

U.S. Dollar Futures Contract Specifications

1. Underlying asset

The exchange rate of Brazilian Reals (R\$) per U.S. Dollar for cash delivery, according to the provisions of Resolution No. 1690/'90 of the National Monetary Council (CMN).

2. Price quotation

Brazilian Reals per US\$1,000.00 to three decimal places.

3. Minimum price fluctuation

R\$0.50 per US\$1,000.00.

4. Maximum daily price fluctuation

5% on the previous day's settlement price of the traded month.

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.

5. Contract size

US\$50,000.00.

6. Contract months

All months.

7. Number of authorized contract months

Maximum of twenty-four, as authorized by BM&F.

8. Last trading day

The last business day of the month preceding the contract month.

9. Expiration date

The first business day of the contract month.

10. Day trading

Buying and selling on the same day the same number of contracts for the same contract month shall be offset provided the transactions are executed on behalf of the same customer through the same Commodities 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 11(a).

11. Daily settlement of accounts

The positions outstanding at the end of each session shall be settled according to the day's settlement price, as determined by BM&F rules and regulations, and cash settled on the following business day. For the first two contract months, the settlement price shall be established by the average price of all trades during the last 15 minutes of trading or by an arbitrated price; for the others, the settlement price shall be established on the closing call.

The daily settlement of accounts shall be calculated by the following formulas:

(a) For the positions initiated on the day

$$AD = (PA^t - PO) \times M \times n$$

(b) For the outstanding positions

$$AD = (PA^t - PA^{t-1}) \times M \times n$$

where:

AD = the daily variation margin payment;

PA^t = the day's settlement price;

PO = the trading price;

M = the contract multiplier, established as 50;

n = the number of contracts;

PA^{t-1} = the previous day's settlement price.

The daily settlement value, if positive, shall be credited to the buyer and debited to the seller; if negative, it shall be debited to the buyer and credited to the seller.

12. Settlement conditions on expiration

On the expiration date, open positions shall be cash settled by BM&F by means of the registration of an offsetting transaction (long or short) on the same number of contracts, according to the following formula:

$$VL = (TC \times 1,000) \times M$$

where:

VL = the cash settlement value per contract;

TC = the exchange rate of Brazilian Reals per U.S. Dollar for cash delivery, according to the provisions of Resolution No. 1690/'90 of the National Monetary Council, defined as the average offered rate calculated by the Central Bank of Brazil, according to its criteria, broadcast by SISBACEN, transaction PTAX800, option 5 (closing quotation), to four decimal places, and verified on the last day of the month immediately preceding the contract month, even if that day is not a trading day at BM&F;

M = as defined in item 11.

Cash settlement shall be made on the same day as the expiration date.

• **Special provisions**

Should the Central Bank of Brazil not disclose the exchange rate of the last day of the month immediately preceding the contract month, BM&F may, at its discretion:

(a) postpone the contract settlement up until an official disclosure; or

(b) cash settle open positions by using the settlement price of the last trading day or an arbitrated value.

In either case, BM&F may also index the settlement value by arbitrating an opportunity cost from the expiration date to the effective cash settlement date.

Furthermore, should the Central Bank interrupt the daily disclosure of the exchange rate or in the case of situations that hinder the free functioning of the cash market, BM&F shall terminate the negotiation of this contract and cash settle open positions based on the last available settlement price or by using an arbitrated value, at its own discretion.

BM&F may still arbitrate a value should it not consider both the exchange rate disclosed by the Central Bank or the last available settlement price to be representative, at its own discretion.

13. Hedgers

Institutions authorized by the Central Bank of Brazil to trade U.S. Dollars and other companies whose basic activity is related to the transactions regulated for this market.

14. 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.

15. Assets eligible to meet margin requirements

Cash, gold, shares of the Fund for Brokers' Financing (FIF), and upon former approval by the Exchange, federal government bonds, private securities, letters of credit, shares of stocks, and equity fund units.

16. Trading costs

• **Basic Commission Rate**

Regular trading: 0.20%; day trading: 0.10%.

The Basic Commission Rate, which shall be subject to a minimum value established by the Exchange, shall be applied to the following basis of calculation:

$$BC = (PA^{t-1} \times M)$$

where:

BC = the basis of calculation;

PA^{t-1} = the previous day's settlement price of the first contract month;

M = as defined in item 11.

• **Exchange Fee**

1.50% of the Basic Commission Rate. The Exchange Fee for the transactions performed during the last two trading sessions of a contract month and for the positions to be cash settled on the expiration date shall be based upon the minimum commission rate.

• **Registration Fee**

A fixed value established by BM&F.

Trading costs shall be due on the business day following the trading day.

Common Members shall pay no more than 75% of the Basic Commission Rate and 75% of the Registration and Exchange Fees.

Institutional investors shall pay 75% of the Registration and Exchange Fees.

17. Further regulations

This contract shall be subject, 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 specific rules and regulations set forth by the Brazilian government authorities that may affect the terms herein stated.

Should there be situations not covered by this contract, as well as governmental measures that affect the formation, calculation or disclosure of its variables, or even imply their discontinuity, BM&F shall take at its own discretion the measures it deems necessary for the contract's cash settlement or continuity on equivalent basis.