US Dollar-Denominated Ethanol Futures Contract  
– Specifications –

1. Definitions

**Contract (specifications):** The terms and rules under which the transactions shall be executed and settled.

**Settlement price (PA):** The closing price, for the purpose of updating the value of open positions and calculating the variation margin and the settlement value of day trades, calculated and/or arbitrated daily by BM&F, at its own discretion, for each authorized delivery month, and expressed in Dollars of the United States of America per cubic meter of anhydrous fuel alcohol (ethanol).

**BM&F exchange rate benchmark:** The exchange rate of Brazilian Reals per United States Dollar described in Attachment III of Circular Letter 058/2002-DG, of April 19, 2002.

**PTAX:** The exchange rate of Brazilian Reals (R$) per U.S. Dollar for cash delivery, traded in the foreign exchange market, pursuant to the provisions of Resolution No. 3265/2005 of the National Monetary Council (CMN), calculated and published by the Central Bank of Brazil (BACEN) through SISBACEN, transaction PTAX800, option “5,” closing offered quotation, for settlement in two days, utilizing the maximum of six decimal places, also published by BACEN with the denomination “closing PTAX,” pursuant to Communication 10742, of February 17, 2003, corresponding to the last day of the month preceding the delivery month.

**Free on truck:** Commodity loaded on trucks at the port terminal for the account and at the risk of the seller. The seller’s responsibility ceases with the arrival of the commodity at the terminal.

**Terminal:** Depository facilities authorized to receive the commodity at the Porto of Santos.

2. Underlying commodity

Anhydrous fuel alcohol (ethanol), in accordance with the technical specifications described below:

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Unit</th>
<th>Specifications</th>
<th>Methods of analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appearance</td>
<td>–</td>
<td>Clear and free of suspended matter</td>
<td>Visual</td>
</tr>
<tr>
<td>Color</td>
<td>–</td>
<td>Colorless to slightly yellow</td>
<td>Visual</td>
</tr>
<tr>
<td>Total acids (as acetic acid)</td>
<td>mg/l</td>
<td>30 max.</td>
<td>–</td>
</tr>
<tr>
<td>Electric conductivity</td>
<td>µS/m (4)</td>
<td>500 max.</td>
<td>9866</td>
</tr>
<tr>
<td>Specific mass at 20ºC</td>
<td>kg/m³</td>
<td>791.5 max.</td>
<td>10547</td>
</tr>
<tr>
<td>Alcohol content</td>
<td>°INPM (5)</td>
<td>99.3 min.</td>
<td>5992</td>
</tr>
<tr>
<td>Ethanol content (6)</td>
<td>%vol.</td>
<td>99.6 min.</td>
<td>5992</td>
</tr>
<tr>
<td>Hydrocarbon content (7)</td>
<td>%vol.</td>
<td>0.00 max.</td>
<td>–</td>
</tr>
<tr>
<td>Copper</td>
<td>mg/kg</td>
<td>0.07 max.</td>
<td>D5501</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>D1722</td>
</tr>
</tbody>
</table>

(1) Brazilian Association for Technical Standardization.
(2) Brazilian standard.
(3) American Society for Testing and Materials. The described methods may be used as alternative methods for imported alcohol characteristic evaluation, with the exception of the ASTM D4052 method, which can always be used as an alternative method to determine specific mass.
(4) MicroSiemens/meter.
(5) Brazilian National Institute of Weights and Measures.
(6) Required when ethanol is not produced from sugar cane fermentation.
(7) Limits required for importation and distribution. For the producers to issue the Quality Certification, an analysis is not required. For the domestic market, hydrocarbon is allowed at the limit of 3% of the volume, in accordance with ABNT/NBR 13993.

3. Price quotation

United States Dollars per cubic meter (1,000 liters) of ethanol, as defined in item 2, to two decimal places, free of all tax-related and non-tax-related charges.
4. Minimum price fluctuation
   US$0.01 (one cent of a US Dollar) per cubic meter.

5. Maximum daily price fluctuation
   As established by BM&F.
   The price fluctuation limit for the first month shall be suspended on the last three days of trading.
   The Exchange may alter the price fluctuation limit applicable to any contract month at any time, even during a trading session, by communicating this to the market with a 30 minute-advance notice.

6. Contract size
   30 cubic meters (30,000 liters) at 20°C (Celsius).

7. Delivery months
   All months.

8. Number of authorized delivery months
   As authorized by BM&F.

9. Last trading day
   The last business day preceding the delivery month. On that day, position transfers, opening of new short positions, or day trades shall not be allowed.

