404	3,994	4,080	8,074	0.44%
5 year Bond Futures	20,397	40,794				0.00%
3 year Bond Futures	181,824	363,648	69	69	138	0.04%
Mexican Stock Exchange Price and Quotations Index Futures	557,005	1,114,010	130,430	118,633	249,063	22.36%
Mexican Peso / U.S. Dollar Futures	4,860,971	9,721,942	385,433	419,980	805,413	8.28%
Mexican Peso / Euro Futures	11,535	23,070				0.00%
Options on Mexican Stock Exchange Price and Quotations Index Futures	24,682	49,364	6,641	5,871	12,512	25.35%
Mexican Peso / U.S. Dollar Options	270	540				0.00%
Total	30,574,904	61,149,808	527,634	550,365	1,077,999	1.76%

¹ List each contract that is eligible to be traded by direct access from the U.S., including those contracts for which there was no trading volume during the reporting period.

² Include the total volume worldwide on the electronic trading system for each listed contract and, in the bottom row, enter the total of such volume worldwide for all listed contracts.

³ Multiply Column 2 X 2 (this should represent the total electronic buy side plus the total sell side volume worldwide for each listed contract).

⁴ Include the total electronic buy side volume for each contract originating by direct access in the U.S.

⁵ Include the total electronic sell side volume for each contract originating by direct access in the U.S.

⁶ Add Columns 4 + 5 to represent the total electronic buy side and sell side volume for each contract originating by direct access in the U.S.

⁷ Divide Column 6 by Column 3 and multiply the result by 100 to determine the percentage of the total buy/sell side volume originating from the U.S.

EXHIBIT A-2

Articles of association, constitution, or other similar organizational documents.

Public Deed 103,397 dated on August 18th, 1998, certifies the legal existence and constitution of MexDer, Mercado Mexicano de Derivados, S.A. de C.V. The attached Public Deed is apostil, but it is not translated since the Bylaws contained therein have been modified from time to time.

EXHIBIT A-3

(1) Membership and trading participant agreements.

There are no membership agreements signed with brokers. All rights and duties derived from the relationship between MexDer and brokers are regulated by Mandatory Rules for corporations and trusts participating in the establishment and operation of a market for Exchange traded futures and options ("Mandatory Rules"), Prudential Provisions, MexDer's Internal Regulations and MexDer's Manual of Policies and Procedures.

(2) Clearing agreements.

There are no agreements signed with the clearing members. All rights and duties derived from the relationship between MexDer and clearing members are regulated by Mandatory Rules for corporations and trusts participating in the establishment and operation of a market for Exchange traded futures and options ("Mandatory Rules"), Prudential Provisions, MexDer's Internal Regulations and MexDer's Manual of Policies and Procedures.

NOTE: In accordance with the procedure of admission and/or approval established in MexDer's Internal Regulations, the participants of MexDer do not sign any Membership agreements with MexDer. Members (brokers and clearing members) present an application for admission addressed to the Board of Directors, which approves whether or not an application is admissible. The Committee on Admission and New Products reviews the relevant application materials and makes a recommendation to the Board of Directors who definitely approves or rejects a new members admission.

Exhibit A-3 – User Agreement

The Exchange is party to the following user agreements:

- **Service Contract (MexFix)** allows a user to access the production environment of MexFix, the Exchange's remote access platform. There are two types of IDs: (1) market data – allows access to the information of all the trades that are executed in the derivatives market through the MexFix system; and (2) trading – allows the execution through the MexFix system of the various trades established in MexDer's Internal Regulations.
- **Sub-License Agreement** grants a limited, non-exclusive, non-transferable and temporary sub-license for the use of software products on a server, personal computer or other equipment, limited to the maximum number of users listed in Annex A of the Agreement, provided that: a) the sub-licensee notifies MexDer in writing of the particular equipment in which the software products will be used; and b) MexDer has previously determined that the hardware and the operating system that comprise the equipment are compatible with the software products.
- **Financial Information Services Contract (SIM)** provides various types of services or financial information packages, which may include text, data, graphics, photographs, scenes and/or moving images or sound recordings. There are two types of packages: SIM Basic and SIM Plus. The SIM Basic package includes users' queries about daily and historical information and general queries and interest indicators. The SIM Plus package includes the functions of SIM Basic User and a statistics menu where the comparative of indicators, databases and daily averages may be consulted.
- **Licensing of Information Agreement (Vendors)** grants the non-exclusive right to receive market information, derived information and deferred information, and use it in accordance with the Annexes of the Agreement.











EXHIBIT A-4



Terms and conditions of contracts to be available through direct access (as specified in Exhibit E).

MexDer currently has the following listed contracts available for trading:



FUTURES CONTRACTS

Eliminado: **FUTURES CONTRACTS**

CURRENCY	U.S. dollar	 US DOLLAR FUTURES.pdf
	Euro (EURO)	 EURO FUTURES.pdf
INDICES	S&P/BMV Index (S&P/BMV IPC)	 S&P BMV IPC.pdf
	MINI S&P/BMV Index (S&P/BMV IPC)	 MINI S&P BMV IPC.pdf
DEBT	30-days Overnight TIIE	 30 DAYS OVERNIGHT TIIE.pdf
	91 day CETES (CE91)	 91 Days CETE.pdf
	M241205 Bond	 M 241205 Bond.pdf
	M260305 Bond	 M 260305 Bond.pdf
	M270603 Bond	 M 270603 Bond.pdf
	M290531 Bond	 M 290531 Bond.pdf

	M310529 Bond	 M 310529 Bond.pdf
	M361120 Bond	 M 361120 Bond.pdf
	M421113 Bond	 M 421113 Bond.pdf
	M471107 Bond	 M 471107 Bond.pdf
	3 year Bond (M3)	 3 Year Bond (M3).pdf
	10 year Bond (M10)	 10 Year Bond (M10).pdf
	20 year Bond (M20)	 20 Year Bond (M20).pdf
	30 year Bond (M30)	 30 Year Bond (M30).pdf
	2 year TIIE Swap (Physical Delivery) (SW02)	 2 year TIIE Swap.pdf
	10 year TIIE Swap (Physical Delivery) (SW10)	 10 year TIIE Swap.pdf

OPTIONS CONTRACTS

INDICES	Future on BMV Index (S&P/BMV IPC)	 Option S&PBMV IPC.pdf
CURRENCY	U.S. dollar	 US DOLLAR OPTION.pdf

The peso and bond contracts are settled by delivery, and all of the other contracts are settled in cash, in Mexican pesos, payable at Mexican banks. (The peso/dollar and peso/euro contracts are settled through agent banks with offices in Mexico and in the United States and Europe, respectively. The bond contracts are settled through S.D. Indeval (the Mexican Central Securities Depository) by the delivery of bonds corresponding to the specifications set out in MexDer's Internal Regulations.) Thus, with the exception of the peso/dollar contract that is settled by the exchange of dollars for pesos, and the yellow corn contracts, none of these contracts has any nexus whatsoever to the United States.

EXHIBIT A-5

The national statutes, laws and regulations governing the activities of the foreign board of trade and its respective participants.





Mandatory Rules	 Mandatory Rules.pdf
Prudential Provisions	 Prudential Provisions.pdf
MexDer Internal Regulations	 Internal Regulation.pdf
MexDer Manual of Policies and Procedures	 Manual of Policies and Procedures.pdf

EXHIBIT A-6

The current rules, regulations, guidelines and bylaws of the foreign board of trade.

See Exhibit A-5. MexDer's Bylaws are attached.

EXHIBIT A-7

Evidence of the authorization, licensure or registration of the foreign board of trade pursuant to the regulatory regime in its home country jurisdiction and a representation by its regulator(s) that it is in good regulatory standing in the capacity in which it is authorized, licensed or registered.

In 1998, MexDer was authorized by the Ministry of Finance to be a futures and options exchange.

The original authorization and its translation are attached.



Original Author



Transl Author

EXHIBIT A-8

A summary of any disciplinary or enforcement actions or proceedings that have been brought against the foreign board of trade, or any of the senior officers thereof, in the past five years and the resolution of those actions or proceedings.

There have not been any procedures or disciplinary actions against MexDer over the past 5 years.

EXHIBIT A-9

An undertaking by the chief executive officer(s) (or functional equivalent[s]) of the foreign board of trade to notify Commission staff promptly if any of the representations made in connection with or related to the foreign board of trade's application for registration cease to be true or correct, or become incomplete or misleading.

EXHIBIT B – MEMBERSHIP CRITERIA

EXHIBIT B(1)

A description of the categories of membership and participation in the foreign board of trade and the access and trading privileges provided by the foreign board of trade. The description should include any restrictions applicable to members and other participants to which the foreign board of trade intends to grant direct access to its trading system.

MexDer membership is open to foreign (*i.e.*, non-Mexican) individuals and entities who (i) reside in or are organized under the laws of countries whose regulatory authorities are members of the Technical Committee of the International Organization of Securities Commissions (“IOSCO”) or its successor, (ii) consent to the jurisdiction of the Exchange with respect to disciplinary measures, and (iii) if not admitted as a clearing member, have entered into an appropriate services agreement with a MexDer clearing member.

The MexDer Board will consider the applicant’s capitalization and whether the applicant is suitably authorized in its country of origin to engage in transactions and activities related to the trading, clearing and settlement of derivatives. A foreign entity that wishes to act as a broker approved as global account manager or to carry such accounts with a clearing member must comply with the Mandatory Rules, the Prudential Provisions and MexDer’s Internal Regulations applicable to the management of global accounts and members of a market that is recognized by MexDer.

MexDer’s members are classified as clearing members, trading members/brokers (which may include non-Mexico based remote members) or market makers. Trading members may act as agents for customers and may also trade for their own accounts once they have been authorized to do so by the Exchange. Market makers are trading members that have been specifically approved by the Exchange to act as such. Trading members that also act as market makers must conduct their market making activities in a separate account.

A trading member also may act as the “manager” of a global account. A global account manager (which does not have discretionary authority over the accounts on its books) must be approved as such by MexDer and by Asigna. Remote members have a non-clearing remote membership with direct access to the trading system, and they clear through a MexDer clearing member.

All clearing members and trading members who have received authorization from MexDer’s Board of Directors to trade on the Exchange can enter bids and offers through the MexDer system. To guarantee that access to the System is limited to authorized individuals, each user has a confidential electronic signature consisting of a user name and an individual password which must be changed by the user on a regular basis.

Specifically, upon the written request of a clearing member or trading member, MexDer assigns the clearing member or trading member a “registration code” for the system, delivering the registration code to the individual who made the request. Additionally, each time a clearing member or trading member complies with all requirements to commence trading on the Exchange, or accredits a desk trader with the Exchange, MexDer will supply the clearing member, trading member and/or desk trader an “access code” for the system. (Access codes for the testing environment offered by MexDer to members and independent software vendors

(“ISVs”) for purposes of determining whether front-end trading applications conform to MexFix are distinct from those production environment access codes used to trade via the system and must be requested and obtained from MexDer.) To further regulate access to the system, MexDer additionally sets the number of means of entry any single clearing member or trading member may have and publishes that determination in the Exchange’s Bulletin.

Other Types of Participants in MexDer

- A client executes as a customer through a trading member or a clearing member. Clearing members may have the power to execute and not only to settle client’s trades if in his admission application the clearing member made such specification.
- A client executes through an omnibus account ¹of a MexDer trading member or clearing member or, if the client has an existing agreement with a member of a recognized exchange that has a registered omnibus account in MexDer, through the omnibus account of the member of the recognized exchange. Direct execution in MexDer is available through an existing agreement with a member of a recognized exchange that has a registered omnibus in MexDer. Omnibus accounts are segregated in accordance with CFTC Rule 30.7 of the CFTC, *i.e.*, one account for proprietary trading and one account for customer trading.
- A member of a recognized exchange with direct execution in MexDer through an existing order routing agreement with a recognized exchange (*e.g.*, CME Order Routing Agreement).

¹ Omnibus accounts in MexDer’s Internal Regulations are defines as Foreign Financial Entities.

EXHIBIT B(2)

A description of all requirements for each category of membership and participation on the trading system and the manner in which members and other participants are required to demonstrate their compliance with these requirements. The description should include, but not be limited to, the following:

(i) Professional Qualification. A description of the specific professional requirements, qualifications, and/or competencies required of members or other participants and/or their staff and a description of the process by which the foreign board of trade confirms compliance with such requirements.

MexDer's Internal Regulations contain detailed requirements that must be met by the different types of members of MexDer.

First, participants (clearing members, trading members, remote members and market makers) must complete a process of admission in which they must provide corporate and financial information for the Exchange to analyze (Articles 2005.00 and 2007.00 of MexDer's Internal Regulations).

At the same time that participants provide the information required for admission, the member must demonstrate that it meets the elements to trade in compliance with the requirements of Article 2022.00 of MexDer's Internal Regulations.

MexDer's Internal Regulations establish additional requirements or exceptions to the general rule by type of member. For example:

- Article 2008.00 – Additional requirements for third-party brokers or integral clearing members.
- Article 2009.00 – Special exceptions for brokers who are credit institutions or brokerage firms.
- Article 2023.00 – Requirements for participants in a recognized foreign market.
- Articles 2025.01 to 2025.06 – Requirements for market makers.
- Articles 2025.07 to 2025.10 – Requirements for liquidity providers.
- Articles 2044.00 to 2045.00 – Requirements for brokers that manage global accounts.
- Articles 2046.00 to 2048.00 – Requirements for foreign entities.
- Articles 2049.00 to 2051.00 – Requirements for foreign financial entities.

The Exchange has a committee which considers the admission of new members, where appropriate, and recommends admission to the Board of Directors. There is a group in the Exchange that is composed of specialists in various fields who review the information and, where appropriate, requests corrections or additional information until the applicant has completed the entire file.

Once the group of specialists has concluded its evaluation, the group will issue a recommendation to the Admission and New Products Committee on whether or not to approve the applicant. Once the recommendation has been received, the Admission and New Products

Committee will evaluate it and present its ruling to the Board of Directors. Before presenting its ruling to the Board of Directors, the Admission and New Products Committee may require that the applicant and/or the group of specialists to submit additional information and make any clarifications it deems necessary with regard to any application. The Board of Directors will then grant or refuse the corresponding approval as clearing member or Broker.

In addition to the aforementioned requirements, clearing members must send to the Ministry of Finance the approvals granted by the Exchange and the clearing house as well as the following documentation:

- A general functional plan and the manuals of policies and operating and liquidity procedures;
- A detailed report on the management and risk control systems; and
- Drafts of the contracts that the clearing member will use with its clients for the execution of exchange-traded derivatives contracts, as well as any other information that the Ministry of Finance deems appropriate.

The Ministry of Finance, after hearing the opinion of the CNBV and the Central Bank, reserves the right to veto the aforementioned approvals, when it considers that the trustors, or the members of the technical committee do not have sufficient technical or moral qualities for the performance of their duties, or when the approval process has not been adjusted to MexDer's Internal Regulations and the clearing house's regulation. If the Ministry of Finance does not exercise its right of veto within 90 calendar days after the clearing member submits the approvals and the documentation referenced above, the respective trust may begin operations as a clearing member.

NOTE: This information is contained in Title II of MexDer's Internal Regulations.

The following information provides guidance to applicants on the various exams recognized by the Exchange, and the processes and requirements to be met. The information is divided into two sections:

1. Equivalency Table of Certifications and functions that may be performed:
 - MexDer's exams
 - AMIB's Certifications that are recognized by MexDer
 - Foreign Certifications that are recognized by MexDer.
2. Requirements for the accreditation before the Legal Area of MexDer in order to act as Accredited Personnel (Sales Person, Desk Trader, Risk Manager and Account Manager).

