General Conditions

Financial Derivatives Segment

MEFF

Sensitivity: C2 Internal

Contents

1 General Characteristics

1.1 Introduction

These General Conditions develop the Rule Book of MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A., SOCIEDAD UNIPERSONAL (Hereinafter MEFF or Exchange), being an integral part of it, in accordance with Article 1.1, and establish the characteristics of the Contracts that are part of Financial Derivatives Segment and that are traded on MEFF.

The entity in charge of the registration of the Contracts which are part of this Segment is BME CLEARING, S.A., SOCIEDAD UNIPERSONAL, (BME CLEARING or CCP).

According to Article 13 of the Rule Book of MEFF, the entity responsible for the clearing and settlement of Contracts and to give them counterparty shall be the Central Counterparty BME CLEARING, SAU, (BME CLEARING or CCP) with which MEFF has reached the appropriate agreements so that it takes care of the counterparty, clearing and settlement of contracts traded on MEFF.

The General Conditions are divided into separate sections, the first one dedicated to General Characteristics, whose provisions apply to all contracts that are part of the Financial Derivatives Segment. The subsequent sections relate to the specific characteristics of each of these Contracts and include their complete description, detailing the characteristics relating to trading on MEFF.

The date of entry into force of these General Conditions and, if applicable, of each of the sections relating to the Contracts, shall be communicated in due course.

1.2 Definitions

The terms used in the regulation on Financial Derivatives Segment have the same meaning as provided in MEFF Rule Book, unless expressly stated another scope or meaning in any of the cases where they are used.

Additionally, the following terms will be applicable, used in the contracts technical specifications, as well as the provisions contained in these General Conditions relating to both trading on MEFF as to the activities of counterparty, clearing and settlement that will take place on BME CLEARING:

Close a Contract: To perform a Trade of opposite sign to another already registered.

To Close a Position: To close all Contracts in a position.

Deferral Payments or Flows: Additional settlements carried out by BME CLEARING as a consequence of the non-existence of the roll over operation in the xRolling Stocks contracts, in order to carry out the daily settlement of the interest rates as their quotation is equal to the Underlying Asset.

Exercise: Action whereby the buyer of an option makes use of its right to buy or sell the Underlying, or to obtain the amount resulting from the Cash Settlement.

Exercise Date: Day on which an Option may be exercised. The Exercise Date shall be set forth in the General Conditions of each Contract.

Liquidity Provider in xRolling or LP Member: Member of the Financial Derivatives Segment, in a xRolling Stocks Contract, acting on his own behalf or on behalf of a LP Client, to provide Liquidity to a xRolling Requesting Party.

Settlement Date: Day or dates on which settlement of a Contract takes place. The Settlement Date shall be set forth in the General Conditions of each contract.

Expiration Date: Day on which a contract expires. The Expiration Date shall be set forth in the General Terms and Conditions of each contract. In the case of the FX Rolling Spot Futures and the Stocks Rolling Spot Futures contracts, the Expiration Date will not exist, due to its perpetual character.

Variation Margin: Regular Cash Settlement of the differences between the Contract Price and the Settlement Price, or between the last Settlement Price and that of the calculation date for Contracts which were already open at the start of the calculation date. After this process, all affected Contracts shall be considered agreed at the Settlement Price. The BME CLEARING General Conditions of the Contracts may set forth that the Variation Margin be incorporated to the Initial Margins.

The Variation Margin shall be made with the regularity set forth in the General Conditions. Unless otherwise expressly provided, the Variation Margin shall be made on a daily basis.

Premium Settlement: Procedure whereby buyers of Options pay BME CLEARING the Premiums corresponding to such purchases and the sellers receive such Premiums from BME CLEARING.

Cash Settlement: Procedure whereby performance of the Contract on the Settlement Dates takes place only by transferring cash for the difference between the price or prices agreed in the Contract and the Settlement Price.

Settlement by Physical Delivery: Procedure whereby performance of the Contract on the Settlement Date takes place by delivery of the Underlying Asset by party who is obliged to sell, to the party who is obliged to buy, in exchange for the Delivery Price.

Closing Price: Price calculated by MEFF, according to provisions stated in the relevant Circular, as the final price of Contracts at the closure of the trading session.

Strike Price: Agreed price of the Option Contract, at which the buyer of an Option may buy (if it has acquired a Call Option) or sell (if it has acquired a Put Option) the Underlying Asset. The seller of the Option respectively undertakes to sell or buy the Underlying Asset, in the event that the purchaser exercises its rights. In the event that the Option Contract admits Cash Settlement, the Strike Price serves to determine the amount payable by the seller of the Option.

Delivery Price: The price paid for the Underlying Assets in Contracts with Settlement by Physical Delivery.

Future Price: Price agreed in a Future Contract. The agreed price is adjusted according with the Variation Margin process.