10. Business day
    10.1 For the purposes of this contract, a trading day at BM&F shall be considered a business day.
    10.2 For the purposes of the payment and receipt of amounts, as referred to in items 11, 12, 14.5, 17 and 19.3, a day that is not a banking holiday in New York, USA, and is a trading day at BM&F shall be considered a business day.

11. Day trading
    Buying and selling on the same trading session the same number of contracts for the same month shall be offset provided these transactions are executed on behalf of the same customer through the same Brokerage House and registered by the same Clearing member, or performed by the same Local and registered by the same Clearing Member. These transactions shall be cash settled on the following business day, and their amounts shall be calculated in accordance with item 12(a), in observance of the provisions set forth in item 20, where applicable.

12. Daily settlement of accounts (variation margin)
    The positions outstanding at the end of each session shall be marked-to-market according to that day’s settlement price, as determined by BM&F rules and regulations. The corresponding amount shall be cash settled on the following business day, in observance of the provisions set forth in item 20, where applicable.
    The variation margin shall be calculated up to the last trading day by the following formulas:
    (a) For the positions initiated on the day
        $AD_t = (PA_t - PO) \times 30 \times n$
    (b) For the positions outstanding on the previous day
        $AD_{t-1} = (PA_{t-1} - PA_{t-1}) \times 30 \times n$

    Where:
    $AD_t$ = the variation margin value;
    $PA_t$ = the day’s settlement price;
    $PO$ = the trading price;
    $n$ = the number of contracts;
    $PA_{t-1}$ = the previous day’s settlement price.
    The variation margin value ($AD_t$), calculated as shown above, if positive, shall be credited to the buyer and debited to the seller. Should the calculation above present a negative value, it shall be debited to the buyer and credited to the seller.

13. City of price formation and delivery point definition
    13.1 The city of price formation of the free on truck commodity is the Port of Santos, State of São Paulo, Brazil.
    13.2 For domestic deliveries, the delivery points shall be the Exchange-licensed depositories published by BM&F; for international market deliveries, the delivery points shall be the terminals authorized to receive ethanol at the Port of Santos.

14. Settlement conditions on expiration
    14.1 Period for tendering the Notice of Intention to Deliver
    The sellers who intend to deliver the commodity shall electronically register at BM&F a Notice of In-
tention to Deliver, through the Physical Delivery System, during the period that initiates on the sixth business day preceding the delivery month and terminates one hour after the closing of the trading session on the second business day preceding the delivery month.

14.1.1 On the last trading day, the Notices of Intention to Deliver registered by the sellers who have not offset their positions shall automatically become Delivery Notices in the Physical Delivery System.

14.2 Procedures for electronic registration and designation of Delivery Notices

Up to the date of electronic registration of the Notice of Intention to Deliver, the sellers, or their substitutes, shall mandatorily send their Brokerage Houses the documentation detailed in Annex I. The Brokerage House, in turn, must send said documentation to BM&F. BM&F shall designate the lots in the Notices of Intention to Deliver in accordance with the positions held by the buyers on a first in, first out basis. Said designation shall also follow a first in, first out basis.

The Delivery Notices shall be designated to the buyers on the first business day of the delivery month through the Physical Delivery System.

14.3 Third party assignment

14.3.1 The sellers residing in Brazil may assign a third party to make delivery of ethanol, provided they do so before the electronic registration of the Notice of Intention to Deliver.

14.3.2 The buyers may also assign a third party to take delivery of ethanol, provided they do so by no later than 16:00 (Brasília time) of the second business day of the delivery month.

14.3.3 It shall be mandatory for a nonresident seller to assign a resident in Brazil to whom delivery rights and obligations must be transferred.

14.3.4 It shall be mandatory for a nonresident buyer to appoint a legal representative to provide a terminal to unload the commodity for export, as well as to meet all further requirements as defined by the Foreign Trade Office (SECEX) of the Ministry of Development, Industry and Foreign Trade Ministry (MDIC).

14.3.5 The assigned customers must be registered at a member Brokerage House, in the terms of Annex X. The Brokerage House where the assigned customer is registered shall also be liable for providing all information needed for invoice purposes and for fulfilling all obligations arising from this contract up to its final settlement. Third party assignment must be made against the presentation of Annexes IX, X and XI.

14.3.6 When the original buyers assign third parties that choose to take delivery of ethanol for export at the Port of Santos' terminals, they shall tender to BM&F a Declaration of Fiscal Responsibility (in accordance with the example shown in Annex VIII) signed by their authorized legal representative.