MexDer Exams taken as of October 1, 2005	Function that may be performed	Conditions to be recognized by MexDer
Derivatives Products Sales	Sale and Trade Futures and	Pass the exam/ Process

Agent and Trader	Options	before Legal Area
Derivatives Products Sales Agent	Sale Futures and Options	Pass the exam/ Process before Legal Area
Derivatives Products Trader	Trade Futures and Options	Pass the exam/ Process before Legal Area
Account Manager	Manage Accounts	Pass the exam/ Process before Legal Area
Risk Manager	Manage Risks	Pass the exam/ Process before Legal Area
Trader of Futures and Options Contracts on stocks and Market Index	Trade Futures and Options on stocks and Market Index	Pass the exam/ Process before Legal Area
Trader of Futures and Options Contracts on Currencies	Trade Futures and Options on Currencies	Pass the exam/ Process before Legal Area
Trader of Futures and Options Contracts on Debt Securities and Currencies	Trade Futures and Options on Debt Securities and Currencies	Pass the exam/ Process before Legal Area

1. EQUIVALENCY TABLES

MexDer Exams taken before September 30, 2005	Function that may be performed	Conditions to be recognized by MexDer	Function that may be performed if in possession of a Certification on Options
Account Manager	Manage Accounts in Futures	Pass the exam/ Process before Legal Area	Manage Accounts in Futures and Options
Risk Manager	Manage Risks in Futures	Pass the exam/ Process before Legal Area	Manage Risks in Futures and Options
Sales Agent and Desk Trader	Sale and Trade Futures	Pass the exam/ Process before Legal Area	Sale and Trade Futures and Options
Futures on Stock and Market Index Trader	Trade Futures on stock and Market Index	Pass the exam/ Process before Legal Area	Trade Futures and Options on stock and Market Index
Futures on Interest Rates Trader	Trade Futures on Interest Rates and Currency	Pass the exam/ Process before Legal Area / Process to trade Currencies	Trade Futures and Options on Interest Rates and Currency

Futures on Exchange Rates Trader	Trade Futures on Exchange Rates	Pass the exam/ Process before Legal Area	Trade Futures and Options on Exchange Rates
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AMIB Exams taken as of January 2, 2007	Function that may be performed	Conditions to be recognized by MexDer
Investment Strategy Advisor	Sale and Trade Futures and Options	Pass the exam with a minimum of 600 points in the Derivatives Products module/ Process before Legal Area
Exchange Trader	Trade Futures and Options on stock and indexes	Pass the exam with a minimum of 600 points in the “Derivatives Products” module, as well as in the “Operating Systems in MexDer” module/ Process before Legal Area
Money Market Trader	Trade Futures and Options on Interest Rates and Currency	Pass the exam with a minimum of 600 points in the “Derivatives Products” module, as well as in the “Operating Systems in MexDer” module/ Process to trade Currencies

AMIB Exams taken before January 2, 2007	Function that may be performed	Conditions to be recognized by MexDer	Function that may be performed if in possession of a Certification on Options
Investment Strategy Advisor	Sale and Trade Futures	Pass the exam with a minimum of 600 points in the Derivatives module/ Process before Legal Area	Sale and Trade Futures and Options
Exchange Trader	Trade Futures on stock and indexes	Pass the exam with a minimum of 600 points in the Derivatives module/ Process before Legal Area	Trade Futures and Options on stock and indices

Money Market Trader	Trade Futures on Interest Rates and Currency	Pass the exam with a minimum of 600 points in the Derivatives module/ Process before Legal Area/ Process to trade Currencies	Trade Futures and Options on Interest Rates and Currencies
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Foreign Certifications recognized by MexDer As of January 2, 2006	Issuing Institution	Equivalent role in MexDer	Conditions to be recognized by MexDer
Series 3	FINRA	a) Derivatives Products Sales Agent and Trader, or b) Account Manager, this figure is only valid in the case of personnel that works in a Broker	Pass the exam/ Process before AMIB/ Process before Legal Area
Series 4	FINRA	a) Derivatives Products Sales Agent and Trader, or b) Account Manager for the personnel that works in a clearing member or Broker	Pass the exam/ Process before AMIB/ Process before Legal Area
Series 7	FINRA	Derivatives Products Trader	Current Certification/ Process before AMIB/ Process before Legal Area
Trader Examination at Eurex	Eurex/ Deutsche Börse	Derivatives Products Sales Agent and Trader	Pass the exam/ Process before AMIB/ Process before Legal Area
Broker License	MEFF Institute	Derivatives Products Sales Agent and Trader	Pass the exam/ Process before AMIB/ Process before Legal Area
Clearing License and Broker	MEFF Institute	a) Derivatives Products Sales Agent and Trader, or b) Account Manager	Pass the exam/ Process before AMIB/ Process before Legal Area

Clearing License	MEFF Institute	Account Manager	Pass the exam/ Process before AMIB/ Process before Legal Area
Associated Person (AP)	NFA	Derivatives Products Sales Agent and Trader	Pass the exam/ Process before AMIB/ Process before Legal Area
Floor Broker (FB)	NFA	Derivatives Products Sales Agent and Trader	Pass the exam/ Process before AMIB/ Process before Legal Area
Floor Trader (FT)	NFA	Derivatives Products Sales Agent and Trader	Pass the exam/ Process before AMIB/ Process before Legal Area
Principal	NFA	Derivatives Products Trader	Pass the exam/ Process before AMIB/ Process before Legal Area/ Limitation
Financial Risk Manager	GARP	Risk Manager	Pass the exam/ Process before AMIB/ Process before Legal Area
Professional Risk Manager	PRMIA	Risk Manager	Pass the exam/ Process before AMIB/ Process before Legal Area

Notes regarding equivalency tables:

- When a participant wishes to trade futures contracts on currency (or futures and option contracts on currency), it shall submit a letter signed by the legal representative of their institution (accredited before MexDer) stating that the applicant has sufficient experience to conduct trades with futures contracts on currency (or futures and option contracts on currency).
- Applicants who have external certifications and wish to be recognized in MexDer for any of the exams mentioned above must present their current certificate to the Asociación Mexicana de Intermediarios Bursátiles (“AMIB”) (Mexican Association of Securities Brokerage Firms), MexDer’s certifying institution.

- If an applicant has a “Principal” certification, MexDer will allow the applicant to conduct transactions only under the role of Desk Trader in a firm trading on a proprietary basis.

2. REQUIREMENTS FOR THE ACCREDITATION BEFORE THE LEGAL AREA OF MEXDER IN ORDER TO ACT AS ACCREDITED PERSONNEL

(Accredited Personnel include: Sales Person, Desk Trader, Risk Manager and Account Manager)

1. A letter from the legal representative of the broker or clearing member, in which the Accredited Personnel is appointed.
2. Testimony or a certified copy of the public deed attesting to the faculties granted to the Desk Trader(s) and/or Promoter(s) to trade in MexDer.
3. A statement signed by the Desk Trader, Sales Agent, Risk Manager and Account Manager.
4. A letter issued by the Secretary of the Board of Directors of the broker (or, where appropriate, by the Trust Delegate of the clearing member) certifying the signature of the Desk Trader(s) and/or Sales Agent(s).
5. Certification of the applicant that will hold the Accredited Personnel position.
6. Certification stating that the Desk Trader completed the training concerning use of MexDer’s Electronic Trading System (SEN) or has had the proper training in their own trading platform.

Role	1 Appointment	2 Manifestation	3 Evidence of Signatures	4 Power	5 Certification	6 Course in SEN
• Desk Trader	X	X	X	X	X	X
• Promoter	X	X	X	X	X	
• Risk Manager	X	X			X	
• Account Manager	X	X			X	

(ii) Authorization, Licensure and Registration. A description of any regulatory and self-regulatory authorization, licensure or registration requirements that the foreign board of trade imposes upon, or enforces against, its members and other participants including, but not limited to any authorization, licensure or registration requirements imposed by the regulatory regime/authority in the home country jurisdiction(s) of the foreign board of

trade. Please also include a description of the process by which the foreign board of trade confirms compliance with such requirements.

Persons interested in participating in MexDer must meet the following requirements:

Proprietary clearing member

Written application addressed to the Board of Directors of MexDer, corporations must include the following documentation:

- (i) Testimony or certified copy of the public deed attesting to the faculties of the legal representative;
- (ii) Evidence of the applicant's incorporation;
- (iii) Copy of the resolution certified by the secretary of the board of directors of the applicant authorizing participation on the Exchange;
- (iv) Audited financial statements for the last three years;
- (v) Monthly financial statements for the last three months;
- (vi) Name, address, e-mail and telephone numbers of the persons who will be responsible and substitutes for the following roles: Sales Agent, Operations, Risk Management and Account Management;
- (vii) Business plan;
- (viii) Relevant trading procedures and risk control and liquidity policies;
- (ix) Description of the account management system; and
- (x) Description of the risk control system.

Third-Party clearing member

Written application addressed to the Board of Directors of MexDer, to the attention of the Chief Executive Officer; in the case of corporations, they must attach to the application the following documentation:

- (i) Testimony or certified copy of the public deed attesting to the faculties of the legal representative;
- (ii) Testimony or certified copy of the public deed of the applicant's incorporation;
- (iii) Copy of the resolution certified by the secretary of the board of directors of the applicant in which such collegiate body has agreed to their participation in the Exchange;
- (iv) Financial statements audited by an independent public accountant for the last three years;
- (v) Monthly financial statements for the last three months;
- (vi) Name, address, e-mail and telephone numbers of the persons who will be responsible and alternates for the duties of: Sales Agent, Operations, Risk Management and Account Management;
- (vii) General functional plan;
- (viii) Project of the manual of policies, trading procedures, risk control and liquidity;
- (ix) Detailed report on the account management system;
- (x) Detailed report on the risk control system;
- (xi) Trust agreement;
- (xii) Customer agreement; and

- (xiii) Description of order management system.

Integral clearing member

Written application addressed to the Board of Directors of MexDer, to the attention of the Chief Executive Officer; in the case of corporations, they must attach to the application the following documentation:

- (i) Testimony or certified copy of the public deed attesting to the faculties of the legal representative;
- (ii) Testimony or certified copy of the public deed of the applicant's incorporation;
- (iii) Copy of the resolution certified by the secretary of the board of directors of the applicant in which such collegiate body has agreed to their participation in the Exchange;
- (iv) Financial statements audited by an independent public accountant for the last three years;
- (v) Monthly financial statements for the last three months;
- (vi) Name, address, e-mail and telephone numbers of the persons who will be responsible and alternates for the duties of: Sales Agent, Operations, Risk Management and Account Management;
- (vii) General functional plan;
- (viii) Project of the manual of policies, trading procedures, risk control and liquidity;
- (ix) Detailed report on the account management system;
- (x) Detailed report on the risk control system;
- (xi) Project of the trust agreement;
- (xii) Contract that they will use with their Clients for the carrying out of Futures and/or Option Contracts, which shall comply with the requirements established in the Prudential Provisions; and
- (xiii) Detailed report on the system for the reception of orders and assignment of trades.

Registration requirements

Proprietary Broker

Written application addressed to the Board of Directors of MexDer, to the attention of the Chief Executive Officer; in the case of corporations, they must attach to the application the following documentation:

- (i) Testimony or certified copy of the public deed attesting to the faculties of the legal representative;
- (ii) Testimony or certified copy of the public deed of the applicant's incorporation;
- (iii) Copy of the resolution certified by the secretary of the board of directors of the applicant in which such collegiate body has agreed to their participation in the Exchange;
- (iv) Financial statements audited by an independent public accountant for the last three years;
- (v) Monthly financial statements for the last three months;
- (vi) Name, address, e-mail and telephone numbers of the persons who will be responsible and alternates for the duties of: Operations, Risk Management and Account Management;
- (vii) General functional plan;
- (viii) Project of the manual of policies, trading procedures, risk control and liquidity;

- (ix) Detailed report on the risk control system;
- (x) The mercantile commission and/or service contract that they must sign with a clearing member; and
- (xi) The adherence agreement that they must sign with a clearing member, except in the case of those Brokers and Market Makers that already are trustors of the respective clearing member.

Individuals seeking to perform Proprietary Trades must submit the information specified in subsection c) of section III and in section IV of Article 2007.00.

Third-party Broker

Written application addressed to the Board of Directors of MexDer, to the attention of the Chief Executive Officer; in the case of corporations, they must attach to the application the following documentation:

- (i) Testimony or certified copy of the public deed attesting to the faculties of the legal representative;
- (ii) Testimony or certified copy of the public deed of the applicant's incorporation;
- (iii) Copy of the resolution certified by the secretary of the board of directors of the applicant in which such collegiate body has agreed to their participation in the Exchange;
- (iv) Financial statements audited by an independent public accountant for the last three years;
- (v) Monthly financial statements for the last three months;
- (vi) Name, address, e-mail and telephone numbers of the persons who will be responsible and alternates for the duties of: Sales Agent, Operations, Risk Management and Account Management;
- (vii) General functional plan;
- (viii) Project of the manual of policies, trading procedures, risk control and liquidity;
- (ix) Detailed report on the account management system;
- (x) Detailed report on the risk control system;
- (xi) The mercantile commission and/or service contract that they must sign with a clearing member, depending on whether they perform transactions as Broker or exclusively as Market Maker;
- (xii) Contract that they will use with their Clients for the carrying out of Futures and/or Option Contracts; and
- (xiii) Detailed report on the system for the reception of orders and assignment of trades.

Market Maker

Written application addressed to the Board of Directors of MexDer, to the attention of the Chief Executive Officer; in the case of corporations, they must attach to the application the following documentation:

- (i) Testimony or certified copy of the public deed attesting to the faculties of the legal representative;
- (ii) Testimony or certified copy of the public deed of the applicant's incorporation;

- (iii) Copy of the resolution certified by the secretary of the board of directors of the applicant in which such collegiate body has agreed to their participation in the Exchange;
- (iv) Name, address, e-mail and telephone numbers of the persons who will be responsible and alternates for the duties of: Operations, Risk Management and Account Management;
- (v) General functional plan;
- (vi) The service contract that they must sign with a clearing member;
- (vii) The adhesion agreement that they must sign with a clearing member, except in the case of those Brokers and Market Makers that already are trustors of the respective clearing member; and
- (viii) Abide by the Liquidity Terms and Conditions set by the Exchange.

Global Accounts Manager

Written application addressed to the Board of Directors of MexDer, to the attention of the Chief Executive Officer; in the case of corporations, they must attach to the application the following documentation:

- (i) Testimony or certified copy of the public deed attesting to the faculties of the legal representative;
- (ii) Copy of the resolution certified by the secretary of the board of directors of the applicant in which such collegiate body has agreed to their participation in the Exchange;
- (iii) Financial statements audited by an independent public accountant for the last three years;
- (iv) Monthly financial statements for the last three months;
- (v) Name, address, e-mail and telephone numbers of the persons who will be responsible and alternates for the duties of: Sales Agent, Operations, Risk Management and Account Management;
- (vi) General functional plan;
- (vii) Project of the manual of policies, trading procedures, risk control and liquidity;
- (viii) Detailed report on the account management system;
- (ix) Detailed report on the risk control system;
- (x) Project of the trust agreement, if applicable;
- (xi) Contract that they will use with their Clients for the carrying out of Futures and/or Option Contracts, which shall comply with the requirements established in the Prudential Provisions;
- (xii) Detailed report on the system for the reception of orders and assignment of trades; and
- (xiii) Application for approval as Global Accounts Manager.

Foreign Financial Entities

- (i) Written application addressed to the Board of Directors of MexDer, to the attention of the Chief Executive Officer;
- (ii) Document issued by the authority or institution of the country of origin of the Foreign Entity, that is competent to do so, stating that it carries out trades and/or functions of clearing and settlement of derivatives in any of the markets and entities recognized by the Exchange ;

- (iii) Document stating their willingness to be bound to comply with the standards and other provisions issued by the Financial Authorities, by the Exchange itself and by the clearing house, as well as the express subjection to the imposition of disciplinary measures by the Exchange in case of breaching any obligations under the current regulations.

Liquidity Provider

In order to obtain the approval to act as Liquidity Provider, candidates must meet the following requirements:

- (i) Submit to the Exchange the corresponding application addressed to the Chief Executive Officer, signed by a duly accredited legal representative;
- (ii) Indicate the probable date for the start of operations in that capacity; and
- (iii) Provide other information that the Exchange determines to be necessary.

NOTE: This information is contained in Title II of MexDer's Internal Regulations.

As stated on Exhibit b(2)(i), Clearing members and trading members are required to ensure that their sales personnel, desk traders (who are responsible for the use and operation of the computers and other equipment used to trade on the System), risk managers and account administrators are approved, by an accredited certifying agency that has itself been recognized by MexDer, to demonstrate that they possess the necessary technical knowledge in derivative financial instruments prior to engaging in trading-related activities. They also must certify that they have undergone ethics training by an agency that has been approved by MexDer for such purposes.

These requirements are waived for sales personnel and desk traders in other countries who have demonstrated their proficiency by passing an approved examination in the country in which they do business. As an example, the Series 3 examination, a prerequisite to registration with the CFTC as an associated person, is recognized by MexDer for this purpose and U.S. registrants that have passed the Series 3 are required only to certify that they have familiarized themselves with those portions of MexDer's Manual of Policies and Procedures relating uniquely to the MexDer market.

Additional requirements apply to trading members and clearing members that wish to carry ("manage") omnibus accounts, including compliance with the minimum financial requirements established under the Mandatory Rules. A trading member that is not a financial institution and that seeks to act as a global account manager also must have procedures comparable to those required of or applicable to financial institutions under money laundering prevention rules set forth in the Criminal Code and the Mandatory Rules.

Individuals employed by Asigna in management positions must at all times be certified as account administrators. These certifications must be renewed at least once every three years.

Accreditation will be denied if the applicant has been convicted of certain offenses (including crimes against property), expelled from a foreign or domestic stock or derivatives exchange, the

applicant's application has previously been denied or the applicant fails to maintain his or her proficiency by taking and passing periodic examinations.

EXHIBIT B(2)(iii)

A description of the following:

(A) The financial resource requirements, standards, guides or thresholds required of members and other participants.

Clearing Members

The Mandatory Rules establish minimum financial requirements for clearing members. A proprietary position clearing member – or, more precisely, a proprietary position payment and administration trust – must at all times maintain a minimum equity in Mexican Pesos equivalent to the greater of 2,500,000 UDIs (approximately US\$880,000) or four percent of the total of all minimum initial contributions maintained by that clearing member with Asigna. (The UDI is an inflation-adjusted unit of funds set by the Central Bank of Mexico according to the variation in the Mexican consumer price index. The Mexican credit system uses the UDI rather than the peso because of its stability.) Clearing members that settle futures or options contracts for customers or other third parties (e.g., third-party position payment and administration trust) must at all times maintain a minimum equity equal to the greater of the equivalent in pesos of 5,000,000 UDIs (approximately US\$1,750,000) or eight percent of the total of all margins maintained by that clearing member with Asigna. Clearing member contributions to the Contributions Fund and the Clearing Fund do not count toward the clearing member’s minimum equity.

In the case of clearing members that settle exchange-traded derivative contracts for third parties/clients, the minimum equity will be the greater of: (i) the equivalent of national currency to 5,000,000 UDIs (approximately US\$1,750,000); or (ii) the sum of four percent of all minimum initial contributions that the clearing member maintains in the clearing house for each third-party open contract.

Clearing members who hold proprietary trades and third-party trades should separate their equity, distinguishing the portion for proprietary trading and for third-party trading.

One hundred percent of a clearing member’s minimum equity must be contributed in cash, but may be invested in short-term bank deposits, government bonds maturing in less than 90 days, or repurchase agreements on those bonds maturing in less than 90 days. In addition, up to thirty percent of that equity and any excess may be invested in MexDer shares, Asigna “trust rights certificates,” and any other assets that may be approved by the Financial Authorities.

Trading Members

Trading members are required by the Mandatory Rules to maintain minimum capital equivalent in pesos to 100,000 UDIs (approximately US\$35,000). A trading member that carries global accounts must maintain capital equal to at least 1,000,000 UDIs (equivalent to approximately US\$350,000). This capital must be invested in short-term bank deposits, government securities maturing in less than 90 days, or repurchase agreements on those securities maturing in less than

90 days. Trading members are not required to own shares in MexDer; if they do, those shares can be applied against the trading member's capital requirement.

These capital requirements apply only to legal entities that are approved as Trading Members who are not financial entities (credit institutions or brokerage firms), since financial institutions must have and comply higher standards, contained in independent regulations.

Remote Members

Foreign Trading members are required by the Mandatory Rules to maintain minimum capital equivalent in pesos to 100,000 UDIs (approximately US\$35,000).

(B) The manner in which the foreign board of trade evaluates the financial resources/holdings of its members or participants.

Applicants must submit audited financial statements, certified by an independent public accountant, for the three years preceding its application, as well as monthly financial statements for the three months preceding the application. Clearing members and brokers whose applications have been approved are required to report the level of their equity to MexDer on a daily basis. They are also required to provide same-day, written notice to the Exchange of any reduction of capital or equity below the minimum.