Settlement Price: Price based on which a Cash Settlement is calculated, either on the Expiration Date or in advance.

Settlement Price at Expiration: Price based on which a Cash Settlement is calculated on the Expiration Date.

Periodical Settlement Price: Price based on which the Variation Margin and the Margins are calculated, with the regularity determined in the General Conditions of the Contracts.

Daily Settlement Price: Price based on which the Variation Margin and the Margins are calculated on a daily basis.

Registration Price: Price resulting from adjustments to contracts due to corporate events, that BME CLEARING will apply to all positions of the corresponding contracts class, registering the positions at the Price once the Daily Settlement of Profit and Loss for the Business Day prior to the date of adjustment has been done.

Requesting Party in xRolling or RP Member: Member acting on his own behalf or on behalf of a client in a xRolling Stocks Contract that will receive the provision of liquidity (hereinafter RP Client). The Requesting Party of xRolling Stocks will be the Requesting Member who will enter in the RFQ system the order on the xRolling Stocks Contract.

Premium: Amount which the buyer of an Option pays to the seller thereof.

Option Types: Call Options and Put Options.

1.3 Contracts

The following financial derivatives contracts listed on MEFF are part of the Financial Derivatives Segment.

The subsequent sections of the General Conditions detail the characteristics of each of these contracts:

- Index Futures.
- Index Options.
- Stock Futures.
- Stock options.
- Single Stock Dividend Futures.

- Futures on the 10 year Government Notional Bond (BONO 10).
- FX and Stocks Rolling Sport Futures.

The Market Trading Systems where the Financial Derivatives Segment contracts will be available for trading, will be established through the relevant Circular.

1.4 Members

Members shall need to make available to MEFF, in relation to Contracts belonging to this Segment, all necessary information so that MEFF may respond, in the deadlines and formats determined in each case, the information requirements by the CNMV or a Competent Authority, regarding all Transactions traded by these Members on MEFF.

MEFF Members will have to hold at least the non-clearing member condition, in any of the existing categories in each case, in BME CLEARING.

MEFF shall establish, in the relevant Circular, price and volume limits for orders entered into the Electronic Orders System.

1.5 Price Calculations and Adjustments

Registration Prices and adjustments made to the characteristics of contracts due to corporate events are calculated by MEFF. BME CLEARING shall use these prices for the corresponding settlements.

Settlement Prices will be determined by BME CLEARING in its General Conditions or by Circular.

1.6 Counterparty, Clearing and Settlement

The counterparty, clearing and settlement tasks of the Contracts belonging to the Financial Derivatives Segment will be carried out by BME CLEARING according to the provisions of the Rule Book of BME CLEARING and other applicable regulations.

1.7 Trading Schedule

The trading timetable in MEFF of the Financial Derivatives Segment shall be determined by Circular.

1.8 Dissemination of Information

MEFF shall disseminate in real time and at the end of the session, information regarding the executed Transactions with the price and volume information established in the MEFF Rule Book and in the relevant Circular developing it, attending to the Market Trading System.

2 Index Futures

2.1 Introduction

This section of the General Conditions describes the characteristics of Future Contracts on the IBEX index.

2.2 Underlying Asset

The Underlying Asset is any of the IBEX family indices managed and published by Sociedad de Bolsas S.A.

Rules regarding the calculation and composition of the IBEX indices are described in the Technical rules for the composition and calculation of the index, which is available at: http://www.bmerv.es/

2.3 Technical Specifications

The technical specifications of the Index Futures include a complete description of these contracts, including the characteristics relating to trading on the Exchange, as features regarding clearing, settlement and counterparty, which are carried out by BME CLEARING. Circulars mentioned will be MEFF Circulars unless otherwise stated.

2.3.1 Specifications of the Contracts with Standard Monthly Expiration

Underlying Asset:	IBEX Family index in accordance with the relevant Circular.
Multiplier:	In accordance with the relevant Circular.
Contract size:	The IBEX index times the Multiplier.
Expirations:	Potentially every month. Open contracts at expiration shall be made public by Circular.
Expiration Date:	The third Friday of the expiration month and if this falls on a holiday, it shall be the Working Day prior to it.
Contract Settlement Date:	First Business Day following the Expiration Date.
Last Dat for Trading (MEFF) and Registration (BME CLEARING)	The Expiration Date.
Futures Price Quotation:	In Index points with a minimum fluctuation set according to the quotation of the underlying asset and/or the Market practice, which will be established by Circular. The minimum fluctuation shall be different in pre-arranged trades between Members.