14.3.7 In any situation, the original buyer and seller shall remain co-responsible for any of the obligations of the third parties they have assigned, up to the contract’s final settlement.

14.4 Physical delivery period and procedures

The physical delivery period and procedures shall be those listed in Annex II.

14.5 Delivery cash settlement

14.5.1 Payment

Payment by the buyer shall be made on the third business day of the delivery month. Both the payment by the buyer and the receipt of payment by the seller shall be made in observance of the provisions set forth in item 20, where applicable.

14.5.2 Foreign market

The funds transfer to the seller shall be made two business days after the delivery of the lot is evidenced by means of a Certificate of Ethanol Storage issued by the terminal on behalf of the seller, in observance to the provisions set forth in subitem 2(d) of Annex II.

14.5.2.1 In order to meet the request of the buyer that the purchase of the commodity resulting from the physical delivery of this contract is specifically destined for export, and after BM&F receives the Exportation Invoice Letter (Annex VI) and agrees on its content, the settlement value shall be calculated without the applicable taxes. In this case, the following formula shall apply:

\[ VL_e = C \times 30 \]

Where:

- \( VL_e \) = the total settlement value per contract to be invoiced;
- \( C \) = the settlement price on the business day preceding the Delivery Notice designation date.

14.5.2.2 There shall be a plus or minus 3% tolerance for the volume delivered per contract in relation to the settlement value established in subitem 14.5.2.1. Possible differences
shall be settled on the day delivery is to be concluded, in accordance with the following formula:

$$DL_e = C \times (V - 30)$$

Where:
- $DL_e$ = the difference in the cash settlement value per contract;
- $C$ = the settlement price on the business day preceding the Delivery Notice designation date;
- $V$ = the volume delivered against the corresponding contract and verified upon delivery of the commodity at the terminal (at 20°C), in accordance with the bill of sale.

Should the value of $DL_e$ be positive, it shall be credited to the buyer and debited to the seller. Otherwise, it shall be debited to the buyer and credited to the seller.

14.5.3 Domestic market

The funds transfer to the seller shall be made two business days after the lot delivery is evidenced by means of the processing of a fiscal document issued by the seller on behalf of the buyer, in observance to the provisions set forth in subitem 2(c) of Annex II. Should the buyer not withdraw the ethanol either totally or partially up to and including the twenty-second business day subsequent to the Delivery Notice designation date, the payment of the remaining balance to the seller shall occur on the twenty-fourth business day subsequent to and including the Delivery Notice designation date.

14.5.3.1 In the case of a physical delivery to the domestic market, the cash settlement value per contract shall be calculated by the following formula:

$$VL_i = \left[ \frac{C - F}{1 - (PIS + COFINS)} \right] \times 30$$

Where:
- $VL_i$ = the total cash settlement value per contract to be invoiced;
- $C$ = the settlement price on the business day preceding the Delivery Notice designation date;
- $F$ = the value of freight costs between the depository facility and the Port of Santos, if any, as per the freight cost table published by BM&F;
- $PIS, COFINS = Social Integration Program (PIS) tax and Social Security Financing (COFINS) tax.

14.5.3.2 There shall be a plus or minus 3% tolerance for the volume delivered per contract in relation to the settlement value established in subitem 14.5.3.1. Any possible differences shall be settled on the day delivery is to be concluded, in accordance with the following formula:

$$DL_i = \left[ \frac{C - F}{1 - (PIS + COFINS)} \right] \times (V - 30)$$

Where:
- $DL_i$ = the difference in the cash settlement value per contract;
- $C$ = the settlement price on the business day preceding the Delivery Notice designation date;
- $F$ = the value of freight costs between the depository facility and the Port of Santos, if any, as per the freight cost table published by BM&F;
- $PIS, COFINS = Social Integration Program (PIS) tax and Social Security Financing (COFINS) tax.
- $V$ = the volume delivered against the corresponding contract and verified upon withdrawal of the commodity from the depository facility (at 20°C), in accordance with the bill of sale.

Should the value of $DL_i$ be positive, it shall be credited to the buyer and debited to the seller. Should the opposite occur, it shall be debited to the buyer and credited to the seller.
14.6 Additional provisions

14.6.1 Taxes are not included in the formula found in subitem 14.5.2.1 due to the fact that the commodity has only been acquired exclusively for exportation, with both the buyer and the seller assuming responsibility for the principal and accessory obligations pursuant to current fiscal legislation.