Due to the legal nature of credit institutions and brokerage firms, their capitalization requirements are monitored by the CNBV. Thus, in practice, MexDer only verifies compliance with the capitalization requirements of the clearing members and those brokers that are not credit institutions, brokerage firms or foreign entities. When reported equity is close to the minimum amount established by the Mandatory Rules, the Compliance Office validates the daily capitalization reports against the participant's banking documents. Additionally, the information is validated against the financial statements provided monthly by the independent brokers and quarterly by the clearing members. The Compliance Office also performs audits that include a comprehensive review of the financial documentation of the participants.

(C) The process by which applicants demonstrate compliance with financial requirements for membership or participation including, as applicable:

(i) Working capital and collateral requirements, and

See response to B(2)(iii)(A).

With respect to collateral, the clearing house monitors the existence and delivery of the margins (collateral) and reports to the Exchange any incident of failure of delivery so that Asigna may proceed in accordance with its powers under Article 7022.00, sub-paragraph XIII (Order for closing positions).

(ii) Risk management mechanisms for members allowing customers to place orders.

Applicants for membership must provide (i) the names, resumes, and contact information for the individuals within the applicant organization who will be responsible for marketing, trading, risk management and account administration, (ii) the applicant's General Functional Plan, and (iii) its Manual of Policies, Procedures, Risk Controls and Liquidity.

The General Functional Plan must contain the following elements: (i) a description of the manner in which the duties of the applicant's various departments engaged in trading derivatives contracts are to be coordinated; (ii) the members of the firm's board of directors or technical committee, as well as that body's leading executives and employees; (iii) the definition and establishment of a program for reviewing objectives, goals, and trading and control procedures by the general management of the clearing member or trading member; (iv) systems for monitoring whether personnel involved in trading derivatives contracts comply with and abide with the rules and regulations promulgated by the Financial Authorities, MexDer and Asigna, as well as the clearing member or trading member's own internal policies; and (v) technical and ethical training programs aimed at assuring that responsible personnel obtain the necessary certifications.

A MexDer member's manual of policies, procedures, risk controls and liquidity must address, among other things, the member's maximum risk tolerance limits; the internal criteria used by the member to analyze, evaluate, and establish trading limits for customers; procedures for resolving conflicts of interest; a description of the firm's data processing, risk management and account valuation and management systems, including back-up systems; independently validated valuation models; new account documentation; and annual audits of the member firm's internal controls.

The foregoing materials must be accompanied by detailed reports explaining the applicant's account administration and risk control systems. Applicants that seek to act as clearing members must additionally submit a copy of their proposed form of customer agreement (including a statement advising the customer of the risks associated with derivatives trading), a detailed description of the firm's order routing system, the firm's trust indenture and, if applicable, an application for approval as a global account manager.

The Risk Management Gateway (RMG) is a web-based dashboard used to monitor, configure and control Futures and Options "Orders" and "Risk Filters" within the RMG system. Clearing Members will be responsible to control and configure those risk filters and view order blotter for accounts which they are entitled to see, they should set filters based on a customer account level (Member - Clearing account).

Pre-Trade Checks

➤ ***"Quantity" Filter***

Reject any order with size bigger than a specified number; this filter applies for any asset class product (Futures or Options).

➤ ***"Quantity per Symbol and Side" Filter***

Reject any order with size bigger than a specified number on a specific class and side

➤ ***“Symbol, Side, Order Type, Time in Force” Filter***

Reject any order matching a specific combination of symbol, side, order type, time in force and a time window (start time and end time). None of the fields are mandatory; the user is not required to set each of the 4 fields.

The user may also set a start time and an end time for this filter. This would allow filters to be configured which prevent certain order types during different hours of the trading sessions.

Any unset fields are essentially ignored.

➤ ***“Value” Filter***

Reject any order exceeding a specified value (notional value)

Aggregated Checks

➤ ***Daily Credit Limit Control for Net Long/Short Margin***

Reject any order exceeding the limit margin set by symbol once the aggregated amount has reached the set limit.

➤ ***“Daily Quantity” Filter***

If the aggregated traded volume exceeds the specified value for the day, cancels and or rejects the orders resting on the book and the incoming ones. If an order is cancelled, the unfilled quantity should be removed from the day’s accumulated quantity. If an order is modified, the number of contracts should be added or removed from the day’s aggregated total. The Clearing member can optionally set the Side field to only check daily value for a particular side. If Side is unset it will be ignored and treated as a wildcard.

➤ ***“Daily Quantity per Symbol and Side” Filter***

Reject any order that exceeds the maximum daily quantity for a daily quantity entry. An entry consists of a symbol, side, and maximum daily value. Each entry maintains its own limit and tracking. When orders exceed a limit on an entry it should only reject orders matching that entry. Other entries that have not exceeded their threshold should continue to allow orders through.

➤ ***“Daily Value” Filter***

The RMG will cancel the orders resting on the book and not allow new orders into the trading engine if the notional value exceeds the specified value for the day.

If an order is cancelled or modified in size, the change in value will be removed or added to the day’s aggregated total.

➤ ***“Daily Value per Symbol and Side” Filter***

The RMG will cancel the orders resting on the book and not allow new orders into the trading engine if the notional value exceeds the specified value per side for the day.

If an order is cancelled or modified in size, the change in value will be removed or added to the day’s aggregated total.

(iii) Fit and Proper Standards. A description of how the foreign board of trade ensures that potential members/other participants meet fit and proper standards.

See the description under Exhibit B(2)(ii).

EXHIBIT C – BOARD AND/OR COMMITTEE MEMBERSHIP

EXHIBIT C(1)

A description of the requirements applicable to membership on the governing board and significant committees of the foreign board of trade.

Board of Directors

MexDer is managed by a Board of Directors that is elected by the Shareholders' Assembly and comprised equally of MexDer members and independent members. MexDer's Bylaws require that independent Board members be recognized authorities in the financial field who (i) do not own an interest in the capital or equity of the shareholders of MexDer, its clearing members or its trading members, or financial institutions that are owners of MexDer clearing members, and (ii) are not employed or commissioned by any of the foregoing, unless they are independent board members of such entities.

According to the sixth and sixth bis Prudential Provisions, the appointment of board members, must be made exclusively among persons with acknowledged technical skills, honorability and creditworthiness, with ample knowledge and experience in finance or administration and who:

- a) Reside in Mexican territory, in accordance with the provisions of the Federal Tax Code.
- b) Have worked for at least five years in offices with high decision making power, requiring knowledge and experience on finance and administration.
- c) Do not come under any of the following impediments:
 - i. To have pending litigation with the Exchange in question;
 - ii. To have been condemned by irrevocable sentence for equity crime, or to be ineligible to make commerce or hold any office, employment or commission in the Mexican public service or financial system;
 - iii. To have been declared bankrupt or insolvent without having been reinstated,
 - iv. To carry out inspection or oversight activities of the Exchange, regarding the public management, and
 - v. In the case of Independent Members, to participate in the capital or equity of Brokers, Clearing Members or financial entities that participate in the capital or equity of the latter; hold any office, employment or commission in their organizations, except when acting as independent members of the Board of Directors of any of the above-mentioned financial entities.
- d) Are not carrying out Exchange regulation activities in the sphere of public management.
- e) Do not have conflicts of interests or any interest opposed to those of the Exchange.

Committees

See Exhibit A-1 (5) c.

See attached organization chart.



In accordance with the Bylaws of MexDer the committees are subject to the following requirements:

- For a person to be appointed as a member of a committee, the person must have knowledge related to the committee's area of expertise, and they must not have been convicted of crime against property;
- Members must refrain from participating in any deliberation or decision when they have conflicts of interest;
- Members must attend meetings. The Board of Directors must dismiss members of any committee if, in the opinion of the Board, they fail to attend two meetings without justification; and
- The chairman of each committee must report regularly to the Board of Directors of the activities of the committee, or when events or actions arise that are of such significance that in his opinion requires it.

The Board of Directors shall issue the operating rules of the committees, which will be contained in the Internal Operating and Organizational Regulations.

EXHIBIT C(2)

A description of the process by which the foreign board of trade ensures that potential governing board and committee members/other participants meet these standards.

MexDer's internal audit is responsible for determining whether potential members of the Board of Directors and MexDer's committees meet the eligibility criteria prior to the start of their functions and throughout their term of office. (Article Twenty Six of the Bylaws and Articles 20, 23, 25, 28, 30, 32, 34 and 36 of the Internal Operating and Organizational Regulations of MexDer)

As part of the evaluation of members of the Board of Directors and MexDer's committees, internal audit considers the general rules for compliance with the requirements to be met by persons who hold positions, jobs or commissions in financial institutions such as MexDer and Asigna, which were issued by the CNBV and published in the Diario Oficial de la Federación (Federal Official Journal) on March 1, 2002 (the "General Rules"). The General Rules oblige MexDer to verify that the Board of Directors' members are in compliance with the requirements regarding satisfactory credit history, credit eligibility and honorability, as well as the absence of legal impediments for members of the Board of Directors to continue in their duties. In addition, MexDer must establish internal controls to verify that the actions of the persons designated as members of the Board of Directors are ethical, professional and with full respect for the law. MexDer must inform the CNBV of the appointment of the Board within five business days.

Further MexDer must inform CNBV of MexDer's compliance with the General Rules by January 15 of each year.

To verify the qualifications of Board members, MexDer takes into account their knowledge of the Exchange and the knowledge required for Board duties. MexDer takes into account education and work experience of members in its evaluation. MexDer may also take into account records of certification of technical capacity issued by self-regulatory organizations recognized by the CNBV.

With regard to the verification of experience in financial, legal or administrative matters and, where appropriate, professional prestige, the Exchange will consider the member's performance in high-level, decision-making positions for at least five years. As for the verification of satisfactory credit history or credit eligibility, a report provided by credit information companies containing a history of at least five years preceding the date on which the person will hold the office must be obtained. In any case, the Exchange must obtain the consent of the person to be appointed as member in order to request a credit history report.

As for honorability, the Exchange will consider that the persons who are going to be appointed as members:

- Have not been convicted by irrevocable sentence of any intentional crime for which there may be imposed a penalty of over a year in prison; and in case of intentional crimes against property, whatever the penalty may have been;

- Are not at the time of the appointment, disqualified or suspended administratively or, where appropriate, criminally, for the performance of commercial acts or of any employment, job or commission in the public service or in the Mexican financial system; and
- Have a good public reputation or moral solvency. Those persons who have been subject to procedures of inquiry or administrative investigation for serious infractions or criminal investigation for violations of financial laws (national or foreign) that have concluded with any kind of resolution or agreement expressly involving the acceptance of guilt or liability, or a final conviction sentence, will be considered as not having a good public reputation or moral solvency.

In addition to the aforementioned, prior to the appointment of independent members of the Board of Directors, the Exchange must seek to obtain a letter signed by the applicant stating under oath that he/she: (a) will comply with the independence requirements of the laws relating to the Mexican financial system and (b) does not maintain employment or business with the external auditor of the Exchange.

EXHIBIT C(3)

A description of the provisions to minimize and resolve conflicts of interest with respect to membership on the governing board and significant committees of the foreign board of trade.

In accordance with MexDer's Bylaws, a member of the Board of Directors that has a personal or opposite interest to the Exchange in any matter to be addressed must disclose it to the other members and refrain from any deliberation and resolution. A member of the Board of Directors who does comply with this requirement is liable for damages caused to MexDer.

Additionally, MexDer's Internal Regulations establish that to avoid conflicts of interest and preferential treatment, members of the Exchange's committees must refrain from participating in any deliberation or decision when they have opposite interests. If a member of a committee excuses himself for this or any other cause, the Board will appoint a substitute for that member.

EXHIBIT C(4)

A description of the rules with respect to the disclosure of material non-public information obtained as a result of a member's or other participant's performance on the governing board or significant committee.

In accordance with MexDer's Bylaws, the members of the Board must maintain absolute confidentiality regarding all actions, facts or events that have not been made public, including any discussions by the Board.

In addition, MexDer's Internal Regulations establish that members of the Exchange's committees must maintain absolute confidentiality regarding the information submitted to them or to which they have access because of their participation in the committees.

EXHIBIT D – THE AUTOMATED TRADING SYSTEM

EXHIBIT D-1(1)

A description of (or where appropriate, documentation addressing) the following, separately labeling each description:

(1) The order matching/trade execution system, including a complete description of all permitted ways in which members or other participants (or their customers) may connect to the trade matching/execution system and the related requirements (for example, authorization agreements).

MexDer has been using the MoNeT (acronym for “Motor de Negociación Transaccional” [Transactional Trading Engine]) as trading system which has been developed in-house at the Exchange (the “System”) since April 2013. All trading on the Exchange works electronically, through the routing of buy and sell orders to the System.

The System is designed to provide “high availability” through the use of a dual-host system (maintaining the data on two different engines in a host-host configuration) that directs the data to MexDer’s high-throughput and low-latency local network and a mirror engine in MexDer’s disaster recovery site (which is 135 miles from its main data center). There are two matching engines (one active and one passive in a “host-host” configuration) that have the same configuration and are set up so that all transactions are processed simultaneously through both systems. The active system transmits the results to the outgoing systems and the messages are archived in a central repository.

The trading engine is deployed in a server configuration that allows recovery of one of the servers in case of failure. MoNeT will be deployed in groups of servers where each group will trade a set of contracts and each of those groups has a redundant backup that will start working in case of failure in the primary server. This allows horizontal scalability and redundant servers in case of failure.

The MoNeT system is designed to receive messages through our FIX gateway, which is based on the standard Financial Information eXchange (“FIX”) protocol. As discussed further below, members can connect to MoNeT, via an application programming interface (“API”) known as MexFix, using the member’s own front-end trading application or a trading application that has been developed by an ISV (Independent Software Vendor) to access to the System. Thus, the System architecture is designed to provide parity for all orders, without regard to their origin.

MoNeT supports futures, options and swaps. MexDer has configured MoNeT to accept limit orders. A limit order executes a trade once it matches the price stated, unless otherwise specified, any residual volume remains in the central order book until it is withdrawn, traded or canceled at the end of the session. *To prevent erroneous orders, there are pre-trade risk controls in place defined by the Exchange.* MoNet has internal quantity filters to prevent *fat finger* mistakes from the traders. Besides, every product has price filters with a percentage variation based on the last trade price.

The orders are matched by the trading host in the central order books according to a price and time priority. The orders are time stamped upon arrival to the trading host. When an order has

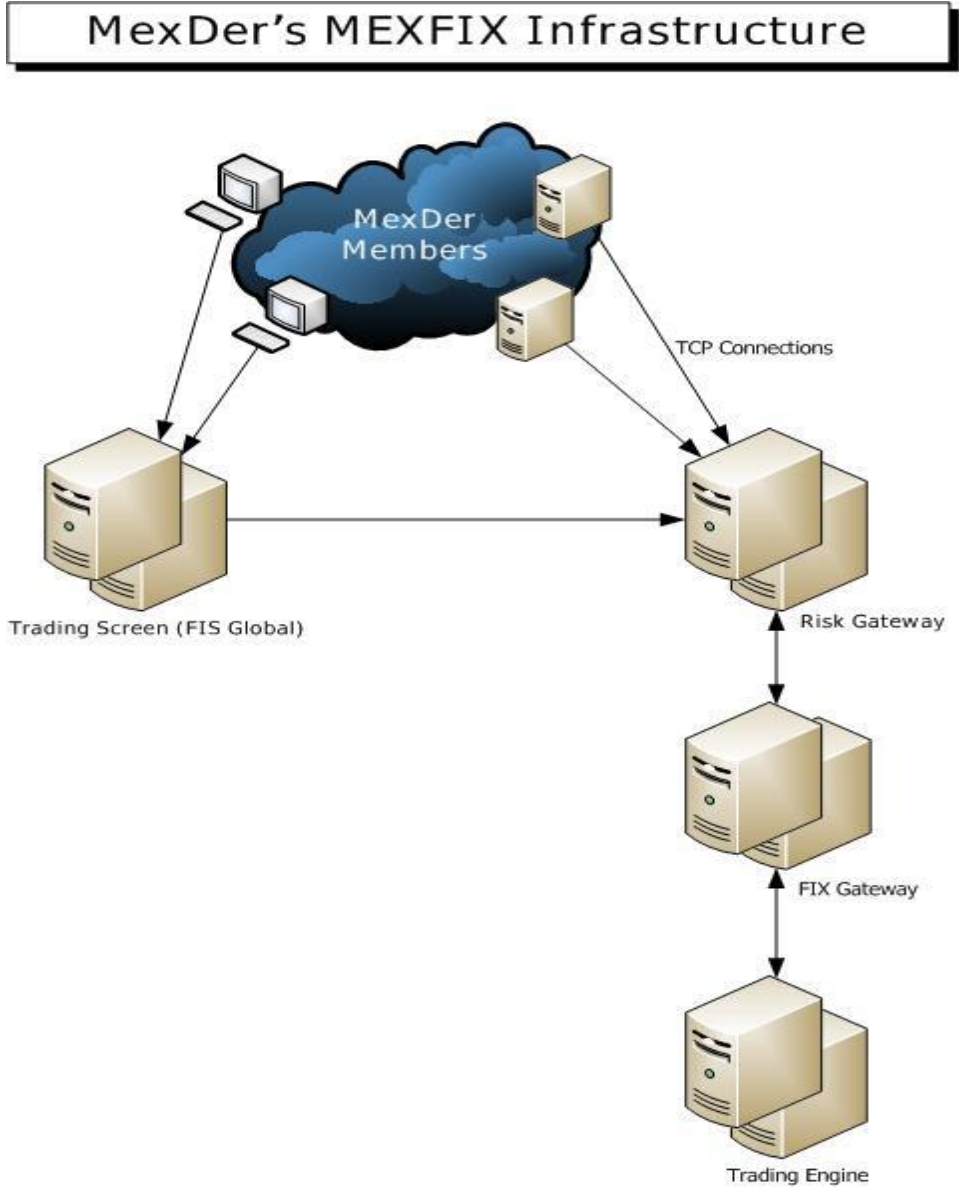
been executed, MoNeT notifies both sides of the trade, without identifying the counterparty. Asigna is notified at the same time and is responsible for clearing and settle every trade through its own systems.

Orders can be deleted at any time, as long as they have not been executed and the market remains opened. All unexecuted orders are automatically canceled at 5 pm, 2 hours after the market close. The system has also a “kill switch” mechanism that deletes all existing orders in a single message.