Daily Settlement of Gain and Losses:	Daily cash settlement of the difference with respect to the previous session's Daily Settlement Price (see section 2.6).
Settlement of Commissions:	First Business Day following the date of the Transaction.
Margins:	Established by BME CLEARING.
Closing price:	An approximation to the Market Price. The Calculation Method will be established by Circular.
Daily Settlement Price:	Established by BME CLEARING considering the MEFF Closing Price as a reference. On the Expiration day the Daily Settlement Price will be the Settlement Price.
Settlement Price at Expiration:	BME CLEARING will establish it by Circular according to the Technical Regulations for the composition and calculation of the Sociedad de Bolsas, S.A. indices or any document that may replace it.

2.3.2 Specifications of the Contracts with Standard Weekly Expiration

They will have same specifications as the Contracts with standard Expiration Date, but:

Expirations:	Potentially every week. Open contracts at expiration shall be made public by Circular.
Expiration Date:	The Friday of the expiry week and if this is a public holiday the preceding Business Day.
Settlement Price at Expiration:	See section 2.5.

2.3.3 Technical Specifications of IBEX Futures Contracts with Non-Standard Expiration Date

They will have same specifications as the Contracts with standard Expiration Date, but:

Expiration Date:	Any Working Day. The maximum expiration date shall be determined by Circular.
Settlement Price at Expiration:	If the expiration date and the settlement date of a standard contract are the same, the Settlement Price at Expiration shall be equal to the Settlement Price at Expiration of the standard contract expiring on the said date. For all other cases, Settlement Price at Expiration will be the Closing Price of the index published in the contract expiration date by Sociedad de Bolsas.

2.4 Means Of Contract Settlement at Expiration

Settlement at Expiration of Contracts shall be made by cash transfer of the difference with the Settlement Price at Expiration.

2.5 Settlement Price at Expiration

BME CLEARING will use the following methods to calculate the Settlement Price at Maturity.

2.5.1 Arithmetic Average Method

BME CLEARING will specify by Circular the contracts whose Settlement Price at Expiration is calculated according to this method.

For those contracts following this calculation method, the Settlement Price at the expiration shall be the arithmetic average of the index between 16:15 and 16:45 on the Expiration Date, taking one value per minute. The Settlement Price at Expiration shall be rounded to one decimal position.

For the calculation of the average, the value per minute shall be taken as the new value published immediately following the start of each minute according to the clock of the Sociedad de Bolsas.

If during any minute between 16:15 and 16:45 no new Index value is published, the last published value prior to the start of that minute shall be taken as the value for the calculation.

The above mentioned arithmetic average is calculated according to the following formula:

$$I_L = \sum_{i=1}^{30} i \Big/ 30$$

I_L = Settlement Value of the Index at the expiration of Contracts.

I = Value of the Index each minute.

2.5.2 Closing Price Method

BME CLEARING will specify by Circular the contracts whose Settlement Price at Expiration is calculated according to this method.

For those contracts following this calculation method, the Settlement Price at the expiration shall be the official closing of the index published by Sociedad de Bolsas in the Expiration Date.

2.5.3 Adjustment to the Above Mentioned Methods of Calculation of Settlement Price at Expiration

BME CLEARING will set by Circular, the necessary adjustments to the general rule for the calculation of the Settlement price at Expiration when, during all or part of the calculation period, (for arithmetic average method), or during the calculation of the Official Closing Price (for Closing Price method), any stock is suspended or enters into a volatility auction, or SIBE technical failure occurs.

2.6 Daily Settlement of Profits and Losses

The method to determine the Daily Settlement Price shall be established by BME CLEARING by Circular. On the Expiration Date, it shall coincide with the Settlement Price at Expiration.

3 Index Options

3.1 Introduction

This section of the General Conditions describes the characteristics of the Option Contracts on IBEX family indices Futures.

3.2 Technical Specifications

The technical specifications of the Index Options include a complete description of these contracts, including the characteristics relating to trading on the Exchange, as features regarding clearing, settlement and counterparty, which are carried out by BME CLEARING. Circulars mentioned will be MEFF Circulars unless otherwise stated.

3.2.1 Specifications of Contracts with Standard Exercise Price and Monthly Expiration Date

Underlying Asset:	One Future on IBEX family index of the same expiration. It will be defined by Circular.
Contract Multiplier:	The multiplier of the underlying Future.
Style of Option:	European (only can be exercised on the Exercise Date).
Types of Option:	Call and Put.
Expirations:	Potentially every month. Open contracts at expiration shall be made public by Circular.
Expiration Date:	The third Friday of the expiration month and, if it falls on a holiday, the previous Working Day.
Exercise Date:	The Expiration Date.
Means of Settlement at Expiration:	By cash for the difference between the Exercise Price and the Settlement Price at Expiration.
Settlement Price at Expiration:	It shall be the intrinsic value of the option premium See section 3.4.
Contract Settlement Date:	First Business Day following the Expiration Date.
Exercise:	Automatic for all Contracts which yields profits to their holders.
Last Day for Trading (MEFF) and Registration (BME CLEARING)	The Expiration Date.
Strike Prices:	In whole IBEX index futures points.
Premium Quotation:	In whole IBEX index futures points with a minimum fluctuation set according to the quotation of the underlying

	asset and/or the Market practice, which will be established by Circular. The minimum fluctuation shall be different in pre-arranged trades between Members.
Premium Settlement:	First Business Day following the date of Transaction.
Settlement of Commissions:	First Business Day following the date of Transaction.
Margins:	Established by BME CLEARING.
Closing Price:	The best estimate of the “fair market price”. The criteria will be established by Circular.