14.6.2 Should current fiscal legislation establish the application of the PIS and COFINS taxes to the financial result of subitem 14.5.3.1, it shall be calculated by BM&F, in accordance with the information provided by both the seller and the buyer, and added to the cash settlement value. This information shall be mandatorily provided by the customers through their Brokerage Houses within the timeframe and in the form defined by BM&F.

The PIS and COFINS taxes, when applicable, shall be paid by the seller.

15. Ex-pit transactions

Ex-pit transactions shall be allowed up to the last business day preceding the date of presentation of the Notice of Intention to Deliver, provided the conditions established by BM&F are met. These transactions shall be published by BM&F, but shall not be subject to market interference.

16. Hedgers

Mills, refineries, producer cooperatives, fuel distributors, importers, exporters and suppliers of agricultural equipment.

17. Margin requirements

Margins shall be required from all customers holding open positions. Margin values shall be updated daily by the Exchange, in accordance with the margin calculation criteria for futures contracts. When the conversion of cash collateral is necessary, it shall be made in observance of the provisions set forth in item 20, where applicable.

18. Assets eligible to meet margin requirements

Those assets and securities accepted by the BM&F Derivatives Clearinghouse.

19. Trading costs

19.1 Transaction fees
Consist of the Exchange, Registration and Permanence Fees, which are calculated as per BM&F methodology.

19.2 Delivery Fee
Determined in accordance with the criteria established by BM&F. Common Members and institutional investors shall pay no more than 75% of the trading costs.

19.3 Due dates

19.3.1 The Exchange and Registration Fees shall be due on the first business day following the trading day, in observance of the provisions of item 20, where applicable.

19.3.2 The Permanence Fee shall be due on the day defined by BM&F.

19.3.3 The Delivery Fee shall be due on the third business day of the delivery month, in observance of the provisions of item 20, where applicable.

20. Additional provisions for cash settlement and cash collateral

The following shall apply to the payment and receipt of amounts resulting from day trades, variation margin requirements, physical deliveries and trading costs not expressed in Reals, as well as to the conversion of cash collateral:

20.1 Nonresidents
The amounts shall be payable and receivable in United States Dollars in New York, USA, through the settlement banks appointed by BM&F. The conversion of collateral pledged in United States Dollars shall be made by the BM&F exchange rate benchmark, as defined in item 1, verified on the trading day.

20.2 Residents
The amounts shall be in Reals, in accordance with the regular procedures of the BM&F Derivatives Clearinghouse. When the conversion of amounts paid and received is necessary, the BM&F exchange rate benchmark, as defined in item 1 and verified on a specific date according to the nature of each payment, shall be used as follows:

(a) Amounts resulting from day trades: the BM&F exchange rate benchmark verified on the trading day;
(b) Amounts resulting from variation margin requirements: the BM&F exchange rate benchmark verified on the day when the variation margin payment is due;
(c) Amounts resulting from physical deliveries: the BM&F exchange rate benchmark verified on the second business of the delivery month.

Bolsa de Mercadorias & Futuros
When conversion of the trading costs not expressed in Reals (Exchange, Registration and Delivery Fees) is necessary, the PTAX rate, as defined in item 1, shall be used.

21. Further provisions
This contract shall be subject to Annexes I through XI and, where applicable, to the legislation in force and to BM&F 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.
Annex I

Documentation to Be Sent to the Member Brokerage House upon the Electronic Registration of the Notice of Intention to Deliver by the Seller

1. Analysis report
   Analysis and identification report of the tank where the ethanol is stored. It must be valid for 22 business days, counted as from the Delivery Notice designation date, and it shall be issued by the depository facility.

2. Commodity ownership declaration (Annex III shows an example)
   To be issued and signed by the legal representative of the Exchange-licensed depository and the seller attesting that the commodity is free of any and all charges and debts, including those of a fiscal nature.

3. Provisional delivery order (Annex IV shows an example)
   To be issued and signed by the legal representative of the Exchange-licensed depository on behalf of BM&F authorizing BM&F to release the commodity to the buyer. In this same document, the legal representative of the Exchange-licensed depository attests that the storage, expedition and insurance expenses being paid covering a 22 business-day period, counted as from the Delivery Notice designation date.
Annex II
Physical Delivery Period and Procedures

1. Lot formation and corresponding obligations
When the seller tenders a Notice of Intention to Deliver, the ethanol must already be stored in Exchange-licensed depositories in 30 cubic meter lots. At its own discretion, BM&F may ask an Exchange-licensed Quality Supervisor to issue a Certificate of Analysis and Classification, in order to attest to the quantity and quality of the total lots to be delivered under penalty of the Delivery Notice being canceled and the depository losing its license.