MexDer has shown his commitment and will keep committed with the Principles for the Oversight of Screen-Based Trading Systems for Derivative Products developed by the Technical Committee of the International Organization of Securities Commissions (“IOSCO Principles”). MexDer also has accomplished the policies of the CNBV, which has endorsed the IOSCO Principles such as facilities and technology infrastructure. MexDer commits that it will continue complying with the IOSCO Principles in the provision for electronic trading facilities.

EXHIBIT D-1(2)

The architecture of the systems, including hardware and distribution network, as well as any pre- and post-trade risk-management controls that are available to system users.



MexDer acquired the MexFix, a FIX protocol interface for direct connection to the exchange, through which traders can send FIX orders and receive market information in real time. The MexFix interface was launched on production environment in February 7, 2006.

In March 2018, MexDer release a new version of MexFix with functionality enhancements, such as new FIX tags and latency improvements.

MexDer provides detailed specifications to enable members and ISVs to develop software according to MexFix API. The members can test their own software in UAT environment which can be accessed using a virtual private network via Internet or using MexDer's financial network (WAN). The test environment's network is encrypted and has security mechanisms guaranteeing that only authorized personnel can access the network and that the transmitted information would not be intercepted. Once the testing of the trading application has been completed, the member must notify MexDer via email and certify their own trading system with the exchange.

As with testing, the connection to the system via MexFix may be carried out via Internet, through a virtual private network, via a private direct line, or using MexDer's financial WAN. Customers not located in Mexico could connect via BT Radianz or MexDer's Node (Bestel provider).

MoNeT consists of one main component, the trading host in a high availability configuration, which provides the order matching services. The primary features of the system are, automated trading through intelligent terminals connected to the two central servers, and reconnection mechanisms that cover the possibility of failure in communications lines, allowing alternative communication media. The system also can be configured to distribute data to high availability clusters (internally called "partitions") as required, allowing horizontal scalability.

MoNeT uses a FIX gateway which translates all incoming orders into a proprietary message that is sent to MoNeT. The only way to send messages to the system is via the FIX gateway.

MexDer has pre-trade risk management controls for size and price limits (fat finger limits) established at the MexFix level as well as at the two trading engine levels. This allows MexDer to configure general limits at a session level coming through MexFix and specific limits at member level in the two trading engines.

In accordance with MexDer rules, all members are requested to configure *fat finger* controls for each trader with access to the market. Also, MoNeT has built in circuit breakers an alert for deviations from the reference price.

MexDer implemented a pre-trade Risk Control Gateway (RCG) which allows the Clearing Members to filter every order sent to the Exchange. The filters available in the RCG are:

- Size limits
- Position limits
- Daily Volume

EXHIBIT D-1(3)

The security features of the systems.

Data security on MoNeT is provided through a dual host that directs the data along a dedicated line with transparent backup along a backup line. There are two host machines set up so that all transactions are processed simultaneously.

Testing of a trading application is accomplished utilizing MexDer's specialized testing environment, which may be accessed by using a virtual private network via the Internet. The testing system employs encryption and security mechanisms to help ensure that only authorized personnel can access the network.

The Mexican Stock Exchange's ("BMV's") financial network provides high quality, reliability, stability and security in the transfer of information, all of this through the fulfillment of the following characteristics:

- 1) Handling a scheme point to point, which is not part of a cloud, it is exclusive for BMV and the group of entities it controls, including MexDer, thus ensures high levels of security.
- 2) The connections for users have been configured with routing and filters to reach specific nodes, thus have access only to certain parts of the network.
- 3) The traffic is controlled through firewalls that review each packet entry/exit information from the network and controls which one could be allowed to access.

To assure that access to the System is limited to authorized individuals, each user has a confidential electronic signature consisting of a user name and an individual password which must be changed by the user on a regular basis. Specifically, upon the written request of a clearing member or trading member, MexDer assigns to the clearing member or trading member a "registration code" for the System, delivering the registration code to the individual who made the request. Additionally, each time a clearing member or trading member complies with all requirements to commence trading on the Exchange, or accredits a desk trader with the Exchange, MexDer will supply the clearing member, trading member and/or desk trader an "access code" for the System. (Access codes for the testing environment offered by MexDer to members and ISVs for purposes of determining whether front-end trading applications conform to MexFix are distinct from those production environment access codes used to trade via the System and must be requested and obtained from MexDer).

MexDer's trading members request the creation of a new user in Valdi Trader by email. If the Exchange Trader user is already created in the server then the Valdi Site Manager only uses the script to assign the default permissions for the user. If the Exchange Trader is not already created in the server, Trading Help Desk must send the requisite information to the Valdi Trader Administrator, which must create the Exchange Trader new user access.

When the setup has been completed in the Valdi Site Manager, the user and password is sent by email to the MexDer broker that requested the setup of the new user.

When connections are established without a VPN, *i.e.*, directly to our financial WAN or private networks, either during tests or normal operations, the regular security features on the application level are provided, and the physical security to establish connectivity to the private WAN or private lines is established by our network carriers.

EXHIBIT D-1(4)

The length of time such systems have been operating.

MoNeT is the new unified single trading platform and has been used by MexDer since April 2013.

EXHIBIT D-1(5)

Any significant system failures or interruptions.

Regarding the different methods of access, as well as the MoNeT trading engine, there have been no significant failures that prevent MexDer from trading.

EXHIBIT D-1(6)

The nature of any technical review of the order matching/trade execution system performed by the foreign board of trade, the home country regulator, or a third party.

The technical architecture of MoNeT was evaluated by the Software Engineering Institute of Carnegie Mellon University using the ATAM® (Architecture Tradeoff Analysis Method). This evaluation was done during March 2010. The ATAM is an eight-step process used to analyze the system architecture and helps to identify risks to be fixed.

The ATAM® did not discover any potential risk theme to be analyzed or redesigned.

Additionally, the system's matching and trading functionality is shared with the equity market, the Mexican Stock Exchange, and the whole system has received input from different consulting firms to make sure the system executes orders/matches under the rules specified in requirements.

EXHIBIT D-1(7)

Trading hours.

Trading schedule on MexDer is from 7:30 a.m. to 3:00 p.m. Mexico City time (GMT-6). If MexDer changes its hours, it will be published in the MexDer Daily Bulletin (the “Bulletin”) three business days before the change takes effect.

EXHIBIT D-1(8)

Types and duration of orders accepted.

MoNeT supports limit orders and orders at Settlement Price. All orders expire at the end of the trading session.

EXHIBIT D-1(9)

Information that must be included on orders.

The following information is required in an order:

- Order Origination Firm
- Trader Id
- Order Type
- Side (Buy or Sell)
- Class and Series of the contract
- Order Quantity
- Price (for limit orders, but not for orders at settlement price)
- Clearing Account

EXHIBIT D-1(10)

Trade confirmation and error trade procedures.

When an order has been executed, MoNeT sends a trade confirmation to the Trading Members and the respective Clearing Member of both sides of the trade without revealing their counterparty. Asigna is also notified at the same time and it is responsible for clearing and settling all trades through its own systems.

MexDer's regulations contain the Cancellation of Transactions Policy, which consists in enabling the operations area to cancel trades that disrupt the normal conditions of the market, due to errors from Trading Members while closing a trade with a wrong price.

To cancel a trade in MexDer because of an error, a Trading Member must request its cancellation to the Exchange within the next 10 minutes after the trade was registered on the Electronic Trading System.

MexDer will determine if a trade is subject to a review, considering the market conditions in the moment the trade was done.

If a reported trade is subject to review, MexDer will send a message through the Electronic Trading System indicating that a trade is being reviewed.

MexDer shall review and validate if the Price of the Trade is within the "Non-Reviewable" range defined in the Cancellation of Transactions Policy published in its website. To decide if a Trade can be cancelled, MexDer will consider the last price, the previous day Settlement Price or the theoretical value in the moment the trade was done.

- 1.- If the Price is within the "Non-Reviewable" range, MexDer will notify to the market that the trade will not be canceled.
- 2.- If the Price is outside the "Non-Reviewable" range, MexDer will cancel the trade in the Electronic Trading System and will send a notification to both Trading Members, the Clearing Members of both sides of the trade, the Clearing House and notify the decision to the market.

Notices mentioned above will be done through the Electronic Trading System.

Once a Trade has been canceled, MexDer's decision will be considered as final and irrevocable.

In addition, subject to the provisions of MexDer's Internal Regulations, the Exchange will accept and proceed to cancel a Trade, even if the Price is within the "Non-Revisable" range, when both sides of the Trade agree so and request the trade cancellation through their respective Trading Members.

EXHIBIT D-1(11)

Anonymity of participants.

The parties of a transaction and their clearing members are notified electronically upon execution of a trade on the System. MexDer maintains the confidentiality of the trading member who sends, modifies or cancels orders via the System, unless the Exchange is required to disclose such information to the authority regulators or compliance officer.

EXHIBIT D-1(12)

Trading system connectivity with clearing system.

Asigna has an in-house built system called CLEAR-MX which receives all trades from MexDer in real time and immediately calculates positions. Clearing members indicate if their transactions are either “open” or “close” and also identify their trades using the “Cuenta Derivados” account number.

Asigna also has a module of the CLEAR-MX system that calculates real-time operational risks. The module receives trades in real time, calculates the market risk per participant and per clearing member, validates that participants and clearing members are within their position limits and triggers alerts if they are not.

EXHIBIT D-1(13)

Response time.

MoNeT has a response time of 100 micro seconds measured from the time the order request arrives until it is acknowledged by the system. Network latency from a member will be added to the response time and this varies depending on the network type, vendor, network protocol, distance and any intermediate hardware or software component added by the member, carrier or other; it also depends on the configuration used by the member.

EXHIBIT D-1(14)

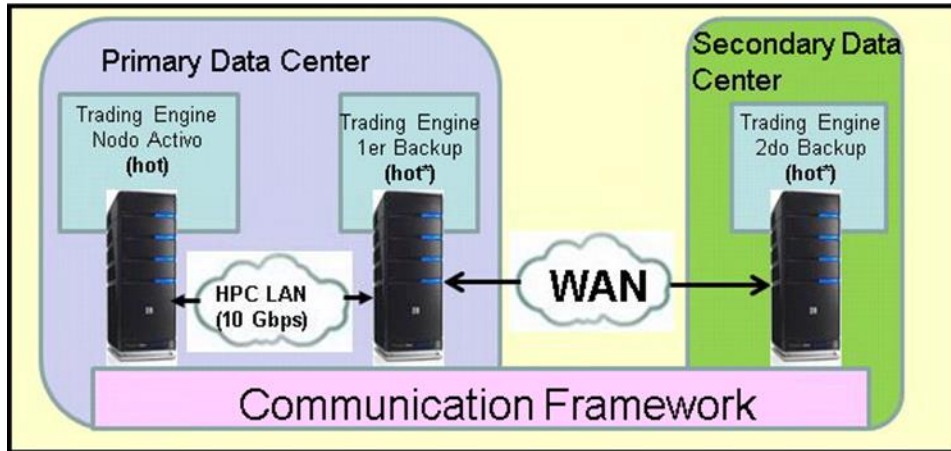
Ability to determine depth of market.

MoNeT operates in real time. Through the MoNeT system, traders can monitor buy and sell orders in the system, watch market depth (10 levels per side) and identify crossing opportunities.

EXHIBIT D-1(15)

Market continuity provisions.

Each order is simultaneously processed in 3 servers, two in the Primary Data Center and one in the Secondary Data Center.



MexDer is fully committed to anticipating and controlling crisis and disaster recovery situations that may arise. Therefore, MexDer has adopted and implemented a coordinated strategy for restoring the critical functions of its systems, operations and data in the event of a disaster or other situation that may cause a material failure or degradation of the performance of MexDer’s technological infrastructure. MexDer’s Business Continuity Plan includes detailed procedures for re-establishing operations at the primary or an alternate site and, if necessary during brief emergencies, run processes manually. Each of these procedures is designed (i) to help ensure continuity of MexDer’s basic business functions with a minimum of interruption, and (ii) in the event of such an occurrence, to advise market participants and the Financial Authorities of any delays in opening the market or the suspension of trading.

MexDer currently maintains a back-up system for each of its primary technological systems (including MoNeT) in the alternate site. Each backup system is configured and ready to handle operations in the event of a contingency. The alternate site is equipped with emergency power, air conditioning, sprinkler systems and other important environmental controls, all of which are of a level at least comparable to those power supplies and environmental control systems utilized at MexDer’s primary data center. MexDer maintains data backup in both sites and also maintains redundant communications links between the two sites.

To carry out MexDer’s disaster recovery procedures, MexDer has agreed with Corporativo Mexicano del Mercado de Valores (“CMMV”), an affiliated company whose personnel provide, among other services, technology services (“IT Personnel”) for MexDer and the Mexican Stock Exchange, to operate systems at the alternate site in accordance with specifications provided by the Derivatives Exchange. MexDer has additionally assigned specific disaster recovery tasks to MexDer employees, and both MexDer and IT personnel have been trained to handle the disaster recovery tasks that have been assigned to them.

MexDer, Asigna and IT Personnel performs periodic testing of MexDer's business continuity procedures. Specifically, MexDer and IT Personnel test the disaster recovery procedures at least once a year, utilizing both MexDer's primary and alternate sites as data processing centers. MexDer's plan additionally includes testing remote trading. The results of each testing session are analyzed and any updates to the contingency procedures suggested by such testing are planned to be developed and implemented.

EXHIBIT D-1(16)

Reporting and recordkeeping requirements.

Trading members and clearing members are separately required to record, report as appropriate, and retain for five years, information relating to all orders and trades. In particular, trading members and clearing members must report, for all orders and transactions, the account identifier, transaction ID number, quantity, price and time, and whether the order or transaction is for a proprietary or customer account.

EXHIBIT D-2(1)

Algorithm. The trade matching algorithm matches trades fairly and timely.

Orders are matched by the MoNeT system in the central order book according to a price and date-time priority algorithm. Priority is given to the order having the best price. Then, where two or more orders are entered at the same price, priority is given to the oldest standing order. Orders are given priority as they enter in the Matching Engine.

EXHIBIT D-2(2)

IOSCO Principles. The trading system complies with the Principles for the Oversight of Screen-Based Trading Systems for Derivative Products developed by the Technical Committee of the International Organization of Securities Commissions (IOSCO Principles). Provide a copy of any independent certification received or self-certification performed and identify any system deficiencies with respect to the IOSCO Principles.

MexDer has employed the best available expertise in the design, building and implementation of the MoNeT system and updates thereof to ensure that the system infrastructure follows best industry practice and quality standards. In developing MoNeT and operating the System, MexDer represents that it has adhered to, and will continue to comply with, the Principles for the Oversight of Screen-Based Trading Systems for Derivative Products developed by the Technical Committee of the International Organization of Securities Commissions (“IOSCO Principles”). MexDer also has met expectations of the CNBV, which has endorsed the IOSCO Principles, that the features and facilities provided by the System, as well as the use of System’s technology, are satisfactory considering the IOSCO Principles. MexDer fully commits that it will continue to comply with the IOSCO Principles in the provision of electronic trading facilities and the operation of the System.

EXHIBIT D-2(3)

Audit Trail.

- (i) The audit trail timely captures all relevant data, including changes to orders.**

MexDer's trading system — MoNeT — captures a broad range of information for every order or trade. These include the contract Class, Serie, trading member unique identification code, folio number, price, order quantity, transaction side (*i.e.*, buy or sell), date and time of each order or trade and the identification code for each clearing member.

- (ii) Audit trail data is securely maintained and available for an adequate period time.**

All audit trail data is saved by MexDer for five years.

EXHIBIT D-2(4)

Public Data. Adequate and appropriate trade data is available to users and the public.

A range of information on futures, options and swaps is available to members and the public via different data vendors. Many of these data vendors offer this information to subscribers in the United States. The available information at MexDer web page for every Class and Series is:

- Exercise price and expiration month.
- Current bid and offer.
- Last price.
- Aggregate open interest as of the previous day's close.
- Settlement prices.

EXHIBIT D-2(5)

Reliability. The trading system has demonstrated reliability.

Data security on the MoNeT system is provided through a high availability system (maintaining the data on two different engines) that directs the data along a dedicated line with transparent backup along a backup line. In case of a failure of the primary system, the backup system takes over the operation seamlessly.

Additionally, all messages are also sent to MexDer's secondary data center which processes all the incoming messages as well and is ready to become the active system when a contingency is declared.

MexDer's FIX gateways are also setup in high availability configuration, as well as our network infrastructure. In case of failure of any of these components, the system will automatically fail over to the backup component.

There have been no significant failures of the MoNeT system since it was implemented.

EXHIBIT D-2(6)

Secure Access. Access to the trading system is secure and protected.

See Exhibit D-1(3).

EXHIBIT D-2(7)

Emergency Provisions. There are adequate provisions for emergency operations and disaster recovery.

See Exhibit D-1(15).

EXHIBIT D-2(8)

Data Loss Prevention. Trading data is backed up to prevent loss of data.

As noted in Exhibit D-1(15) (Market Continuity Provisions), MexDer currently maintains a back-up system for each of its primary technological systems, including MoNeT, at MexDer's alternate site. Each backup system is configured and ready to conduct operations in the event of a contingency. The alternate site is equipped with emergency power, air conditioning, sprinkler systems and other important environmental controls, all of which are of a level at least comparable to those power supplies and environmental control systems utilized at MexDer's primary data center. MexDer maintains data backup at both its alternate and primary sites and maintains redundant communications links between the two sites.

EXHIBIT D-2(9)

Contracts Available. Mechanisms are available to ensure that only those futures, option or swap contracts that have been identified by the Commission as part of the application or be allowed for trading by direct access pursuant to the procedures set forth in § 48.10 are made available for trading by direct access.

The systems allow to the MexDer administration to set permissions at a member level if necessary. This allows the Exchange to ensure that the members are exclusively trading the products that have been identified and approved by the Commission for direct access.

EXHIBIT D-2(10)

Predominance of the Centralized Market. Mechanisms are available that ensure a competitive, open, and efficient market and mechanism for executing transactions.