3.2.2 Specifications of the Contracts with Standard Exercise Price and Weekly Expiration Date:

They will have same technical specifications as contracts with standard monthly expiration, except:

Expirations:	Potentially every week. Open contracts at expiration shall be made public by Circular.
Expiration Date:	On Friday of the expiration week, and if this falls on Holliday, it shall be the prior Working Day.

Settlement Price at Expiration:	It will be the intrinsic value of the option premium. See Section 3.4.

3.2.3 Specifications of the Contracts with Standard Exercise Price and Daily Expiration Date:

They will have same technical specifications as contracts with standard monthly expiration, except:

Expirations:	Potentially any business day. Open contracts at expiration shall be made public by Circular.
Expiration Date:	The session of the current business day.
Settlement Price at Expiration:	It will be the intrinsic value of the option premium. See Section 3.4.

3.2.4 Specifications of the Contracts with Non-Standard Exercise Price and/or Expiration Date:

They will have the same specifications as contracts with standard strike price and monthly expiration, except:

Strike Price:	Any whole number.
Expiration date:	Any working day. Maximum period will be determined by Circular.
Settlement Price at Expiration:	It will be the intrinsic value of the option premium. See Section 3.4.

3.3 Means of Settlement at Expiration

Settlement at Expiration of Contracts shall occur through their automatic exercise if the Strike Price is better for the Option holder than the Settlement Price at Expiration for the underlying Futures Contract, and its corresponding cash settlement.

3.4 Settlement Price at Expiration

The Settlement Price of the options shall be equal to the intrinsic value of the premium given the strike price of each option and the settlement price at expiration of the underlying future.

To calculate the Settlement Price at Expiration of the underlying future, BME CLEARING shall use the following procedures.

3.4.1 Arithmetic Average

BME CLEARING will establish by Circular which contracts use this procedure to calculate the Settlement Price at Expiration.

For those contracts that follow this procedure the Settlement Price at the expiration shall be the arithmetic average of the Index between 16:15 and 16:45 on the Expiration Date, taking one value per minute. The Settlement Price at Expiration shall be rounded to one decimal position.

For the calculation of the average, the value per minute shall be taken as the new value published immediately following the start of each minute according to the clock of the Sociedad de Bolsas.

If during any minute between 16:15 and 16:45 no new Index value is published, the last published value prior to the start of that minute shall be taken as the value for the calculation.

The above mentioned arithmetic average is calculated according to the following formula:

$$I_L = \sum_{i=1}^{30} i \Big/ 30$$

I_L= Settlement Value of the Index at the expiration of Contracts.

i = Value of the Index each minute.

3.4.2 Closing Price

BME CLEARING will establish by Circular which contracts use this procedure to calculate the Settlement Price at Expiration

For those contracts that follow this procedure the Settlement Price at the expiration shall be the Index official closing price published by Sociedad de Bolsas at Expiration Date.

3.4.3 Adjustment to the Rules for the Calculation of the Settlement Prices at Expiration

BME CLEARING will set by Circular, the necessary adjustments to the general rule for the calculation of the Settlement price at Expiration when, during the calculation period, whether all or part of said period, (for the arithmetic average procedure), or during the calculation of the Official Closing Price (for the Closing Price procedure), one or several stocks are suspended or enter into a volatility auction, or SIBE technical failure occurs.

3.5 Conditions for the Introduction of New Series

3.5.1 Standard Contracts

MEFF shall introduce Series in such way that a minimum of five Exercise Prices per Expiration may be negotiated.

When a new expiration is introduced, a minimum of five Series of Call Options and five Series of Put Options will be introduced, with the same Expiration Date but with different Index Strike Prices, MEFF will make as many series as needed to cover different prices of the Underlying Asset.

3.5.2 Non Standard Contracts

MEFF will introduce free choice Series in order to admit for trading in the Exchange trades agreed directly between Exchange Members.

4 Stock Futures

4.1 Introduction. Members

This section of the General Conditions describes the characteristics of Stock Futures Contracts Listed on Spanish Stock Exchange Interconnection System, managed by the Sociedad de Bolsas or contracts whose reference market is another Stock Exchange recognized by MEFF.