The ethanol lots cannot be stored in more than one Exchange-licensed depository. Each lot represents a unit of the contract size.

The commodity stored in Exchange-licensed depositories shall be covered by insurance for 22 business days, counted as from the Delivery Notice designation date.

2. Ethanol transfer, delivery and withdrawal
(a) The buyers that are designated to take delivery must send to BM&F, through their Brokerage Houses, the Delivery Schedule (Annex V), in order to identify whether the ethanol shall be destined to the domestic market (seller’s depository facility) or to the foreign market (terminal), as well as the information required for invoicing, before 6:00 (Brasília time) of the second business day of the delivery month. Should delivery be made abroad, the buyer must also send an Exportation Invoice Letter (Annex VI). The original Exportation Invoice Letter must be tendered to BM&F by no later than 16:00 (Brasília time) of the fourth business day subsequent to and including Delivery Notice designation date.

(b) By no later than the third business day of the delivery month, and in possession of the information corresponding to the buyer designated by BM&F or the assigned party, the seller must transfer the ethanol to the buyer and issue the bill of sale for invoice purposes, where the seller must print all information required by law and the Delivery Notice numbers. A facsimile of the bill of sale must be sent to BM&F on the third business day of the delivery month. The original bill of sale must be tendered to BM&F before 16:00 (Brasilia time) of the fourth business day of the delivery month. When this is the case, the bill of sale must identify the addressee as the exporter and indicate the circumstances for release from taxation, with the addition by name of all applicable statutes, and others that are required.

(c) In the case of delivery to the domestic market, the buyer shall be responsible for withdrawing the ethanol from the seller’s depository facility by presenting the Delivery Schedule (Annex V), which must be sent to BM&F before 16:00 (Brasília time) of the third business day of the delivery month. The identification of the tank where the ethanol is stored must be included in the fiscal document of delivery to be issued by the seller. The delivery regularity shall conform to the Delivery Schedule (Annex V) and must occur between the fifth and the twentieth second business day of the delivery month. In this case, the quantity delivered each day must be comprised of between 1/8 and 1/9 of the total to be delivered.

(d) In the case of delivery to the foreign market, the seller must deliver the ethanol at the terminal indicated by the buyer in accordance with the Delivery Schedule (Annex V), which must be sent to BM&F before 16:00 (Brasilia time) of the third business day of the delivery month. The identification of the terminal where the ethanol is to be delivered must be included in the fiscal document of delivery to be issued by the seller. The delivery regularity shall conform to the Delivery Schedule (Annex V) and must occur between the fifth and the twenty-second business day of the delivery month. In this case, the quantity delivered each day must be comprised of between 1/8 and 1/9 of the total to be delivered.

(e) Alternatively, delivery can be made under a mutual agreement by the parties. Such an agreement must be notified to BM&F by no later than the third business day subsequent to and including the Delivery Notice designation date, thus exempting BM&F from any responsibility regarding the delivery period and process.

(f) Transportation
(f.1) In the case of delivery to the domestic market, the buyer must provide enough transportation to meet the Delivery Schedule. The vehicles must register their arrival at the depository facility during its working hours. Loading must occur within 24 hours, counted as from the arrival of the vehicle at the licensed depository indicated for delivery. Should any delay occur in the scheduled delivery, the licensed depository shall reprogram the delivery of the delayed quantity, parceling it into the following periods in an attempt to secure the least possible change in the previously scheduled delivery program.

(f.2) In the case of delivery to the foreign market, the seller must provide enough transportation to meet the Delivery Schedule. The vehicles must register their arrival at the terminal during its working hours. Loading must occur within 24 hours, counted as from the arrival of the vehicle at the terminal indicated for delivery. Should any delay occur in the scheduled delivery, the seller shall reprogram
the delivery of the delayed quantity, parceling it into the following periods in an attempt to secure the least possible change in the previously scheduled delivery program.

(g) The buyer must send to BM&F the Declaration of Quality and Delivery (TQR) (Annex VII) by no later than 09:00 (Brasilia time) of the twentieth third business day subsequent to and including Delivery Notice designation date.

(h) The procedure referred to in subitem (g) means that BM&F shall consider the corresponding lot(s) to have been delivered and settled.