The market structure of MexDer allows a competitive, open and efficient market and mechanism for executing transactions. *Please see Exhibit D-2(1).*

**EXHIBIT E – THE TERMS AND CONDITIONS OF CONTRACTS PROPOSED TO BE
MADE AVAILABLE IN THE UNITED STATES**

EXHIBIT E-1

A description of the terms and conditions of futures, option or swap contracts intended to be made available for direct access. With respect to each contract, indicate whether the contract is regulated or otherwise treated as a futures, option or swap contract in the regulatory regime(s) of the foreign board of trade's home country.

See Exhibit-A-4, above. *See also* attached charts.



listed contracts
chart.pdf

[Note: Not all of the contracts listed in MexDer and mentioned in the PDF file will be available. The contracts that will be available for direct access are the ones contained listed in Exhibit A-4 above.]

EXHIBIT E-2

Demonstrate that the contracts are not prohibited from being traded by United States persons, *i.e.*, the contracts are not prohibited security futures or single stock contracts or narrow-based index contracts. For non-narrow based stock index futures contracts, demonstrate that the contracts have received Commission certification pursuant to the procedures set forth in § 30.13 and Appendix D to part 30 of this chapter.

On August 24, 2006, the Office of General Counsel of the U.S. Commodity Futures Trading Commission issued a no-action letter which granted MexDer a relief for the offer and sale in the United States of its Futures Contract Based on the Mexican Stock Exchange's Price and Quotation Index.

Pursuant to Commission regulation 30.13(n), on May 15th, 2012, MexDer as a foreign board of trade, requested grandfathered relief for its Futures Contract Based on the Mexican Stock Exchange's Price and Quotation Index ("IPC Futures Contract") and its Options Contract over the IPC Futures Contract.

Pursuant to Commission regulation 30.13(n), on February 12th, 2014, MexDer as a foreign board of trade, requested grandfathered relief for its Future Contract of the MINI Mexican Stock Exchange's Price and Quotation Index ("MINI IPC Futures Contract").

EXHIBIT E-3

Demonstrate that the contracts are required to be cleared.

MexDer is the only authorized derivatives exchange in Mexico. MexDer executed an agreement with Asigna (the only authorized clearing house in Mexico) that governs clearing and settlement of MexDer contracts. This agreement remains in force. *See* Exhibit A-3(2) of Supplement S-1.

EXHIBIT E-4

Identify any contracts that are linked to a contract listed for trading on a United States-registered entity, as defined in section 1a(40) of the Act. A linked contract is a contract that settles against any price (including the daily or final settlement price) of one or more contracts listed for trading on such registered entity.

The yellow corn future Contract is the only linked contract listed in MexDer, which underlying asset is the Yellow Corn quality US#2 and was notified to this Commission at July 8th 2013 along with the yellow corn futures option Contract (listing is pending). The yellow corn future contract is not yet available for US Persons. With the exception of the peso and bond contracts, which are settled by delivery, all contracts are settled in cash (in Mexican pesos). The peso/dollar and peso/euro contracts are settled through agent banks with offices in México and in the United States and Europe, respectively. The bond contracts are settled through S.D. Indeval by the delivery of bonds corresponding to the specifications set out in MexDer's Internal Regulations and payment therefor. Thus, with the exception of the peso/dollar contract that is settled by the exchange of dollars for pesos, none of these contracts has any nexus to the United States.

EXHIBIT E-5

Identify any contracts that have any other relationship with a contract listed for trading on a registered entity, *i.e.*, both the foreign board of trade's and the registered entity's contract settle to the price of the same third party-constructed index.

At the present time, MexDer does not have any listed contracts with such characteristics.

EXHIBIT E-6

Demonstrate that the contracts are not readily susceptible to manipulation. In addition, for each contract to be listed, describe each investigation, action, proceeding or case involving manipulation and involving such contract in the three years preceding the application date, whether initiated by the foreign board of trade, a regulatory or self-regulatory authority or agency or other government or prosecutorial agency. For each such action, proceeding or case, describe the alleged manipulative activity and the current status or resolution thereof.

Demonstrate that the contracts are not readily susceptible to manipulation.

Overview

MexDer, along with the Clearing House and local financial Authorities, develop a full analysis before listing new products to guarantee the correct fulfillment of the obligations generated by the Derivatives Contracts. Likewise, MexDer has many procedures and controls to determine daily settlement prices and fixings at expiration dates with the objective to avoid the possibility of manipulation from market participants. These procedures are published in the Contract Specs of each derivatives product.

The above-mentioned procedures and controls are the following:

Procedure of Listing New Derivatives Contracts

MexDer along with the Clearing House must follow many steps prior to listing new Derivatives Contracts. Those steps are the following:

- First of all, MexDer explores and consults with market participants their views, opinions and possible demand of the new product, measuring their exposure to the underlying cash market and the need of hedging vehicles that can offer stability and risk mitigation. The idea of this point is to prevent listing products with no demand. MexDer considers important that many potential participants are interested in the new product, so this can help to an efficient price discovery once the product is listed.

MexDer also conducts research regarding the underlying cash market behavior, mainly its liquidity, daily valuations and outstanding amounts. It is very important that the underlying asset shows good depth and liquidity to assure that the Derivatives Contract price will not be susceptible to be manipulated on a daily basis and at expiration.

In order to prevent a price manipulation, MexDer also analyses if the new product must be settled in cash or physically.

- After gathering positive market participants opinions, MexDer starts to develop the Contract Specs, which is the document where all the characteristics of the product are defined, including a brief explanation of the underlying, contract size, maturity and delivery dates, minimum price fluctuations, daily settlement prices procedures, settlement at expiration, trading hours, among others.

The Contract Specs are carefully designed with best practices used in local and foreign markets, with the final goal of permitting participants to hedge their risks and to guarantee the price convergence at expiration of the Derivatives Contract and the underlying cash market.

- Once the Contract Specs are designed, MexDer calls for an “*Admission and New Products Committee*” (*CANP* for its acronym in Spanish) meeting, which is composed of traders, Clearing Members and institutional investors. One of the principal responsibilities of the *CANP* is to validate and approve the proposed Contract Specs and to make any possible correction or improvement to them.
- Simultaneously, the Clearing House calls for a “*Risk Committee*” meeting to present and validate the margin methodology and the initial margin for the contract.
- After getting the approval of the *CANP*, MexDer discloses the Contract Specs in its website to give the opportunity to all market participants to know and review the product and to send comments if any. This allows MexDer to hear different opinions other than the *CANP* and determine possible improvements to the product.
- Five (5) business days after disclosing the Contract Specs, MexDer integrates all the received comments to it and then presents the proposed Contract Specs to its Board, which must give the approval prior to send it to the Mexican Financial Authorities.
- After getting MexDer’s Board approval, the Contract Specs are sent to the following Mexican Financial Authorities:
 - Banco de México (Central Bank)
 - National Banking and Securities Commission (CNBV)

These Authorities validate all the product characteristics and assure that once the new product is listed, all the daily and at expiration settlement procedures will guarantee fair market conditions and that the Derivatives Contract prices nor the underlying cash market prices are not going to be able to be manipulated.

- Once the Authorities give their approval of the new Derivatives Contract, MexDer can proceed with the listing, publishing the Contracts Specs on its website, including trading and clearing fees, and Initial Margin by the Clearing House and the Position Limits.

Daily Settlement Price Determination Process

The ways in which MexDer determines the Daily Settlement Price for each product is provided in each Contract Specs and has many hierarchical steps, and considers the following:

1. Volume weighted average price of all the trades executed in a determined period near to the market close. For some products, MexDer considers the trades executed during the last

five (5) minutes of the trading session and for some other products, MexDer uses a random period which prevents market participants from knowing whether or not a trade will be considered in the Daily Settlement Price determination process.

This random period is the same that the cash market uses to value the product underlying the Derivative Contract and is reported by the local Price Vendors after the market closes.

2. If no trades are performed during the above-mentioned period, MexDer considers a crossed volume weighted average of the bids at the best price and the offers at the best price that remain on the market after the market close.
3. If no bid and offer (both) remain on the market as mentioned above for a particular Series that has Open Interest, MexDer runs a 5 minute auction in which all participants can send orders. After this auction, MexDer applies previous rules 1 and 2 to determine the Daily Settlement Price.
4. If no trades are performed and no bid and offer remain in the market after the above mentioned auction, MexDer uses the theoretical price to set the Daily Settlement Price. This theoretical price is calculated using a formula that is detailed and explained in the relevant Contract Specs.

If the Daily Settlement price was determined using previous rules 1, 2 or 3, but a market participant believes that the price does not reflect current appropriate market conditions, this participant is able to challenge the price and request MexDer to review. To do this, the market participant has to fill a form and send it to MexDer, which keeps it as a backup and forwards it to the CNBV for any further inquiry.

After receiving the form, MexDer reviews the Price and takes a final and irrevocable decision of the challenge:

- If the challenge proceeds, the Daily Settlement Price is calculated with previous rule 4, using the theoretical price formula.
- If the challenge does not proceed, the Daily Settlement Price remains as it was calculated originally.

MexDer's final decision is communicated to the participant that requested the challenge, to all other market participants and to the CNBV.

Position Limits for Physical Delivery Contracts

For physically settled derivatives products (Government Development Bonds and individual securities¹) in which the available amount of the delivered underlying asset is considered as finite and limited, the Clearing House set limits on the maximum amount of contracts that a client may have and is defined as follows in the rulebook: "The Position limit is the maximum number of

¹ MexDer does not provide direct market access to US Persons to trade derivatives products on individual securities.

Open contracts of the same Series and/or Class, as appropriate depending on the type of Derivatives Contract, that a Client can maintain open”.

The objective of defining Position Limits is to avoid that the underlying cash market of the Derivatives Contract could become not liquid and deep enough to satisfy physical delivery at expiration and to prevent participants to concentrate big amounts of the Contract Open Interest that could motivate them to try to manipulate the settlement prices.

This Position Limits are calculated considering the deliverable supply of the underlying asset in the cash market to guarantee that it will exist sufficient available amounts at expiration of the Derivatives Contract.

It is also important to note that the Clearing House sets different Position Limits for those participants that can prove that they are using the Derivatives Contracts as a risk hedge of their underlying exposure.

Another important thing to consider is that when the Derivatives Contract enters into the expiration month, the Position Limits are reduced with the goal to minimize even more the liquidity risk at delivery for both speculative and hedging positions.

Limit Price Filter

To prevent traders to send orders with out-of-the-market prices, MexDer sets different pre-trade filters which allow prices to be maximum a predefined percentage away from a “reference”, which is the last traded price of the instrument. This percentage is set electronically and depends on the volatility and characteristics of each particular product. MexDer reviews at least every six months the defined percentage for each contract and is able to adjust it depending on market conditions.

An important consideration of this filter is that MexDer rejects buying orders with a better price than the predefined percentage added to the reference. In the same way, MexDer rejects selling orders with a better price than the predefined percentage subtracted to the reference. In this meaning, worst prices are allowed.

If due to market conditions during a trading session, reference prices become outdated, MexDer is able to intraday update them manually and start allowing orders that consider the filter with a new reference. However, the predefined percentage will remain the same during the whole trading session. After manually update it, if a trade is executed in the Contract, the new reference price will be again the last traded price.

If market volatility increases during the trading session, MexDer is also able to increase the predefined percentage of the filter.

Additionally, MexDer sets another price filter in which the reference price during the whole trading session remains fixed at the previous day Settlement Price and defines a percentage to allow orders against the reference. The goal of this filter is to stop algorithmic traders to swipe all the market in case of an error or wrong set up that could trigger trades with out-of-the-market prices.

Error Trades Cancellation Policy

MexDer has a policy that allows the CEO to cancel a trade that is reported as a mistake by one of the parties involved in it even if the counterparty is not willing to cancel it. To do so, the trade price must be out of a predefined range considering the last traded price and must be reported as a mistake within the following 10 minutes after the trade was done. If so, MexDer reviews current market conditions and confirms that the reported trade fits the cancelation requirements. After that, MexDer takes the final and irrevocable decision, which must be communicated immediately to both parties and to the market.

The goal of this policy is to protect participants in case of trading by an obvious mistake at an out-of-the-market price and to avoid distortions of the current market conditions that could drive to alterations or manipulations of the prices.

MexDer's Internal Regulations contain provisions that empower the Exchange to take corrective actions to prevent attempts of manipulation or possible error in the calculation of the daily settlement prices of the contracts that the Exchange has listed. MexDer has the following powers:

- Ability to suspend a bid or a transaction in the System as a precautionary measure (Article 7018.00 F. V).
- Ability to suspend a broker or clearing member (Article 7024.00).
- Ability to cancel a bid or a transaction in the System (Article 7028.03).
- In emergency situations, ability to correct or otherwise modify the daily settlement price or the settlement price at expiration or make changes to the general terms of a contract. (Article 7033.00).

MexDer is not aware of any investigations or actions concerning manipulation initiated by any of the authorities that regulate MexDer.

Surveillance for manipulation is carried out in MexDer's Compliance Office through a system called Vigia MexDer (MexDer Watch). MexDer watch is a specialized module for the daily monitoring of the MexDer market. The module selects trades for analysis according to parameters defined by the Compliance Office. This process is described in greater detail in section G-2 (3) of this application.

The Compliance Office has defined the parameters for determining when a behavior by a market participant should be more thoroughly reviewed and whether an investigation is warranted.

EXHIBIT F – THE REGULATORY REGIME GOVERNING THE FOREIGN BOARD OF TRADE IN ITS HOME COUNTRY¹ OR COUNTRIES

¹ Where multiple foreign boards of trade subject to the same regulatory regime/authority and are similarly regulated are applying for registration at the same time, a single Exhibit E-1 may be submitted as part of the application for all such foreign boards of trade either by one of the applicant foreign boards of trade or by the regulatory regime/authority with responsibility to oversee each of the multiple foreign boards of trade applying for registration. Where an FBOT applying for registration is located in the same jurisdiction and subject to the same regulatory regime as a registered FBOT, the FBOT applying for registration may include by reference, as part of its application, information about the regulatory regime that is posted on the Commission’s website. The FBOT applying for registration must certify that the information thus included in the application is directly applicable to it and remains current and valid.

EXHIBIT F(1)

The following (including, where appropriate, an indication as to whether the applicable regulatory regime is dependent on the home country's classification of the product being traded on the foreign board of trade as a future, option, swap, or otherwise, and a description of any difference between the applicable regulatory regime for each product classification type):

A description of the regulatory regime/authority's structure, resources, staff, and scope of authority; the regulatory regime/authority's authorizing statutes, including the source of its authority to supervise the foreign board of trade; the rules and policy statements issued by the regulator with respect to the authorization and continuing oversight of markets, electronic trading systems, and clearing organizations; and the financial protections afforded customer funds.

MexDer and its members are subject to a comprehensive regulatory regime that establishes financial and other criteria for Exchange members and other industry participants; reporting and record keeping requirements; procedures governing the treatment of customer funds and property; sales practice and other conduct of business standards; measures designed to protect the integrity of the markets; and statutory prohibitions on fraud, abuse and market manipulation.

The CNBV, in consultation with the Ministry of Finance and the Central Bank, has jointly promulgated Mandatory Rules for corporations and trusts participating in the establishment and operation of a market for Exchange traded futures and options (the "Mandatory Rules"). The Mandatory Rules are supplemented by the Prudential Provisions to which market participants must be subject to in their trading with exchange traded derivatives contracts (the "Prudential Provisions"), which were also promulgated by the CNBV, the Ministry of Finance and the Central Bank. The Mandatory Rules set forth, among other things, requirements for the establishment and approval of futures and options exchanges, the implementation of its internal regulations and manuals of policies and procedures containing self-regulatory standards and procedures to govern the exchanges' operations, each in accordance with the Prudential Provisions. The Prudential Provisions further elaborate upon the Mandatory Rules and establish additional requirements with which MexDer, Asigna and their respective members must comply.

The Ministry of Finance is an agency of the Centralized Public Administration and its purpose is to propose, direct and control the Federal Government's economic policy in finance, tax, expenditure, income and debt, as well as statistics, geography and information. The area responsible for the surveillance of MexDer is the unit of Banking, Securities and Savings, which falls within the purview of the Under Secretary of Finance.

The Central Bank is an autonomous constitutional agency intended to provide the economy of the country with currency and its prime objective is to ensure the stability of the purchasing power of such currency. Additionally, is responsible for promoting the healthy development of the financial system and encouraging the proper functioning of payment systems. The area

responsible for the surveillance of MexDer is the General Direction of Central Banking Operations.

The CNBV is an agency of the Ministry of Finance and its purpose is to safeguard the stability and integrity of the Mexican financial system and promote its efficiency and development. The area responsible for the surveillance of MexDer is the General Direction of Supervision of Securities Entities which falls within the purview of the Vice Presidency of Securities Supervision. MexDer, Brokers and Clearing Members are charged fees for the surveillance services provided by the CNBV.

The supervision of corporations (exchanges and brokers) and trusts (clearing members and clearing houses) referred to in the Mandatory Rules is conducted by the CNBV.

The Mandatory Rules require the bylaws of exchange and brokers, and the trust agreements for clearing members and the clearing house to provide that – when in the opinion of the CNBV, the Exchange, clearing members, the clearing house or the brokers present irregularities of any kind that affect its stability or solvency, or endanger the public interest or creditors – the CNBV may immediately replace the board of directors or the technical committee of the Exchange, clearing members, the clearing house or broker concerned.

In addition, the legal instruments of the Exchange, the clearing house, clearing members and, where appropriate, brokers, must provide for the obligation to remove members of board of directors, the CEO, commissioners, the compliance officer, directors and managers, members of the technical committees and trust delegates upon the request of the CNBV.

The Mandatory Rules also provide that members or trustees of the Exchange or the clearing house must agree to modify the contracts of the Exchange or clearing house (and/or other documents) upon the request of the authorities.

Paragraph (m) of the Twentieth Mandatory Rule sets forth the obligation of the clearing house (in coordination with the Exchange) to set position limits for each type of exchange-traded derivative contract executed by a clearing member. The Exchange may reduce the limit in accordance with the volume that has been transacted in the market that day. The clearing house also may define the operating limits that apply for each exchange-traded derivatives contract.

The Thirty-Third Mandatory Rule requires the Exchange to prevent market concentration by the clearing members and brokers in each type of exchange-traded derivatives contract.

The Thirty-Eighth Mandatory Rule requires the Exchange and the clearing house to strictly monitor for distortions in the price formation process or activities that deviate from sound market practices any time clearing members and brokers (directly through a broker or a desk trader) effect transactions with themselves, execute off-exchange trades or are counterparty to a client with respect to exchange-traded derivatives contracts.