4.2 The Underlying Securities

The Underlying Securities of the Stock Futures Contracts shall always be issued, fully subscribed shares whose reference market is the Stock Exchange Interconnection System managed by the Sociedad de Bolsas or shares whose reference market is another Stock Exchange recognized by MEFF.

Underlying Securities may be company shares listed on the Spanish Stock Exchange Interconnection System which MEFF shall establish by Circular. MEFF shall make public the first date of negotiation or admission to the registration of the Contracts with new Underlying Assets.

4.3 Technical Specification

The technical specifications of the Stock Futures include a complete description of these contracts, including the characteristics relating to trading on the Exchange, as features regarding clearing, settlement and counterparty, which are carried out by BME CLEARING. Circulars mentioned will be MEFF Circulars unless otherwise stated.

4.3.1 Specifications of Contracts with Standard Expiration Date

4.3.1.1 Stock Futures whose reference market is the Exchange Interconnection System operated by the Stock Exchange Company, with delivery settlement and standard expiration date

Underlying Security:	Shares of one of the companies determined by Circular.
Contract Size:	100 shares (except after adjustments pursuant to section 4.7 of this General Conditions).
Expirations:	Potentially every month. Open contracts at expiration shall be made public by Circular.
Expiration Date:	The third Friday of the expiration month and if this falls on holiday, it shall be the prior Working Day.

Means of Settlement:	Delivery of shares.
Delivery Price:	The Official Closing Price of the stock on the Date of Expiration.
Contract Settlement Date:	On the Date of Expiration, the stock cash trade takes place, which is settled on regular terms.
Last Day for Trading (MEFF) and Registration (BME CLEARING)	The Expiration Date.
Future Price Quotation:	In EURO per share, with a minimum fluctuation set according to the quotation of the underlying asset and/or the Market practice which shall be established by Circular. The minimum fluctuation shall be different in Trades negotiated directly between Members.
Daily Settlement of Variation Margin:	Daily, in cash, for the difference with respect to the prior day's Daily Settlement Price.
Commission Settlement:	First Business Day following the date of Transaction.
Margins:	Established by BME CLEARING.
Closing Price:	Will be the best estimate of the fair market price. The criteria will be established by Circular.
Daily Settlement Prices:	Established by BME CLEARING.

4.3.1.2 Stock Futures Settled by Differences with Standard Expiration Date

Underlying Security:	Shares of one of the companies determined by Circular.
Contract Size:	100 shares (except after adjustments pursuant to section 4.7 of this General Conditions).
Expirations:	Potentially every month. Open contracts at expiration shall be made public by Circular.
Expiration Date:	The third Friday of the expiration month and if this falls on holiday, it shall be the Working Day prior to it.
Means of Settlement:	Cash settlement of the difference with respect to the Settlement Price at Expiration.
Settlement Price at expiration:	Established in section 4.5 of this General Conditions.
Contract Settlement Date:	Cash settlement takes place on the first Business Day following the Expiration Date.
Last Day for Trading (MEFF) and Registration (BME CLEARING)	The Expiration Date.
Future Price Quotation:	In EURO per share, with a minimum fluctuation set according to the quotation of the underlying asset and/or the Market practice which shall be established by Circular. The minimum fluctuation shall be different in Trades negotiated directly between Members.

Daily Settlement of Variation Margin:	Daily, in cash, for the difference with respect to the prior day's Daily Settlement Price.
Commission Settlement	First Business Day following the date of Transaction.
Margins:	Established by BME CLEARING.
Closing Price:	Will be the best estimate of the fair market price. The criteria will be established by Circular.
Daily Settlement Price:	Established by BME CLEARING considering the MEFF Closing Price as a reference On the Expiration day the Daily Settlement Price will be the Settlement Price.

4.3.2 Specifications of the Contracts Settlement Settled by Delivery and Cash Settled with Non-Standard Expiration Date:

These contracts will have the same characteristics as contracts referred to in sections 4.3.1.1 and 4.3.1.2, except:

Expiration Date:	Any Working Day at the Reference Stock Exchange.
Price Quotation:	Price Quotation: The number of decimal points in the prices of the Trades to be registered shall be that of the Trades negotiated directly between Members in the contracts referred to in sections 4.3.1.1 and 4.3.1.2.

4.4 Settlement of the Contracts Settled by Delivery

The Settlement at Expiration of each contract, whether it is on the third Friday or any other day, shall be settled through delivery of the underlying shares for each Class of Contract.

The shares to be delivered shall only be those listed with full rights and fungible with the principal share series of the stock.

Shares shall be bought and sold at the Official Closing Price of the relevant securities in the Stock Exchange Interconnection System at the expiration of the contract as published by Sociedad de Bolsas or otherwise defined by Sociedad de Bolsas.