(i) Liability for expenses or losses
   (i.1) On the day subsequent to the end of the withdrawal period in the case of delivery to the domestic market, the buyer shall assume all responsibilities for any expenses or losses that may result from the lack of withdrawal, without prejudice to any applicable penalties, pursuant to the provisions of set forth in item 3 of this Annex.
   (i.2) On the day subsequent to the end of the withdrawal period in the case of delivery to the foreign market, the seller shall assume all responsibilities for any expenses or losses that may result from the lack of withdrawal, without prejudice to any applicable penalties, pursuant to the provisions of set forth in item 3 of this Annex. The seller shall not be liable for lack of space at the terminal indicated by the buyer, and the shall be responsible for any resulting expenses or losses, without prejudice to any applicable penalties, pursuant to the provisions set forth in item 3 of this Annex.

(j) The buyer is responsible for contracting and paying the freight costs to withdraw the stored commodity from the Exchange-licensed depository, in the case of delivery to the domestic market.

(k) The seller is responsible for contracting and paying the freight costs to withdraw the stored commodity from the Exchange-licensed depository, in the case of delivery to the foreign market.

(l) BM&F shall only accept the refusal of a depository to load a vehicle (for the domestic market) against the presentation of an inspection form that justifies the reason for the refusal.

3. Penalties
   (a) The delay in sending to BM&F the data for invoice purposes, the Exportation Invoice Letter, the Delivery Schedule and the bill of sale by the seller, as established in subitems 2(a) through 2(b) of this Annex, shall result in the application of a minimum fine by BM&F, at its own discretion and in its favor, of 1% per day of the settlement value to be paid by the party at fault.

   (b) The buyer’s delay in delivering the TQR, as established in subitem 2(g), shall imply the application of a minimum fine, at BM&F’s discretion and in its favor, of 1% per day of the settlement value to be paid by the buyer.

   (c) The lack of space at the terminal shall subject the violator/buyer (foreign market) to the payment of a minimum fine, at BM&F’s discretion and in its favor, of 3% of the settlement value.

   (d) The nonfulfillment of the delivery and/or withdrawal period, pursuant to the provisions set forth in subitems 2(c) and 2(d) of this Annex, shall subject the violator to a minimum fine, at BM&F’s discretion and in its favor, of 3% of the amount of the undelivered or not withdrawn commodity. Any new incidence shall imply a new penalty, pursuant to the aforementioned provisions.

   - The fine shall not be applied to the seller should the depository prove that it was not responsible for the delivery delay, in the case of delivery to the domestic market. In the case of the foreign market, the fine shall not be applied when delivery is evidenced by the seller by presenting the arrival registration of the vehicle at the terminal indicated by the seller.

   - The fine shall not be applied to the buyer should the buyer prove that he/she/it was not responsible for not taking delivery on time, in the case of delivery to the domestic market, by presenting the arrival registration of the vehicle at the depository facility, in accordance with the Delivery Schedule. In the case of the foreign market, the buyer must prove that he/she/it was not responsible for the delivery delay.

   (e) If a physical delivery cannot made due to changes in current regulations or to any other reasons recognized by BM&F as force majeure or act of God, BM&F may, at its own discretion, decide to cash settle the transaction by defining the applicable prices.

4. Analysis and inspection
   (a) After the vehicle has loaded the ethanol, the depository shall analyze the commodity in its laboratory, in accordance with the contract technical specifications. The person responsible for transporting the ethanol shall follow the sample/analysis procedure and sign the analysis report, which must be filed at the depository up to the contract’s settlement.

   (b) Should the buyer not agree with the quality of the delivered ethanol, he/she/it can request through his/her/its Brokerage House a BM&F inspection by no later than the business day subsequent to the ethanol withdrawal from the depository or its delivery at the Port of Santos.

   In the case of delivery to the domestic market, BM&F shall ask a Quality Supervisor to analyze the tank where the alcohol was stored at the depository. In the case of delivery to the foreign market, BM&F shall ask a licensed Quality Supervisor to analyze the ethanol loaded in the vehicle.
Should the Certificate of Analysis and Classification conform to the lot quality, BM&F shall consider the corresponding lot(s) to be delivered. Otherwise, the ethanol shall be rejected and shall have to be replaced within two business days at the same volume and with the same quality, as established in the contract specifications.

(c) Should the Certificate of Analysis and Classification be favorable to the buyer, the withdrawal or delivery period, the free-storage period and the period for the transfer of the settlement value to the seller shall be extended for the same duration of the issuance of the Certificate of Analysis and Classification.