The Fortieth Mandatory Rule provides that the Exchange (in accordance with MexDer's Internal Regulations) may suspend temporarily or permanently the operations of any client, broker or clearing member on the Exchange when such operations are not carried out in accordance with applicable regulations. Furthermore, the CNBV (or the clearing house in the terms established in

its internal regulations) may instruct the Exchange to suspend temporarily or permanently such operations.

Additionally, the Prudential Provisions establish that the Exchange will monitor the activities of the brokers, clearing members, clearing houses and clients with respect to the execution of trades of derivatives contracts.

EXHIBIT F(2)

A description of and, where applicable, copies of the laws, rules, regulations and policies applicable to:²

(i) The authorization, licensure or registration of the foreign board of trade.

Please see Exhibit A-7, above, for the MexDer Authorization and an English language translation.

In accordance with the Third and Forty-Third Mandatory Rules, a written request for official authorization as an exchange must be submitted to the Ministry of Finance, who will grant permission at its discretion after hearing the opinion of the CNBV and the Central Bank.

In accordance with the Fourth Mandatory Rule, the written request for authorization must be accompanied by the following documentation:

- a) Draft Articles of Incorporation;
- b) A list of the legal entities or persons who will create the corporation and the capital each one of them will contribute, as well as a list of board members and managers to be appointed;
- c) Draft internal organizational and functional regulations;
- d) Requirements for prospective, Exchange legal entities or persons who will contribute to its Equity (“Exchange Partners”);
- e) The rights and obligations that Exchange Partners, brokers and desk traders will have;
- f) A draft contract that will govern operations between the Exchange and the clearing house and between the Exchange, brokers and clearing members;
- g) Draft internal regulations, containing self-regulatory standards and procedures that will determine how the Exchange will operate, prepared in accordance with the prudential standards, established by the CNBV;
- h) Manuals of operating policies and procedures elaborated in accordance with the prudential standards established by the CNBV;
- i) A description of audit programs to be implemented for brokers and clearing members; and

² To the extent that any such laws, rules, regulations or policies were provided as part of Exhibit A-5, they need not be duplicated. They may be cross-referenced.

- j) A description of surveillance programs to verify that price formation processes are carried out with transparency, accuracy, and integrity.

(ii) The regulatory regime/authority's program for the ongoing supervision and oversight of the foreign board of trade and the enforcement of its trading rules.

Market participants are subject to the Mandatory Rules. According to the Thirty-Ninth Mandatory Rule, the CNBV, after hearing the opinion of the Ministry of Finance and the Central Bank, issues prudential rules designed to preserve liquidity, solvency and market stability on exchange-traded derivatives contracts.

The CNBV oversees the Exchange, the clearing house, brokers and clearing members. This includes the supervisory power to require and review all books and records or other documentation related to trading on MexDer or foreign recognized derivatives markets.

The Fortieth Mandatory Rule requires the bylaws of the Exchange and brokers and the agreements for clearing members and the clearing house to provide that the CNBV may immediately replace the board of directors or the technical committee of the Exchange, clearing members, the clearing house or broker concerned.

The compliance officer of the Exchange is designated by the bylaws of the Exchange and approved by the CNBV. The compliance officer is responsible for: (1) monitoring for compliance with the Mandatory Rules, Prudential Provisions, self-regulatory rules issued by the Exchange and the clearing house and other provisions applicable to the market issued by the authorities, and (2) proposing amendments to the rules of self-regulation to the board of directors.

The Mandatory Rules set forth the obligations of the compliance officer, including:

- a) Ensuring the observance of the Mandatory Rules, internal regulations and self-regulatory rules issued by the Exchange, and other applicable provisions issued by the market authorities.
- b) Reviewing reports or opinions from statutory auditors and external auditors and presenting an opinion (in writing) to the board of directors.
- c) Proposing amendments to the self-regulatory rules issued by the Exchange in order to establish measures to prevent conflicts of interest and avoid the misuse of information.

The Compliance Officer reports to the board of directors and is liable for the breach of any of his/her obligations.

(iii) The financial resource requirements applicable to the authorization, licensure or registration of the foreign board of trade and the continued operations thereof.

According to the Sixth Mandatory Rule, the Exchange must maintain a minimum equity equivalent to four million UDIs (investment units) (approximately US\$1,412,000), which must be completely paid and represented by shares with no right to withdrawal.

(iv) The extent to which the IOSCO Principles are used or applied by the regulatory regime/authority, in its supervision and oversight of the foreign board of trade or are incorporated into its rules and regulations and the extent to which the regulatory regime/authority reviews the applicable trading systems for compliance therewith.

In Mexico, the regulations applicable to the trading systems of the derivatives market are contained in the Prudential Provisions issued by the CNBV. The Prudential Provisions also govern the transactions of derivatives contracts traded on the Exchange. In response to the IOSCO Principles, the Prudential Provisions set certain standards for equal access to trading systems.

With respect to equality of access, the Prudential Provisions obligate the Exchange to have trading systems that allow the brokers and the clearing members to have equal access to the electronic systems, as well as in the information of bids, executed trades and the market in general. With respect to internal control systems, the Exchange must have internal control systems capable of capturing accurate information of each trade, which can identify the following information: the broker, clearing member, date and time of execution, price and amount of the trade, class and type of derivative contract, underlying asset, and settlement information. In addition MexDer must maintain records of the number of open contracts and overall contract volume.

Additionally, the system must have strict security measures for access to order and trade databases. MexDer must have systems that ensure continuity in the capture and recording of information, as well as updates and backups thereof.

Clearing members or brokers are required to develop order entry capability in accordance with the standards established by the Exchange. The Exchange verifies that the connectivity means to the system of the clearing member or broker is compatible with the established standards.

Also, the clearing members and the brokers are responsible for the misuse of the system and for the failure to comply with the procedures and specifications established by the Exchange for the proper operation of the system.

The access to the system is controlled through the Exchange's registration and access codes.

The Exchange denies access to participants if the access codes used are not valid.

(v) The extent to which the regulatory regime/authority reviews and/or approves the trading rules of the foreign board of trade prior to their implementation.

In accordance with the Fourth and Forty-Third Mandatory Rules, MexDer must request that the Ministry of Finance approve MexDer's Internal Regulations and any amendments.

(vi) The extent to which the regulatory regime/authority reviews and/or approves futures, option or swap contracts prior to their being listed for trading.

In accordance with the Fifth Mandatory Rule and the Fifty-Fifth Prudential Provision, at MexDer's request, the Financial Authorities will approve the terms and conditions of derivative

contracts prior to listing, as was well as some amendments thereto. Amendments to the following will not require approval by the authorities:

- 1) Series
- 2) Ticker or trading symbol
- 3) Unit quoted
- 4) Tick (minimum price fluctuation)
- 5) Tick value
- 6) Maximum and minimum price fluctuation
- 7) Grammatical and numerical inaccuracies

(vii) The regulatory regime/authority's approach to the detection and deterrence of abusive trading practices, market manipulation, and other unfair trading practices or disruptions of the market.

The Ministry of Finance and the CNBV have issued Mandatory Rules which apply to the market participants of exchange-traded derivatives contracts, and Prudential Provisions which apply to the trading activity of market participants of exchange-traded derivatives contracts.

Because of the self-regulatory nature of the Exchange, the authority of the Exchange's regulator to detect and deter unfair practices, manipulation and other unsound market practices is limited to oversight of the surveillance that the Exchange and the clearing house perform with respect to their participants. *See* Thirty-Ninth Mandatory Rule. The CNBV exercises its supervisory powers over the market by conducting inspections of the Exchange every two years. During the inspections, the CNBV reviews the Exchange's technology and its compliance with the operating processes according to approved regulations and activities performed by the compliance office and the trading desk of the Exchange.

The Mandatory Rules and Prudential Provisions establish the function of surveillance of the market as an activity of the Exchange itself in various provisions. *See* Fifth, Fifteenth, Twentieth and Thirty-Eighth Mandatory Rule; and Eighth, Ninth, Eleventh and Twelfth Prudential Provisions. In addition, the Prudential Provisions contemplate the existence of a compliance officer who is the responsible for ensuring that the Exchange and clearing house, as well as the brokers and clearing members comply with the regulations applicable to the market. The Eighth Prudential Provision establishes the power of monitoring compliance with the Mandatory Rules, Prudential Provisions, self-regulatory standards issued by the Exchange in which it participates and other provisions issued by the authorities that are applicable to the market.

As mentioned throughout EXHIBIT G, through the daily observation of the market, the compliance office is responsible for performing activities related to the detection and dissuasion of unfair practices, manipulation and other unsound market practices.

EXHIBIT F(3)

A description of the laws, rules, regulations and policies that govern the authorization and ongoing supervision and oversight of market intermediaries who may deal with members and other participants located in the United States participants, including:

Market participants may be brokerage firms and credit institutions formed as corporations to participate on the exchange-traded derivatives market. The Exchange must establish requirements for market participants (*see* Twenty-Third Mandatory Rule). This provision applies only to those brokers that are not credit institutions and brokerage firms. Credit institutions and brokerage firms must meet the requirements established by special laws, *i.e.*, Credit Institutions Law (“LIC”) and Securities Market Law (“LMV”).

Credit institutions must be authorized by the Federal Government. *See* LIC, Article 8, below. Development banking institutions may be created as a matter of law. *See* LIC, Article 30, below. Meanwhile, securities brokerage firms require authorization from the CNBV.

LIC

Article 8.

Multiple Banking Institutions require authorization of the Federal Government, issued by the National Banking and Securities Commission, prior approval of its board of directors, and the favorable opinion of the Central Bank. These authorizations shall not be transferable.

Within five days after the date the board of directors of the National Banking and Securities Commission granted the authorization referred above, such Commission shall notify the resolution, as well as the favorable opinion for the bylaws draft, to start the process toward the constitution, or the applicable organizational and operation changes. The applicant, within ninety days after such notice, must submit to the Commission, for its authorization, the public document in which the bylaws are established, and later, proceed to sign it in the Public Registry of Commerce without any need of judicial advice.

The authorization granted under this article shall be subject to the authorization to start operations in the terms of article 46 Bis of this law, which must be requested within one hundred eighty days after the approval of the public document referred to in the previous paragraph. When making the public registration of the bylaws, it is necessary to emphasize that the authorization to organize and operate as a multiple banking institution is subject to the proper registration.

The Authorizations for organizing and operating as multiple banking institution, and its changes will be published, at the cost of the mentioned institution, in the official journal of the federation and two newspapers with wide distribution in the institution place of business.

Article 30.

Development Banking Institutions are entities of the Federal Public Administration, with legal personality and equity, established as National Credit Companies, in accordance of this law and its own legal framework.

The Ministry of Finance will issue the Rules of each entity, in this rules will be established the organizational and operational basis for the performance of its agencies.

Development Banking Institutions' object is to facilitate access funding to natural persons and corporations, as well as to provide them technical assistance and training in accordance of its own legal framework. In the development of the referred institutions it is necessary to preserve and maintain its equity, ensuring sustainability of operations by directing efficiently, prudently and transparently the correspondent resources.

Development Banking Institutions are not subject to the Acquisition, Leases and Services of the Public Service Law, when they hire the services required accomplishing the services and operations mentioned in this law.

The contracts of the Development Banking Institutions on materials and supplies, general services, and physical properties investments, in accordance to the article 30 of the Regulation of the budget and responsibility federal law, will be subject to the Leases and Services of the Public Service Law.

For the purposes of the provisions above mentioned, the Ministry of Finance will be responsible for issuing general guidelines pursuant to this article, as well as for answering specific questions about hiring, favoring efficiency, effectiveness and due opportunity in the services provided by the Development Bank.

The internal legal framework and its changes must be published in the Official Journal of the Federation and sign it in the Public Registry of Commerce.

The law governing credit institutions and brokerage firms, as well as the secondary legislation issued by the Financial Authorities cover broad issues related to detailed rules of organization and operation, corporate governance, definition of the services, basic guidelines for service delivery, standards of protection for users, information disclosure to the authorities and specific provisions to prevent money laundering. In addition, in the case of user complaints, legislation contemplates the submission of credit institution and brokerage firms to the administrative procedures of the National Commission for the Protection and the Defense of Financial Services Users.

In addition, the CNBV is in charge of the supervision of credit institutions and brokerage firms (*see* LMV, Articles 113 and 350).

LMV

Article 113.

The stock market intermediaries are:

I. Brokerage firms.

II. Credit institutions.

III. Managing companies of investment corporations and fund managers for retirement.

IV. Distribution companies of shares of investment corporations and financial institutions authorized to operate with the said character of distributor.

Brokerage firms, in its organization and operation shall comply with the provisions of this Law.

Credit institutions, managing companies of investment corporations, fund management for retirement, distribution companies of shares of investment corporations and financial institutions authorized to operate with the character of distributor, in its organization and operation shall comply with the provisions of the laws of the financial system and other provisions governing them.”

“Article 350.

The Commission will have powers of supervision, in terms of its Law, in respect of securities market intermediaries, self-regulatory organizations, brokerage firms, companies that manage systems to facilitate transactions in securities, central securities depository, central counterparties for securities market, securities rating institutions and prices providers.

The Commission may conduct inspections at any of the entities identified, and require, within the time and in such manners the Commission itself established, all information and documentation necessary to verify compliance with this Law and compliance with the general provisions that arise from it.

The entities referred to in this article shall submit the information and documentation, that within the scope of their powers the Commission, the Ministry of Finance and the Central Bank request then, and within the terms, conditions and other characteristics that may be established therein.

Under the terms stated in this Law, the Commission shall carry out supervision of financial institutions referred to in this article, even if they are in liquidation, dissolution or bankruptcy have been declared.

In terms of this Law, the Commission, as a result of its monitoring powers, may make comments and, where appropriate, order the adoption of measures to correct the irregular acts or omissions detected because of its monitoring functions.”

Moreover, the Central Bank has specific powers over credit institutions and brokerage firms to establish additional control and to monitor their compliance with respect to certain services, as in

the case of credit institutions' and brokerage firms' participation in derivative trades in proprietary accounts (*see* LIC, Article 46, section XXV).

LIC

“Article 46.

Credit institutions may only perform the following operations:

...

XXV. Perform derivatives trades, subject to the technical and operational rules issued by the Central Bank, which establish the nature of these trades, such as types, terms, partners, underlying collateral and settlement forms;

...”

Clearing members are trusts and may be created through credit institutions or brokerage firms in their capacity as trustee. At present, clearing members have been established by credit institutions or brokerage firms (*see* Seventh and Ninth Mandatory Rule).

Clearing members must be approved not only by the Exchange and the clearing house, but by the Ministry of Finance, after submitting for approval the basics of its operation (*see* Tenth Mandatory Rule). Additionally, clearing members must maintain minimum equity based on their current obligations to the clearing house (*see* Twelfth Mandatory Rule). Both the equity level and compliance with the investment regime is monitored daily by the clearing house and the information is sent regularly to the CNBV. Given that Mexican law provides that trusts may only be administered by credit institutions or brokerage firms, the aforementioned Rules apply not only to clearing members, but also to their trustee credit institutions or brokerage firms.

The Prudential Provisions issued by the CNBV contain the minimum requirements that clearing members and brokers must satisfy to participate in the organized derivatives market. These requirements include the systems that participants must use for the processing and documentation of the services they provide to their customers and their proprietary trades (*see* Twenty-Fourth and Thirty-Fourth Prudential Provisions).

Finally, Title Two of MexDer's Internal Regulations set forth the procedures and requirements for each type of participant in the Exchange. The clearing house also provides a number of conditions for clearing members and brokers that will serve as “Global Account Managers,” most of them the same or similar to those required by the Exchange.

Because of the self-regulatory character of the Exchange and the clearing house, brokers are subject to monitoring and supervision (regarding their activities in the derivatives market) by the Exchange, clearing members and the clearing house. All entities in the derivatives market are subject to the supervision of the CNBV (*see* Thirty-Ninth Mandatory Rule, 2nd paragraph).

In practice, clearing members and brokers receive inspection visits by the CNBV, while MexDer and Asigna (in the case of clearing members and brokers accredited as Global Account Managers) conduct regular audits by MexDer's compliance office. Moreover, MexDer monitors daily participation in the market. Meanwhile, the clearing house is responsible for a daily monitoring process that tracks the adequacy of capital resources and margin contributions, limits

and settlement process compliance. The Central Bank makes a validation of the compliance requirements imposed upon brokerage firms and credit institutions when they execute proprietary trades.

(i) Recordkeeping requirements.

The Fifty-Third Prudential Provision establishes the requirement that each and every one of the activities, exchange-traded derivative contracts or trades carried out by brokers, clearing members, clearing houses and Exchanges must be recorded in its accounting. The books and related documents in any case must be kept for a period of five years counted from the date the activity, contract or trade was performed.

Observance with this obligation is verified in the audits that the compliance office conducts.

(ii) The protection of customer funds.

The funds of clients must be kept on deposit with the clearing members in segregated accounts in which the clients are identified as an individual client account or a global account. Although currently there are brokers that manage global accounts, brokers deposit the margin amounts with the clearing member who does not know the identity of the final client.

The basic rules for the protection of client's assets are contained in the Mandatory Rules, particularly in the Sixteenth Mandatory Rule which states that a clearing member will not use the assets of a third party clearing member to cover its losses in the event the clearing member has losses in proprietary trades.

For the clearing members that maintain proprietary accounts as well as client accounts, the regulation requires that – in the event that the clearing member has losses as a result of client's trades – the clearing member must cover those losses with its funds in the proprietary account, but the clearing member may not use funds from client accounts to settle obligations for proprietary trades.

See also section (iii), below.

(iii) Procedures for dealing with the failure of a market intermediary in order to minimize damage and loss to investors and to contain systemic risk.

The Thirty-Seventh through Thirty-Ninth Prudential Provisions set the minimum safeguards in the market network in the following cases: (1) when a client fails to deliver daily settlements and extraordinary settlements; (2) when a Global Account client defaults regardless of which entity is managing the account, a Broker or a clearing member; (3) the failure of a clearing member that settles exclusively proprietary trades. From these Prudential Provisions, Asigna (the clearing house) has established the detailed procedures in its internal regulations (“Asigna’s Internal Regulations”). Chapter Nine of Asigna’s Internal Regulations specifically regulate the implementation of the safety network to address the following:

- Safety Net of Brokers accredited as Global Accounts Manager
- Safety Net for clearing members accredited as Global Accounts Manager
- Safety Net for clearing members
- Safety Net for the clearing house.