As a consequence of the expirations, there will be the pertinent stock transactions. BME CLEARING will resolve the buyers and sellers on stock transactions that are generated. BME CLEARING will not compensate buy and sell positions of a segregated client account.

Once Sociedad de Bolsas is informed of the buying and selling operation, this will become a stock transaction with all its consequences, according to the current regulation and established procedures, and all delivery obligations will be considered accomplished.

When BME CLEARING Cash Equities Segment comes into effect these stock transactions will have BME CLEARING in the Cash Equities Segment as Central Counterparty Entity, until they are appropriately settled. Members of BME CLEARING Financial Derivatives Segment must have assigned a Member in Cash Equities Segment, it may be themselves or another member.

4.5 Settlement of the Contracts Settled by Differences

The Settlement at Expiration of each contract, whether it is on the third Friday or any other day, shall be carried out in cash by the difference with respect to the Settlement Price at Expiration. The Settlement Price shall be the price defined by BME CLEARING as the official closing price of the stock, without detriment to special circumstances of the trading status of the underlying asset described in section 4.8.

4.6 Daily Settlement of Variation Margin

BME CLEARING will establish the method to determine the Daily Settlement Price by Circular. On Expiration Date, it will coincide with the Contract Settlement Price.

In case of adjustments to the Registered Price of the Contracts (pursuant to section 4.7 of these General Conditions), the preceding Daily Settlement Price for the session after the adjustment will be the new registered price of the Contracts.

4.7 Adjustments to the Contracts Characteristics

4.7.1 Contracts with underlying whose reference market is the Exchange Interconnection System managed by Sociedad de Bolsas

When, during the life of the Contracts, certain corporate actions are declared, the Registered Price of the Futures Contracts (for the purpose of the subsequent Daily Settlement of Variation Margin), the number of Contracts of a position or the size of the Contract, or a combination of these factors, shall be adjusted by BME CLEARING in order to maintain the economic value of the Contracts as close as possible to the value before the corporate action. Likewise, due to mergers, take-over bids or any process of stock exchange delisting, other specifications of the Contract will be adjusted in the way described in these General Conditions.

Adjustments shall be effective as from the day on which the corporate action-giving rise to the adjustment takes effect ("the adjustment date"), therefore they will be made after the close and Daily Settlement of Variation Margin of the session immediately prior to the "adjustment date".

The registered price of the Contracts will be the one resulting after the adjustments and will be applied to all positions in the relevant Class of Contract; therefore the positions will become registered at the said Price once the Daily Settlement of Variation Margin corresponding to the session prior to the "adjustment date" has been done.

In the following subsections there is a description of the adjustments for the following corporate events:

- Share capital increases (shares issues) and share repurchase programs
- Share capital or reserves reductions through cash payment to shareholders
- Split of shares
- Consolidation of shares
- Extraordinary dividends
- Mergers
- Take-over bids
- Take-over bids of an issuer over its own shares
- Spin-offs
- Others not explicitly mentioned that MEFF might submit to the Supervision and Surveillance Commission.

All adjustments will be made with the aim of maintaining the original value of the contract. MEFF may call upon the Supervision and Surveillance Commission when a corporate action takes place, even if this action is included in the previous cases, when the nature of this corporate action may require an adjustment different from the one exposed in these General Conditions. In these cases the adjustment to be made, due to the corporate action, will be decided by the Supervision and Surveillance Commission.

The rules hereby described and in general, any adjustment will have to be in line with the Consensus of the ECAC (European Corporate Action Committee). MEFF belongs to the ECAC from its beginnings and its objective is the coordination between all the European Derivatives Markets in adjustments matters.

4.7.1.1. Capital Increase by Bonus Share Issue with Same Dividend Rights

Adjustments:

a) To the registered price of the Contracts:

RPC = (DSP + D*) x shares before / shares after – D*

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the “adjustment date”.

D: Dividend component, if any and if it is confirmed, in the calculation of the DSP.

* In case of doubt regarding the Dividend component, the case will be consulted to the Supervision and Surveillance Commission, being able to take into account the general practices of the markets where derivatives on Spanish stocks are traded.

b) To the size of the Contract:

NSAA = NSBA x shares after / shares before.

Where.

NSAA: Number of shares of a Contract after the adjustment.

NSBA: Number of shares of a Contract before the adjustment.

4.7.1.2. Fully Paid Scrip Issue with Different Dividend Terms, or Partially Paid Scrip Issue, or Capital Increase Issued at a Premium, in Which There Is Subscription Right or Share Repurchase Program That Creates a Right with Positive Value for the Shareholders

Adjustments:

a) To the registered price of the Contracts:

RPC = (DSP+D*) x [1-(TVR/CP)]-D*

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the “adjustment date”.

