

**BVMF S&P BSE SENSEX Index Futures Contract with cash settlement  
denominated in Points of the S&P BSE SENSEX Index of the Bombay Stock  
Exchange**

**– Specifications –**

**1. Definitions**

<u>BVMF S&amp;P BSE SENSEX Index Futures Contract</u>	BVMF S&P BSE SENSEX Index Futures Contract, based on the S&P BSE SENSEX Index traded on the Bombay Stock Exchange, located in Mumbai - India, hereafter named BSE.
<u>Daily settlement price (PA):</u>	The daily closing price, expressed in index points, calculated and/or arbitrated daily by BM&FBOVESPA, at its own discretion, for each contract month, for the purpose of updating the value of open positions and for calculating the daily adjustment and settlement value.
<u>Settlement Price (P):</u>	The closing price with the objective of settling open positions calculated and/or arbitrated by BM&FBOVESPA, at its own discretion, for each contract month, and expressed by the price of the S&P BSE SENSEX Index, which is published by BSE on the expiration date of the contract.
<u>Business day:</u>	For the purposes of this contract, for cash settlement and to meet the margin call, any day that is a trading day at BM&FBOVESPA.
<u>BM&amp;FBOVESPA or Exchange</u>	BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros.

**2. Underlying asset**

S&P BSE SENSEX Index.

**3. Price quotation**

Points of the BVMF S&P BSE SENSEX Index Futures Contract.

**4. Minimum price fluctuation**

One (1) index point.

**5. Contract size**

The BVMF S&P BSE SENSEX Index Futures Contract, times the value of the point established by the Exchange, with each point having the value of seventy five Brazilian Real cents (BRL 0.75).

**6. Last Trading Day and Expiration Date**

The Last Trading Day of the contract shall be the business day before the Expiration Date. The Expiration Date shall be the last Thursday of the expiration month. If this day is a public holiday or day on which there is no trading on BSE, the contract's expiration shall be on the business day following the public holiday on that market, or the business defined by it, in accordance with the rules established by BSE. If this day is a public holiday at BM&FBOVESPA, the contract's expiration day shall be the business day following the public holiday.

**7. Contract months**

Monthly cycle.

**8. Daily Settlement Procedure**

The positions outstanding at the end of each trading session shall be marked to that day's settlement price, as determined by the Exchange's rules and regulations, with cash settlement on the following business day. The daily adjustment shall be calculated up to the expiration date by the following formulas:

**a) For the positions initiated on the day**

$$AD_t = (PA_t - PO) \times M \times N$$

**b) For the positions outstanding on the previous day**

$$AD_t = (PA_t - PA_{t-1}) \times M \times N$$

Where:

$AD_t$  = the variation margin value in Brazilian Reals, corresponding to date “t”;

$PA_t$  = the settlement price, in index points, for the corresponding contract month on date “t”;

$PO$  = the traded price in index points;

$M$  = the price in Brazilian Reals of each index point, as established by BM&FBOVESPA;

$N$  = the number of contracts;

$PA_{t-1}$  = the settlement price on day “t-1” in index points, for the corresponding contract month.

The variation margin value ( $AD_t$ ) calculated as described above shall, if positive, be credited to the buyer and debited from the seller; if negative, it shall be debited from the buyer and credited to the seller.

**9. Settlement Conditions on Expiration**

On the expiration date, open positions shall be cash settled by the Exchange by means of the registration of an offsetting transaction (long or short) on the same number of contracts, considering the (P) of the S&P BSE SENSEX Index, as provided by BSE.

The settlement price of each contract shall be calculated in accordance with the following formula:

Where:

$VL$  = the cash settlement value per contract in Brazilian Reals;

$P$  = the S&P BSE SENSEX Index for settlement, in points, corresponding to the settlement date of the contract;

$PA_{t-1}$  = the settlement price, in points, of the previous business day for the corresponding contract month;

$M$  = price in Brazilian Reals of each index point, established by the Exchange;

$N$  = number of contracts.

Cash settlement shall be made on the first business day following the expiration date.

**10. Special provisions**

Should BSE delay or not disclose (P), the Exchange may at its own discretion:

- a) Postpone the contract settlement up until an official disclosure; or
- b) Close out open positions at the last settlement price provided by the BSE; or
- c) Close out open positions at an arbitrated value, should it not consider the last settlement price to be representative.

In each case, the Exchange may also index the settlement value by arbitrating an opportunity cost from the expiration date to the effective cash settlement date. Regardless of the situations described above, at any time the Exchange may close out open positions by using an arbitrated value, should there be any event, at its discretion, hindering the price discovery process and/or the continuity of this contract.

**11. Further provisions**

- 11.1.** This contract shall be subject, where applicable, to the legislation in force and to BM&FBOVESPA rules, regulations and procedures, as defined in its Bylaws, Operating Rules and Circular Letters, as well as to the specific rules set forth by the Brazilian governmental authorities that may affect the terms stated herein.

- 11.2.** Should there be situations not covered by this contract, as well as governmental measures and any other fact that affect the formation, calculation or disclosure of its variables, or even imply their discontinuity, BM&FBOVESPA may at its own discretion take the measures it deems necessary for the contract's cash settlement or continuity on equivalent basis.
- 11.3.** The BSE Index Committee meets quarterly to discuss questions related to the index's methodology. If there is a change to the constituent parts of the index, the announcement of stocks entering or leaving the portfolio is made six weeks prior to effective index revision. The other balancing and calculation rules are available on the BSE website.
- 11.4.** The BM&FBOVESPA website has information about the S&P BSE SENSEX Index Methodology, public holidays and events that result in no opening or trading in the underlying asset on BSE.