EXHIBIT F(4)

A description of the regulatory regime/authority's inspection, investigation and surveillance powers; and the program pursuant to which the regulatory regime/authority uses those powers to inspect, investigate, and enforce rules applicable to the foreign board of trade.

In accordance with the Thirty-Ninth Mandatory Rule, the CNBV has the authority to supervise the Exchange. The CNBV's power of supervision includes the power to request and review all books, documental or electronic records generated by the Exchange in both the trades executed in the national market and the ones verified in Foreign Recognized Derivatives Markets, where appropriate.

The CNBV carries out inspection visits to the Exchange every two years in which administrative, operational and technological matters are audited. Based on these inspection visits, the CNBV delivers to the Exchange in writing, where appropriate, the observations that it requires the Exchange to address. The Exchange must respond to the written observations and state the manner in which it will address each of the observations received. The CNBV evaluates whether the Exchange's proposed measures are sufficient. Any follow-up with respect to the implementation and realization of improvements is carried out by MexDer's Internal Audit area in conjunction with the Compliance Office.

EXHIBIT F(5)

For both the foreign board of trade and the clearing organization (unless addressed in Supplement S-1), a report confirming that the foreign board of trade and clearing organization are in regulatory good standing, which report should be prepared subsequent to consulting with the regulatory regime/authority governing the activities of the foreign board of trade and any associated clearing organization. The report should include:

- (i) Confirmation of regulatory status (including proper authorization, licensure and registration) of the foreign board of trade and clearing organization.
- (ii) Any recent oversight reports generated by the regulatory regime/authority that are, in the judgment of the regulatory regime/authority, relevant to the foreign board of trade's status as a registered foreign board of trade,
- (iii) Disclosure of any significant regulatory concerns, inquiries or investigations by the regulatory regime/authority, including any concerns, inquiries or investigations with regard to the foreign board of trade's arrangements to monitor trading by members or other participants located in the United States or the adequacy of the risk management controls of the trading or of the clearing system.
- (iv) A description of any investigations (formal or informal) or disciplinary actions initiated by the regulatory regime/authority or any other self-regulatory, regulatory or governmental entity against the foreign board of trade, the clearing organization or any of their respective senior officers during the past year.

This Exhibit will be delivered to the CFTC directly by MexDer's surveillance authority, the National Banking and Securities Commission.

[Information needed]

EXHIBIT F(6)

Both the foreign board of trade and the clearing organization (unless addressed in Supplement S-1), a confirmation that the regulatory regime/authority governing the activities of the foreign board of trade and the clearing organization agree to cooperate with a Commission staff visit subsequent to submission of the application on an “as needed basis,” the objectives of which will be to, among other things, familiarize Commission staff with supervisory staff of the regulatory regime/authority; discuss the laws, rules and regulations that formed the basis of the application and any changes thereto; discuss the cooperation and coordination between the authorities, including, without limitation, information sharing arrangements; and discuss issues of concern as they may develop from time to time (for example, linked contracts or unusual trading that may be of concern to Commission surveillance staff).

This Exhibit will be delivered to the CFTC directly by MexDer’s surveillance authority, the National Banking and Securities Commission.

[Information needed]

**EXHIBIT G – THE RULES OF THE FOREIGN BOARD OF TRADE AND
ENFORCEMENT THEREOF**

EXHIBIT G-1

A description of the foreign board of trade's regulatory or compliance department, including its size, experience level, competencies, duties and responsibilities.

The Compliance Office performs monitoring and surveillance activities with respect to the Exchange, the clearing house and the market participants.

The Compliance Officer must be appointed in accordance with the Sixth Prudential Provision and the other requirements established for the appointment of directors and the chief executive officer. The Compliance Officer must be a person who has recognized expertise in the legal field and who does not (1) have an ownership interest in a broker, clearing member or financial institution, (2) hold an office or other position at a broker, clearing member or financial institution, and (3) sit on the board of any such institution.

The Compliance Officer is in charge of coordinating the activities of the Compliance Office and participates in establishing new regulations of the clearing house. In addition, the Compliance Officer participates in the clearing house committees (non-voting), and reports to the Board of Directors.

Currently, the Compliance Officer is a lawyer with 14 years experience at the Mexican Stock Exchange and its subsidiaries (BMV Group). The Compliance Officer of MexDer previously worked in the legal department of the Mexican Stock Exchange as legal deputy director of the central deposit of securities for the equity market, as well as in the development of the self-regulatory rules and the constitution of the securities central counterparty. He has two legal degrees: one in Mexican financial law and the other in international financial law. His role is supervising the audits and surveillance of the market as well as reviewing trading activity subject to possible disciplinary action.

The Compliance Deputy Director is an accounting graduate who has nine years of experience in the auditing area. He is in charge of coordinating and executing audits of market participants, as well as reviewing various periodic information received by the Compliance Office.

The Audit Manager is a public accountant with eight years of experience in the BMV Group, who previously worked in a recognized accounting firm specializing in auditing. He is in charge of coordinating and implementing audit activities, as well as tracking the follow-up activities of the audits. He is in charge of reviewing the financial information that is periodically received from the participants.

The Surveillance Manager has six years of experience in compliance and previously worked in the financial and operations area. The Surveillance Manager designed the surveillance system currently used by the Compliance Office for monitoring the market. He is in charge of the daily supervision of the market and identifying areas requiring special investigations. Additionally, he is in charge of coordinating the review and processing of information periodically received by the Compliance Office.

The specialists and analysts that make up the rest of the staff have educational backgrounds related to their roles.

EXHIBIT G-2

A description of the foreign board of trade's trade practice rules, including but not limited to rules that address the following –

(1) Capacity of the foreign board of trade to detect, investigate, and sanction persons who violate foreign board of trade rules.

Currently the Compliance Office has two areas dedicated to the task of detecting and investigating possible violations of the market rules: Market Surveillance and Audit.

Market Surveillance conducts its monitoring activities through the system VIGIA MexDer and its own applications using as comparison criteria the theoretical prices and the price of the last trade, as described in paragraph G-2 (3) of this section.

Audit performs an annual schedule of audits, which aims to review the participants' operations and their compliance with the Exchange's regulations.

In general terms, the audits performed by the Compliance Office of market participants cover legal, administrative, operational, customer, systems and financial areas. The audits are performed on a sample basis and seek to validate a member firm's compliance with the operational and regulatory obligations of MexDer. Once an audit is completed, the Compliance Office will address any noncompliance issues, and if appropriate, bring disciplinary measures.

The Seventh Prudential Provision provides that the Board of Directors of the Exchange may impose sanctions for infractions of the Exchange's rules or it may delegate the task to individuals named by the Board. In Title Seven "Disciplinary Measures, Precautionary Measures And Procedures," MexDer's Internal Regulations establish basic guidelines for the imposition of disciplinary measures as well as the rules to delegate to the Chief Executive Officer and the Committee on Disciplinary Measures and Arbitration of the Exchange the power to impose disciplinary actions.

Disciplinary cases can be initiated: (1) automatically when the Exchange detects any alleged violation and the Compliance Officer has the sufficient evidence, derived from any audit or investigation; or (2) based on a referral which provides the Compliance Officer with sufficient reason to initiate an investigation.

(2) Prohibition of fraud and abuse, as well as abusive trading practices including, but not limited to, wash sales and trading ahead, and other market abuses.

The Thirteenth Prudential Provision establishes the general principle that standards regulating the conduct of Brokers, clearing members, Desk Traders and the clearing house will be designed to ensure that the exercise of their activities is conducted honestly and diligently to protect the interests of the public and the integrity of the Market; the aforementioned, without prejudice, may also apply to clients.

The Thirteenth Prudential Provision also establishes the following acts and omissions as serious defaults:

- Use of margin for other than permitted purposes.
- Acting with bad faith in the execution of exchange traded derivatives.
- The intentional disclosure of false, inaccurate or misleading information relating to the underlying asset to which a derivatives contract listed on the Exchange is linked, that affects its price, or the concealment of material facts that may influence the aforementioned price.
- Activities that attempt to manipulate or in fact manipulate the price of any underlying asset.
- The misuse of material non-public information, whether for personal gain or for the benefit of a third party, for the purpose of trading derivatives listed on the Exchange or entering into transactions with the underlying assets linked to them.
- Failure to maintain accurate trade records.
- Executing client orders that were not authorized.
- Failing to appear before the board or any committee in the course of an investigation, and failure to submit the information requested for that purpose.
- Allowing unauthorized personnel to access the trading system.
- Effecting trades that do not comply with the sound market practices.
- The execution of trades off the Exchange.
- Trading on a proprietary basis without maintaining competitive bids and failing to give equal treatment to clients.
- The performance of any act that is detrimental to the Exchange and the market in general.

MexDer's Internal Regulations (Article 7004.01) establish a catalog of specific violations that are considered serious and the sanctions for such violations.

The legal provisions applicable to money laundering cases are not directly supervised by the Exchange because clearing members are trusts managed by trustees (credit institutions and brokerage firms) that are governed by specific regulation in this area and are supervised by the CNBV. The exception is participants that manage global accounts. These participants are required to submit to the Exchange a manual containing the policies and procedures they must observe to prevent, detect and report acts, omissions or transactions that might aid terrorism (Article 139 of the Federal Criminal Code) or money laundering (Article 400 of the Federal Criminal Code).

(3) A trade surveillance system appropriate to the foreign board of trade and capable of detecting and investigating potential trade practice violations.

The Market Surveillance area evaluates trades daily in real-time through the VIGIA MexDer system, using as benchmarks the prices of the market itself and the theoretical price of the futures contracts for each underlying asset. The system provides the Compliance Office with

potential violative trades according to the parameters set by different types of alerts. The parameters defined by the Compliance Office to generate alerts are based on risk factors that the clearing house calculates in order to reflect a degree of severity. The alerts are addressed by the market surveillance area and a daily report with the results of such reviews is issued, as well as a brief analysis of the economic and operating conditions that affect the market.

See Exhibit G-4.

(4) An audit trail that captures and retains sufficient order and trade-related data to allow the compliance staff to detect trading and market abuses and to reconstruct all transactions within a reasonable period of time.

The Exchange has the legal obligation to maintain an audit trail of quotes and transactions for five years, which allows the Exchange to reconstruct the trading on MexDer.

(5) Appropriate resources to conduct real-time supervision of trading.

As mentioned in Exhibit G-2(3), some trade monitoring is performed in real-time. The real-time monitoring of market activities is carried out by the Exchange's Compliance Officer. The Compliance Officer has systems with real-time alerts that allow the Exchange to detect errors in bids and transactions.

(6) Sufficient compliance staff and resources, including those outsourced or delegated to third parties, to fulfill regulatory responsibilities.

See Exhibit G-1 and Exhibit G-4.

(7) Rules that authorize compliance staff to obtain, from market participants, information and cooperation necessary to conduct effective rule enforcement and investigations.

The Exchange's authority to request information from members comes from the third paragraph of the Thirty-Sixth Mandatory Rule.

Article 6001.00 of MexDer's Internal Regulations authorizes the Exchange to require information from members. Furthermore, Article 6004.00 provides that information requests may consist of a request for documents that relate to the activities of clients, clearing members, brokers and the clearing house and allow the Exchange to verify compliance with the applicable laws and regulations. The information requested by MexDer must be supplied by the members within the time period specified by the Exchange. Additionally, Articles 6006.00 and 6007.00 of MexDer's Internal Regulations provide that the clearing members, brokers and the clearing house are subject to inspection and oversight by the Exchange.

The authority for Exchange requests can found in the following Articles:

- Articles 6027.00 to 6030.00 – Information requirements for members and the obligation to obtain client agreement that such information may be provided to the Exchange.

- Articles 6031.00 to 6033.00 – Obligation for members to submit operating information.
- Articles 6034.00 and 6035.00 – Obligation for members to submit financial and accounting information.
- Articles 6036.00 to 6037.01 – Obligation for members to submit legal information.
- Article 6038.00 to 6041.00 – Obligation for members to submit information to the clearing house.

(8) Staff investigations and investigation reports demonstrating that the compliance staff investigates suspected rule violations and prepares reports of their finding and recommendations.

(9) Rules determining access requirements with respect to the persons that may trade on the foreign board of trade, and the means by which they connect to it.

The provisions relating to access to MexDer's System are contained in MexDer's Internal Regulations, Title X, Chapter I, Part 2 (*see* articles 10005.00 to 10010.00). MexDer's Internal Regulations are attached to Exhibit A-5.

(10) The requirement that market participants submit to the foreign board of trade's jurisdiction as a condition of access to the market.

In accordance with Article 2005.00(I)(c) of MexDer's Internal Regulations, applications for admission must be accompanied by a corporate certification in which the applicant has agreed to its participation in the Exchange and specified its willingness to abide by all the rules and other provisions issued by the Financial Authorities, the Exchange and the Clearinghouse.

EXHIBIT G-3

A description of the foreign board of trade's disciplinary rules, including but not limited to rules that address the following —

(1) Disciplinary authority and procedures that empower staff to recommend and prosecute disciplinary actions for suspected rule violations and that provide the authority to fine, suspend, or expel any market participant pursuant to fair and clear standards.

Chapter Seven of MexDer's Internal Regulations authorize the Board of Directors, through the Chief Executive Officer or the Disciplinary Committee of the Exchange, to impose disciplinary measures for violations of MexDer's Internal Regulations (*See* Article 7000.00). MexDer's Internal Regulations empower the Chief Executive Officer, the Disciplinary Committee or the Board of Directors to impose disciplinary measures according to the seriousness of the breaches or violations (*See* Articles 7001.00, 7005.00, 7007.00, 7016.00).

The Exchange's procedures for imposing disciplinary sanctions depend on the severity of the behavior. For infractions that are not considered serious, the Exchange follows a simplified procedure. Under this process, the Compliance Officer issues a summons to the member as set forth in Article 7001.01. The summons must provide the member with a reasonable timeframe for a response. Article 7001.02 establishes the power of the Compliance Officer to evaluate the member's response and, based on that evaluation, dismiss the breach or request that the Chief Executive Office impose the appropriate disciplinary measures. Chapter Three of Title Seven (Articles 7039.00 to 7050.00) establishes the procedure by which the members subject to a disciplinary measure of this type may file an appeal for reconsideration before the Chief Executive Office.

The procedure for serious disciplinary matters is governed by title Seven of the Internal Regulations (Chapter Four, Part Three). Serious disciplinary matters require the Compliance Officer to issue a complaint against the member. The member is entitled to a hearing before a disciplinary panel. Once the disciplinary panel issues its findings, the member is entitled to appeal the panel's findings. (*See* Articles 7058 - 7083).

(2) The issuance of warning letters and/or summary fines for specified rule violations.

Please refer to MexDer's Internal Regulations, Title Seven, Chapter One (*see* articles 7000.00 through 7016.00). MexDer's Internal Regulations are attached to Exhibit A-5.

(3) The review of investigation reports by a disciplinary panel or other authority for issuance of charges or instructions to investigate further, or findings that an insufficient basis exists to issue charges.

Please refer to MexDer's Internal Regulations, Title Seven, Chapter Four (*see* articles 7051.00 through 7083.00). MexDer's Internal Regulations are attached to Exhibit A-5.

(4) Disciplinary committees of the foreign board of trade that take disciplinary action via formal disciplinary processes.

The Disciplinary Committee is comprised of 3 to 5 members appointed by the Board of Directors. At least two members of the committee must be attorneys.

The Disciplinary Committee is responsible for:

- Assembling a disciplinary panel to consider and resolve disciplinary cases in question;
- Hearing appeals for review;
- Arbitrating controversies between clearing members and Brokers and between clients and clearing members or Brokers; and
- If necessary, reporting its activities to the Board of Directors every six months.

(5) Whether and how the foreign board of trade articulates its rationale for disciplinary decisions.

The rationale for disciplinary decisions is articulated to members; however, such decisions are made publicly available only with respect to serious offenses.

See also Exhibit G-2 (1).

(6) The sanctions for particular violations and a discussion of the adequacy of sanctions with respect to the violations committed and their effectiveness as a deterrent to future violations.

The disciplinary measures provided for in MexDer's Internal Regulations consist of warnings, financial penalties, suspensions, and restrictions on members.

Warnings are imposed for a first offense that is not considered severe. Financial penalties and other disciplinary measures are imposed where the first offense is considered serious. A member will be considered a repeat offender when the member has two or more offenses of the same type.

According to MexDer's Internal Regulations, the CEO may impose suspensions on members in cases in which it is clear that a clearing member or broker failed to meet any of the obligations for which it is responsible with respect to the Exchange's System (see Articles 10004.02, 10004.03, 10004.04 or 10004.05).

In addition to the imposition of financial penalties, the Exchange may deny continued membership for clearing members and brokers that have committed serious offenses.

Based on the Prudential Provisions, the Exchange considers the following acts and omissions as serious offenses:

- Use of margin for other than permitted purposes.
- Acting with bad faith in the execution of exchange traded derivatives.

- The intentional disclosure of false, inaccurate or misleading information relating to the underlying asset to which a derivatives contract listed on the Exchange is linked, that affects its price, or the concealment of material facts that may influence the aforementioned price.
- Activities that attempt to manipulate or in fact manipulate the price of any underlying asset.
- The misuse of material non-public information, whether for personal gain or for the benefit of a third party, for the purpose of trading derivatives listed on the Exchange or entering into transactions with the underlying assets linked to them.
- Failure to maintain accurate trade records.
- Executing client orders that were not authorized.
- Failing to appear before the board or any committee in the course of an investigation, and failure to submit the information requested for that purpose.
- Allowing unauthorized personnel to access the trading system.
- Effecting trades that do not comply with the sound market practices.
- The execution of trades off the Exchange.
- Trading on a proprietary basis without maintaining competitive bids and failing to give equal treatment to clients.
- The performance of any act that is detrimental to the Exchange and the market in general.

EXHIBIT G-4

A description of the market surveillance program (and any related rules), addressing the following –

The dedicated market surveillance department or the delegation or outsourcing of that function, including a general description of the staff; the data collected on traders' market activity; data collected to determine whether prices are responding to supply and demand; data on the size and ownership of deliverable supplies; a description of the manner in which the foreign board of trade detects and deters market manipulation; for cash-settled contracts, methods of monitoring the settlement price or value; and any foreign board of trade position limit, position management, large trader or other position reporting system.