TVR: Theoretical Value of the (Subscription) Rights.

CP: Closing Price of Underlying Asset the day prior to the adjustment.

D: Dividend component, if any and if it is confirmed, in the calculation of the DSP.

* In case of doubt regarding the Dividend component, the case will be consulted to the Supervision and Surveillance Commission, being able to take into account the general practices of the markets where derivatives on Spanish stocks are traded.

b) To the Contract size:

NSAA = NSBA / [1 – (TVR / CP)]

Where:

NSAA: Number of shares of a Contract after the adjustment.

NSBA: Number of shares of a Contract before the adjustment.

TVR: Theoretical Value of the Subscription Rights.

CP: Closing Price of Underlying Asset the day prior to the adjustment.

4.7.1.3 Reduction of Capital or Reserves by Cash Payment to Shareholders

Adjustment for this reason will take place only when the event cannot be considered as another way to pay an ordinary dividend. In case of adjustment, the Registered Price of the Contracts and the Contract size will be adjusted as follows:

Adjustments:

a) To the registered price of the Contracts:

RPC = (DSP +D*) x [1 - (AP / CP)] – D*

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

AP: Gross amount to be paid per share.

CP: Closing price of the Underlying Asset the day prior to the adjustment date.

D: Dividend component, if any and if it is confirmed, at the calculation of DSP.

* In case of doubt regarding the Dividend component, the case will be consulted to the Supervision and Surveillance Commission, being able to take into account the general practices of the markets where derivatives on Spanish stocks are traded.

b) To the Contract size:

NSAA = NSBA / [1 – (AP / CP)]

Where:

NSAA: Number of shares of a Contract after the adjustment.

NSBA: Number of shares of a Contract before the adjustment.

AP: Gross amount to be paid per share.

CP: Closing price of the Underlying Asset the day prior to the adjustment date.

4.7.1.4 Split of Shares

Adjustments:

a) To the registered price of the Contracts:

RPC: DSP x shares before / shares after

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the “adjustment date”.

b) To the number of Contracts registered: it is multiplied by the factor "shares after / shares before"

4.7.1.5 Consolidation of Shares

Adjustments:

a) To the registered price of the Contracts:

RPC = DSP x shares before / shares after

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the “adjustment date”.

b) To the size of the Contract:

NSAA = NSBA x shares after / shares before

Where,

NSAA: Number of shares of a Contract after the adjustment.

NSBA: Number of shares of a Contract before the adjustment.

4.7.1.6 Dividends

4.7.1.6.1 Ordinary Dividends

Ordinary dividends or similar retributions to shareholders will not be adjusted. The following retributions will be considered as dividends:

- The first of a series of payments with a periodical and recurrent character.
- The change of a periodical and recurrent payment in the form of dividend for another payment named differently but with the same character.
- Recurrent and periodical payments to shareholders from equity accounts.

4.7.1.6.2 Extraordinary Dividends

All special dividends and retributions to shareholders not considered as ordinary dividends will be adjusted for the amount of the exceptional and not periodical retribution.

In those cases where dividend adjustment is necessary, the Registered Price of the Contracts and the contract size will be adjusted as described in section 4.7.3.

On asset distributions with likely difficult valuation at the moment of the adjustment or when there are potential difficulties to trade the assets to be distributed, it will be possible not to adjust, in which case, the “no adjustment” shall be rapidly announced just after the issuing company announces its intention to make such a distribution.

In cases where an adjustment for an asset distribution is required, but the asset valuation cannot be known before the adjustment date, futures trading can be temporarily suspended in order to facilitate the adjustment process on the fairest conditions for future open position holders.

4.7.1.7 Mergers

When the shares of the surviving company are “listed shares”, the original underlying shares will be replaced by the shares offered. For this purpose, “listed shares” are those on which there are, or there can be, listed contracts on MEFF before the merger takes effect.

Adjustments:

a) To the registered price of the Contracts:

RPC = DSP x X/Y

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the “adjustment date”.

X,Y:“Y” is the number of shares of the surviving company offered for every “X” shares of the original underlying company.

b) To the size of the Contract:

NSAA = NSBA x Y/X

Where:

NSAA: Number of shares of a Contract after the adjustment.

NSBA: Number of shares of a Contract before the adjustment.

X,Y: “Y” is the number of shares of the surviving company offered for every “X” shares.

4.7.1.8 Take-Over Bids

4.7.1.8.1 Analysis Prior to the Adjustment Decision

The mere launch of a take-over bid does not warrant an automatic adjustment procedure. Rather, the application of any adjustment will need that the Supervision and Surveillance Commission (hereinafter “SSC”) considers that the protection of the market participants and/or the protection of BME CLEARING as the central counterparty clearing house requires to make the adjustment.