(d) Should the ethanol be once again delivered outside of these contract specifications, the seller shall be declared a defaulter to BM&F, which shall proceed pursuant to the provisions set forth in its Bylaws, in addition to charging the seller a 3% fine per day of delay in the product’s delivery, calculated on the settlement value, counted as from the date established for the replacement of the original delivery.

(e) The costs involving the inspection services shall be paid by the seller when the ethanol is rejected, or by the buyer when the ethanol conforms to these contract specifications and the bill of sale.
Annex III

COMMODITY OWNERSHIP DECLARATION

To the
BRAZILIAN MERCANTILE & FUTURES EXCHANGE (BM&F)
Attn.: Derivatives Clearinghouse, Settlement Department
São Paulo, SP

Pursuant to the provisions of the US Dollar-Denominated Ethanol Futures Contract, we hereby declare under our sole responsibility that the lots specified below are of our exclusive ownership and that they are free of any and all charges, including fiscal and tax debts.

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<th>Characteristics</th>
<th>Units</th>
<th>Method of analysis</th>
<th>Tank</th>
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Note: The corresponding Notice of Intention to Deliver shall be issued on my/our behalf through __________ __________ Brokerage House.

Yours sincerely,

_____________________________________  __________________________________________
(seller’s name and signature)           (depository’s name and signature and position of responsible party)
Annex IV

(Exchange-licensed depository’s letterhead)
(place and date)

PROVISIONAL DELIVERY ORDER

To the
BRAZILIAN MERCANTILE & FUTURES EXCHANGE (BM&F)
Attn.: Derivatives Clearinghouse, Settlement Department
São Paulo, SP

The depositor, ___________________________, hereby authorizes the delivery to this Exchange of the commodity of its ownership stored in our depository facility, as listed below:

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Storage, expedition and insurance expenses have been paid by the depositor and cover a 22 business day period, counted as from the Delivery Notice designation date.

Yours sincerely,

_____________________________________
(depository’s name and signature and position of responsible party)

Annex V

(buyer’s letterhead)
(place and date)

DELIVERY SCHEDULE

To the
BRAZILIAN MERCANTILE & FUTURES EXCHANGE (BM&F)
Attn.: Derivatives Clearinghouse, Settlement Department
São Paulo, SP

We hereby declare that our company, _________________________ (name), located in the city of _________________________, will withdraw/receive the lots listed below at _________________________ (depository facility or terminal) and distribute daily their delivery as of __/__/____, in observance of the number sequence, pursuant to BM&F’s rules or as established by mutual agreement with _________________________ (name of buyer or assigned customer), thus exempting BM&F from any interference (in case of an agreement reached by the parties):

<table>
<thead>
<tr>
<th>Delivery day</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Yours sincerely,

_____________________________________
(buyer’s name and signature and position of responsible party)
Annex VI
Exportation Invoice Letter

(buyer’s letterhead)
(place and date)

To the
Brokerage House
(address)

Re.: Exportation Invoice Letter.

We hereby inform that the __________ cubic meters of ethanol corresponding to the physical delivery of ______ futures contracts (delivery month of ________________) are destined to exportation. Therefore, we hereby request the invoice to be made by the seller without the amounts corresponding to the taxation (including PIS and COFINS) that would apply should the ethanol be destined to the domestic market.

In view of the above and without prejudice to the responsibility we have already assumed by virtue of the provisions of the US Dollar-Denominated Ethanol Futures Contract and the rules and regulations established by BM&F, we take full responsibility: (i) for effecting the aforementioned exportation; (ii) for evidencing it properly by presenting to the seller the applicable fiscal documentation, within the established time frame; and (iii) for any damage or loss suffered by the seller, by your Brokerage House, or by BM&F as the result of any delay in the fulfillment of the obligations referred to herein or of the failure in their fulfillment.

Yours sincerely,

____________________________________
buyer (authorized signature)

Agreed:

____________________________________
Brokerage House (authorized signature)
To the
Brokerage House
(address)

DECLAREMENT OF QUALITY AND DELIVERY (TQR)

We hereby declare that __________________________ (buyer’s name), as the result of transactions in BM&F’s
Ethanol Futures Market corresponding to the ________ delivery month, we have received from ______
________________________ (seller’s name) _________________________________ (quantity) lots of ethanol
stored/delivered at the depository/terminal ________________________________ (name) in the city
of _______________________; and that such lots thoroughly meet the contracted specifications.
In evidence of our full conformity with this delivery, we execute this declaration this day of _____________________
(date) in ____________________ (place).