The monitoring activities of the Compliance Office are summarized as follows:

- Capitalization levels of brokers and global account managers (reported by members daily).
- Capitalization levels of clearing members (reported by members daily).
- Review of position limits.
- Review of accredited personnel of members for compliance with MexDer requirements.
- Daily reviews of market surveillance.
- Special investigations of members.
- Annual revision of the administrative and control processes and procedures of the clearing house.
- Audits of members.
- Monthly review of financial information of brokers and clearing members.
- Review of audited financial statements of all members.
- Review of questionnaires to all the participants.

Daily surveillance

The Market Surveillance area of the Compliance Office evaluates trades daily through use of the VIGIA MexDer system, using as benchmarks the prices of the market itself and the theoretical price of the futures contracts for each underlying asset. The system provides the Compliance Office with potential violative trades according to the parameters set by different types of alerts. The parameters defined by the Compliance Office to generate alerts are based on risk factors that the clearing house calculates to reflect a degree of severity. Market Surveillance documents its reviews in a daily report along with a brief analysis of the economic and operating conditions that affect the market.

To determine if the prices established on MexDer are reasonable, the Market Surveillance area has external information sources, such as "Infosel" where the futures and the underlying asset prices are captured in the cash market. Market surveillance calculates the theoretical price to determine the reasonableness of the prices of the transactions. Physical delivery applies only to bonds, rate swaps, stocks and dollars.

The clearing house monitors for compliance with settlement obligations. Any defaults by clearing members are reported to this Compliance Office for monitoring and possible imposition of disciplinary measures.

Extraordinary situations

Additionally, MexDer has the power to replace the daily settlement prices of futures and option contracts with the theoretical prices when, based on market conditions, MexDer determines that the prices are not in line with market conditions.

Special investigations

The Market Surveillance area performs special investigations as needed. Such investigations may be initiated by a formal complaint of a participant, or, by Market Surveillance if market Surveillance believes that the investigation is warranted to determine if a violation has occurred.

Bimonthly surveillance report

Every two months, the Compliance office prepares a report of all the alerts generated by the VIGIA MexDer. This document includes a brief description of the analysis applied to all alerts, according to defined criteria, as well as the actions following the analysis.

Position Limits

The Compliance Office assists the Risk Committee of the clearing house when the Risk Committee sets the position limits for derivatives contracts. Additionally, the Compliance Officer performs a random check every month on the open positions of members. If they exceed the limits set by the clearing house, the Compliance Office follows up with the member to determine the cause of the position limit violation.

**EXHIBIT H – INFORMATION SHARING AGREEMENTS AMONG THE
COMMISSION, THE FOREIGN BOARD OF TRADE, THE CLEARING
ORGANIZATION, AND RELEVANT REGULATORY AUTHORITIES**

EXHIBIT H(1)

A description of the arrangements among the Commission, the foreign board of trade, the clearing organization, and the relevant foreign regulatory authorities that govern the sharing of information regarding the transactions that will be executed pursuant to the foreign board of trade's registration with the Commission and the clearing and settlement of those transactions. This description should address or identify whether and how the foreign board of trade, clearing organization, and the regulatory authorities governing the activities of the foreign board of trade and clearing organization agree to provide directly to the Commission information and documentation requested by Commission staff that Commission staff determines is needed:

- (i) To evaluate the continued eligibility of the foreign board of trade for registration.**
- (ii) To enforce compliance with the specified conditions of the registration.**
- (iii) To enable the CFTC to carry out its duties under the Act and Commission regulations and to provide adequate protection to the public or registered entities.**
- (iv) To respond to potential market abuse associated with trading by direct access on the registered foreign board of trade.**
- (v) To enable Commission staff to effectively accomplish its surveillance responsibilities with respect to a registered entity where Commission staff, in its discretion, determines that a contract traded on a registered foreign board of trade may affect such ability.**

Among other things, MexDer is a signatory to the companion memorandum to the Declaration on Cooperation and Supervision of International Futures Markets and Clearing Organizations (commonly referred to as the "Boca Declaration"). As such, MexDer supports the sharing of relevant information between certain derivatives exchanges and clearing organizations in order to combat potential hazards to the stability, safety and soundness of the international financial markets. Under Mexican law, MexDer may not disclose the beneficial ownership of an account, but is otherwise permitted to disclose directly to the CNBV (and the general public) aggregated information related to transactions effected on MexDer.

The CNBV is also entitled to receive information regarding market participants directly from the financial entities in Mexico. In particular, Mexican law authorizes the CNBV to obtain information from clearing members and trading members and to provide that information to foreign regulatory agencies, such as the Commission. Mexican law additionally authorizes CNBV to assist international bodies performing market surveillance and to furnish information to these foreign authorities pursuant to exchange of information agreements, such as the Memoranda of Understanding discussed in Exhibit H(3).

EXHIBIT H(2)

A statement as to whether and how the foreign board of trade has executed the International Information Sharing Memorandum of Understanding and Agreement.

MexDer is not a signatory of the International Information Sharing Memorandum of Understanding and Agreement. Information sharing will be possible according to what it is explained in Exhibits H1 and H4.

EXHIBIT H(3)

A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the International Organization of Securities Commissions Multilateral Memorandum of Understanding. If not, describe any substitute information-sharing arrangements that are in place.

The Commission and CNBV entered into a Memorandum of Understanding on Consultation, Technical Assistance, and Mutual Assistance for the Exchange of Information (“MOU”) on May 11, 1995. The MOU addresses information sharing and is intended to assist both the Commission and CNBV in regulating and preventing fraud and abuse in the financial markets. The MOU remains in effect, and contemplates CNBV and the Commission providing the fullest measure of mutual assistance to facilitate their respective futures market oversight functions and to enforce the laws and regulations applicable to futures markets. In addition, CNBV is a signatory to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (the “MMOU”), which promotes mutual cooperation and consultation among IOSCO Members (including both the Commission and CNBV) to ensure compliance with, and enforcement of, their securities and derivatives laws and regulations. The CNBV has confirmed to the Commission that it is committed to fulfill the scope of assistance established in Article 7 of the MMOU and that the information-sharing terms of the MMOU will extend to information requested by the Commission regarding the activities conducted pursuant to any no-action relief granted to MexDer.

EXHIBIT H(4)

A statement as to whether the regulatory authorities governing the activities of the foreign board of trade and clearing organization are signatories to the Declaration on Cooperation and Supervision of International Futures Exchanges and Clearing Organizations. If not, a statement as to whether and how they have committed to share the types of information contemplated by the International Information Sharing Memorandum of Understanding and Agreement with the Commission, whether pursuant to an existing memorandum of understanding or some other arrangement.

MexDer is a signatory to the Declaration on Cooperation and Supervision of International Futures Exchanges and Clearing Organizations, its regulators are not signatories of such Declaration. However, pursuant to the MOU and MMOU, the CNBV has the commitment to share information with the CFTC.

Description of how the CNBV will share information with the CFTC will be delivered directly by the CNBV.

SYSTEM SAFEGUARDS TESTING REQUIREMENTS

Pursuant to rule Thirteenth of the “Prudential Provisions to which the Participants of the Derivatives Contracts Market must be subject to” issued by the National Securities and Banking Commission (“CNBV” by its acronym in Spanish), MexDer as a derivatives exchange must implement a Business Continuity Plan (“BCP”).

The Chief Executive Officer with the aim of the continuity and IT personnel develop the BCP and all the documents that are part of it, based on the Disaster Recovery International Institute best practices and international standards such as ISO 22301. Afterwards, the BCP is submitted to the consideration of the Audit Committee members to finally be submitted to the Board of Directors for its approval.

Prior to the development of the Business Continuity Plan, MexDer conducted a Risk Continuity Analysis, which provides the level of risk of the threats to which MexDer’s critical processes are exposed, and a business impact analysis (“BIA”) that together with the Continuity Risk Analysis and Evaluation allow MexDer to identify the business subprocesses and to prioritized them to determine the most appropriate recovery strategies.

The Continuity Risk Analysis is updated at least once a year, in order to identify and evaluate the risks that endanger operational continuity. This document is based on the Business Risk Management and Controls Manual and Methodology of BMV Group. The Continuity Risk Analysis is presented as part of the Business Continuity Plan to the various corporate bodies and the corresponding authorities at least once a year.

MexDer’s BCP includes an Incident Management Plan that aims to restore the normal operation of critical services as soon as possible, minimizes the adverse impact on business operations and ensures maintenance of the best levels of quality and availability.

In order to meet regulatory requirements, MexDer’s BCP must implement adequate procedures to inform the National Banking and Securities Commission and the Central Bank of any Operative Contingencies that arise in any of its systems or channels for attention to the public and which result in a trading halt. Related notices to both Authorities, must be made within sixty minutes after identifying the beginning of the Operative Contingency through any communication means. Such notices must state at least: (i) the date and time in which the Operative Contingency started; whether the Operative Contingency continues or has concluded and its duration; and (iii) a description of the event that occurred. MexDer’s CEO shall send to the Commission the description of such contingency, an analysis of the causes that led to it, the impairment caused in qualitative and quantitative terms, the processes, systems and channels affected, as well as the actions to be implemented to minimize the impact or damage in subsequent similar situations, within fifteen calendar days after the conclusion of the Operative Contingency.

In this regard and derived from the threats identified in the Risk Analysis and Evaluation, MexDer’s BCP provides the general contingency scenarios that affect the business operation of MexDer.

Along with the BIA, the Disaster Recovery Plan (DRP) is part of the BCP too. MexDer's DRP provide a set of preventive and responsive procedures that allow MexDer to ensure continuity of its systems and services that support critical processes during contingency situations that affect the use of or the infrastructure housed in the Main Data Center.

The main objectives of MexDer's DRP are: (i) to address the RTO of the critical applications identified in the BIA; (ii) to document the technical procedures that will be executed to activate and deactivate the DRP (Backup Data Center); (iii) to document the technical procedures that will be executed to activate Production (Main Data Center); (iv) to avoid confusion in contingency situations, through the establishment and execution of the technical procedures described in the DRP.

Pursuant to sections I. f) and g) of rule Thirteenth and sections I. f) and g) of rule Thirty Eight of the CNBV provisions, MexDer and its Clearing House provide that the RTO of critical processes, shall not exceed thirty minutes counted from the moment in which MexDer identifies the operative contingency and that the RPO must be equal to zero, considering that the information on the transactions already conducted cannot be lost in any scenario.

MexDer performs DRP's testings, with different scenarios and different personnel involved in each testing.

Section II. vi) of rule Thirteenth provides that MexDer's CEO is responsible for informing the board of directors and the CNBV of the results of the tests.

For physical security and environmental controls, MexDer's, principal and back up, technological infrastructures, are installed in the facilities of a third party provider.

The controls enabled for the protection of telecommunications are the following:

- Telecommunications are carried out through the Backbone Network of MexDer and through the Financial Network that is the way through for the Customers to access MexDer's applications.
- For the Telecommunications equipment management MexDer uses a AAA (Authentication, Authorization and Accounting) access control tool. These tools permits to audit all the activities of the network administrators.
- MexDer uses a control access tool to the network.
- A security architecture that includes, some additional tools aside from the traditional antivirus, antispam, etc.

To protect the system and information integrity MexDer has a security architecture that performs protection against malware in the Corporate Center, the Main Data Center and the Backup Data Center.

MexDer's Information Security framework is aligned to the ISO 27001: 2013 standard, that defines best practices in the field of Information Security through 13 different domains.

Our framework includes an institutional policy and 13 Standards:

- 1) Institutional Information Security Policy
- 2) Standard of Information Security Management

- 3) Standard of Human Resources Security:
- 4) Standard of Information Asset Management
- 5) Standard of Logic Access Control
- 6) Standard of Phisycal Enviroment and Safety
- 7) Standard of Security in Operations
- 8) Standard of Security in Communications
- 9) Standard of security in Adquisition, Development and Maintenance of information systems
- 10) Standard of Security Related with Third Parties
- 11) Standard of Information Security Incident Management
- 12) Standard of Requirements of Information Security in Bussines Continuity Management
- 13) Standard of Compliance in Information Security
- 14) Standard of Vulnerability Assessment & Penetration Testing

These standards are reviewed and updated every two years, as a regulatory required by the authorities or corporate governance and must be approved by a multi-disciplinary group formed by different business areas and technology areas.

It is important to point out that MexDer's Information Security framework meets the CNBV and other regulatory bodies requirements.

In particular, the "Standard of Vulnerability Assessment & Penetration Testing" provides the need to execute this type of tests at least once a year. The Information Security area is responsible for performing such tests with a specialized external provider, which seeks to emulate an attacker who, using tools, techniques, tactics and procedures, intends to compromise the principles of security (confidentiality, integrity and availability).

The tests are proposed to include all levels of the Systems and IT infrastructure, that is, the following layers:

- 1) Physical.- missions to test the access controls to the building and specific areas.
- 2) Operating Systems.- Vulnerability analysis and penetration tests on samples of PC equipment, Laptops and Servers.
- 3) Databases.- Identification of the different instances, sensitive tables and run tests to escalate privileges.
- 4) Applications.- Review of dynamic code to different applications.
- 5) Network.- A traditional ethical hacking scan is executed in order to identify known vulnerabilities and to validate the correct configuration of the equipment.
- 6) Human Resources.- (Social engineering) Phishing campaigns by email and phone calls.

The tests include white, black and gray box scenarios; and different attack vectors are raised, to validate that IT systems and infrastructure are adequately protected.

Once the vulnerabilities or configuration aspects have been identified, remediation activities are coordinated with the Technology and Business Areas according to their criticality, which is measured based on the CVSS (Common Vulnerability Scoring System), that is a system of score designed to provide an open and standard method that allows estimating the impact derived from identified vulnerabilities, in other words, it helps to quantify the severity that these vulnerabilities can represent.

Finally, it is important to point out as a reference, that there are technological tools, cybersecurity structures and processes that permanently monitor suspicious events and possible security incidents, which are periodically tested to validate their effectiveness.

To ensure adequate scalable capacity of its systems, MexDer has a Capacity Plan that is updated every year, which considers the following points:

- 1) Identify Service Configuration components
- 2) Identify Capacity requirements
- 3) Identify Legal and Regulatory Framework
- 4) Identify Contractual and Organizational Aspects
- 5) Define monitoring tools
- 6) Measurement and Evaluation of Capacities
 - 6.1. Define Capability Test Scenarios
 - 6.2. Perform First Capacity Test
 - 6.3. Perform Second Capacity Test
 - 6.4. Generate Current Capacity Report
 - 6.5. Generate Current Capacity Report
 - 6.6. Generate Capacity Scenarios Report
 - 6.7. Measure and Evaluate Configuration Components
- 7) Analyze and Perform Estimates
 - 7.1. Analyze PBA trends
 - 7.2. Analyze and Estimate PBA Vs Current Capacity
- 8) Manage Capacity Risks
- 9) Manage Capacity Service Levels

As security awareness training in security information matters, MexDer implements a continuous program which includes, among others:

- 1) Evaluations according to the level of security awareness of each user.
- 2) Phishing tests.
- 3) Newsletters and recommendations by email and by the different media such as the screens on each floor.
- 4) During the Security Information week MexDer raises awareness and evaluates all users in the field of information security.

Technology and business personnel are responsible for the systems operations. The system maintenance is performed by the technology team in charge of software development based on business and / or technical requirements.

Software development and maintenance is carried out through a procedure to have a framework for managing projects, producing satisfactory results, ensuring quality and managing changes appropriately. This procedure involves technical and business key areas and stakeholders.

The Technology area also has a configuration management procedure which aims to: (i) ensure that the CI's of the CMDB configuration have necessary attributes, precise relationships and information to guarantee reliability, integrity and availability; and (ii) Reliably safeguard and manage the latest versions of software configuration items and any related documents through the establishment of a definitive media library (DML).

The Technology Department has established SLA's of the critical MexDer systems, which are periodically reviewed and evaluated. There is a service desk which attends incidents related to MexDer systems either by application, mail or by phone.

The Technology Department has a group of Business Partners who make the elicitation of business requirements, a Software Engineering group which is responsible for research and establishing coding guidelines, tools and best practices. Finally, there is a development responsible for building the systems. Agile methodologies are followed, and continuous integration processes are carried out. Secure and collaborative coding guidelines are established.

There is also a quality assurance area (QA) which is responsible for designing test cases and applying them, it counts with automated tools for testing. Finally end users validates functionality in an UAT environment before the functionality is deployed in production.

Provision Thirty Nine of the "Rules that the Derivatives Contracts Market Participants shall be subject to" issued by the Mexican Ministry of Finance ("SHCP"), the CNBV and the Mexican Central Bank entitles, the CNBV as the competent authority to perform MexDer's oversight. Within the scope of its authority, the CNBV practices audits to MexDer every two years in which the CNBV verifies MexDer compliance with applicable law.

Regarding system safeguards-related books and records and pursuant to rule Sixty Five of the CNBV's Provisions, MexDer must provide information to the CNBV to demonstrate that MexDer's IT systems comply with the following: (i) continued performance of the functions for which they were designed, developed or acquired; (ii) proper documentation of the IT systems applications and processes, including its development methodology and, where appropriate, the records of the systems changes; (iii) the use of quality control mechanisms to perform execution tests before implementing a new IT system or when it is modified or updated; (iv) software licensing or authorization to use the corresponding systems; (v) backup mechanisms and information recovery procedures to minimize the risk of interruption of the operation; (vi) maintenance of audit logs, including detailed information on the operation or activity carried out by users, database administrators and operating system; (vii) performance of tests designed to detect vulnerabilities of the electronic media, processing, telecommunications and automated equipment that prevent the unauthorized access and use, including all its technological infrastructure, at least once a year or when making substantive changes to the technological infrastructure; and (viii) preservation of the confidentiality, integrity and availability of the information generated, stored and transmitted, observing controls on: (a) access to the information, authenticating users and granting them



permissions according to their profile; (b) protection of the information processed, transmitted and stored in the IT systems, considering, in the case of remote accesses, encryption mechanisms of information; (c) record of the accesses and the activity of the users in audit logs, as well as mechanisms for their periodic review; and e) control schemes of applications versions to ensure there is no unauthorized functionality in the IT systems.

CNBV is entitled to require additional information from MexDer who is compelled to comply with such requirement.

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