Quantity delivered and invoiced.

____________________________________
Brokerage House/buyer/receiver
Annex VIII

To the Brokerage House
(address)

DECLARATION OF FISCAL RESPONSIBILITY
(For the foreign market only)

___________________________ (buyer—particulars, including of the individuals that represent the buyer) hereby declares for the due legal purposes that he/she/it assumes responsibility for the possible tax incidence upon the ethanol to be received from ___________________________ (seller—particulars) by reason of the long position assumed by _____________________ (assigned customer) in the Brazilian Mercantile & Futures Exchange (BM&F) Ethanol Futures Market.

(place and date)

____________________________________
buyer (authorized signature properly evidenced)

Agreed:

(place and date)

____________________________________
Brokerage House (authorized signature properly evidenced)
Annex IX

To the
Brokerage House
(address)

DECLARATION OF ASSUMPTION OF RESPONSIBILITY

In the best legal form, we hereby declare that as of this date we are assuming as the assigned buyer/seller the long/short position of the customer identified below and that as the assigned buyer/seller we take responsibility for withdrawing/taking delivery or making delivery of the commodity underlying the contract also listed below.

We also declare that as a customer of the Brokerage House (name) we are aware of and commit to observe the provisions of the Brazilian Mercantile & Futures Exchange (BM&F) Bylaws and the BM&F Derivatives Clearinghouse Rulebook, as well as the specifications of the contracts traded in the BM&F systems and the obligations corresponding to the transactions executed in said systems, especially those related to the physical delivery of the US Dollar-Denominated Ethanol Futures Contract.

ORIGINAL BUYER/SELLER DATA

CONTRACT’S COMPLETE DATA

(place and date)

____________________________________
assigned buyer/seller (authorized signature properly evidenced)

Furthermore, ____________________________ (assigned buyer’s/seller’s Brokerage House) takes all of the responsibilities for its assigned customer, pursuant to the provisions set forth in the Brazilian Mercantile & Futures Exchange (BM&F) Bylaws and further regulations, as well as in the BM&F Derivatives Clearinghouse Rulebook.

Agreed:

(place and date)

____________________________________
assigned buyer’s/seller’s Brokerage House
(authorized signature properly evidenced)
Annex X

To the
Brokerage House
(address)

Re.: Third Party Assignment for Physical Delivery.

We hereby indicate ________________________________ (name and particulars) as the assigned buyer/seller to withdraw/take delivery or make delivery of __________________ (quantity) lots of ethanol (indicate delivery month and other needed data), pursuant to the provisions set forth in the US Dollar-Denominated Ethanol Futures Contract, the Brazilian Mercantile & Futures Exchange (BM&F) Bylaws and further regulations, as well as in the BM&F Derivatives Clearinghouse Rulebook.

Pursuant to such rules and regulations, we hereby take all of the responsibilities that directly or indirectly result from such an assignment, especially in regard to the obligations of the third party thus assigned, for which we remain jointly and subsidiarily responsible.

______________________________________
original buyer/seller (authorized signature properly evidenced)

Furthermore, ________________________________ (assigned buyer’s/seller’s Brokerage House) takes all of the responsibilities for its customer, in addition to any possible unfulfilled obligations by the assigned party and the latter’s Brokerage House, pursuant to the provisions set forth in the Brazilian Mercantile & Futures Exchange (BM&F) Bylaws, as well as in the BM&F Derivatives Clearinghouse Rulebook.

Agreed:

(place and date)

______________________________________
assigned buyer’s/seller’s Brokerage House
(authorized signature properly evidenced)
Annex XI

To the
BRAZILIAN MERCANTILE & FUTURES EXCHANGE (BM&F)
Attn.: Derivatives Clearinghouse, Settlement Department
São Paulo, SP

Re.: Third Party Assignment for Physical Delivery.

We hereby inform that, by order and for the account of customer ______________________________ (number and name), customer ______________________________ (number, name and particulars) has been indicated as the assigned seller/buyer to withdraw/take delivery or make delivery of ____________ (quantity) lots (or Delivery Notices numbers) of ethanol (indicate delivery month). At the same time, the referred customer has also assumed all obligations and requirements determined by the Brazilian Mercantile & Futures Exchange (BM&F) contract, Bylaws and further regulations, as well as by the BM&F Derivatives Clearinghouse Rulebook, up to the contract’s final settlement, as per the attached declaration.

Yours sincerely,

_____________________________________
(stamp and signature of the Brokerage House’s legal representative)