The SSC will determine, once the Bid Prospectus is published, what result will be needed to cause an adjustment to the contracts. The SSC’s decisions will be published as soon as possible.

The analysis will be made based on the following factors, among others:

a) The various scenarios of capitalization and free float of the target company after the Bid, compared to other companies in the IBEX 35 index.

b) The number of shares freely floating in relation with the open interest of MEFF relevant contracts and an estimate of relevant OTC positions, under various scenarios.

c) The intention of the bidder about excluding the target company from Stock Exchange listing.

In the event that, once the decision taken by SSC is published, there are new significant events (for instance, a competing Bid) which, in the SSC opinion, modify the circumstances; the SSC may revise its decision.

4.7.1.8.2 Adjustment Methods

In case, once the Bid result is public, the result is such that the Contracts adjustment is required, according to the criteria determined and made public by the SSC, one of the following methods will be applied, depending on the type of Bid:

a) Cash settlement at fair value

The Contracts will be early settled at fair value, according to the valuation criteria established in Appendix 1, which can be modified in line with generally accepted valuation criteria.

b) Ratio Method.

The Contracts original underlying shares will be substituted by the shares offered, according to the conditions of the Bid, adjusting the specifications of the Contracts using the Ratio as established in Appendix 2.

4.7.1.8.3 Types of Take-Over Bids

To this effect, “listed shares” are those on which there are, or there can be, listed contracts on MEFF before the end of the Bid process. Any other type of shares will not be considered as “listed shares” but as “other assets or rights”.

a) a) Cash

When the Bid is entirely in cash or other assets or rights, and an adjustment is deemed necessary, the adjustment will mean the early expiration of the Contracts and the corresponding cash settlement at fair value (Cash settlement at fair value method).

b) Equity.

When the Bid is entirely in listed shares, the Ratio Method will be used.

c) Mixture of Cash and Equity.

When the Bid is in a combination of listed shares and cash, or other assets or rights, and the listed shares component is equal or greater than 1/3 of the total value of the Bid, the Contracts will be adjusted applying the Ratio Method.

However, if the cash and/or other assets or rights component is more than 2/3 of the total value of the Bid, the Bid will be treated as a Bid in cash.

4.7.1.9 Take-Over of an Issuer on Its Own Shares

An adjustment shall be made for this corporate event as long as the take-over bid price is greater than the share closing price on the previous day of the adjustment date.

The registered price of the contracts and number of shares will be adjusted as follows:

a) Registered Price of the Contracts:

$$RPC = (DSP + D^*) \times R - D^*$$

$$R = \frac{NSBA \times CP - NSAA \times AP}{NSBA - NSAA} / CP$$

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

CP: Closing Price of Underlying Asset the day prior to the adjustment.

AP: Gross amount to be paid per share.

NSBA: Number of shares per contract before the adjustment.

NSAA: Number of shares per contract after the adjustment.

D: Dividend component if any and if it is confirmed, at the calculation of DSP.

* In case of doubt regarding the Dividend component, the case will be consulted to the Supervision and Surveillance Commission, being able to take into account the general practices of the markets where derivatives on Spanish stocks are traded.

b) Number of shares of the contract:

$$NEP = \frac{OEP}{R}$$

$$R = \frac{NSBA \times CP - NSAA \times AP}{NSBA - NSAA} / CP$$

Where:

NEP: New Exercise Price.

OEP: Exercise Price before the adjustment.

CP: Closing Price of Underlying Asset the day prior to the Adjustment.

AP: Gross amount to be paid per share.

NSBA: Number of shares per contract before the adjustment.

NSAA: Number of shares per contract after the adjustment.

4.7.1.10 Spin-Offs

As a general rule, the Underlying Asset will be changed, building up a basket. The components of this basket will be the shares that were the underlying of the company that makes the spin-off, plus the shares of the new company that corresponds to the ones over which the shareholder has a right.

No adjustments will be made to the multiplier of the contract or the registered price of the Futures Contracts.

4.7.1.11 Other Aspects

4.7.1.11.1 Expirations adjusted

For contracts with standard expiration date, adjustments to the Registered Price shall be applied to all Futures maturities with open interest. Adjustments to the size shall be applied to all existing maturities up to the furthest maturity with open interest in Options or Futures Contracts, preserving only one size per maturity and underlying asset.

If, after the adjustment, new Contracts with an expiration date prior to the last affected Expiration are open, those new Contracts shall be opened with specifications similar to the adjusted expirations.

Expirations with an expiration date after the last affected Expiration that are opened after the "adjustment date" shall have the standard Contract specifications as established in section 4.3 of these General Conditions.

For contracts with non-standard expiration date, the preceding adjustments shall be applied individually to each Series.

4.7.1.11.2 Rounding

Adjustment for any type of contract:

With the aim of reducing the economic impact of the roundings, MEFF will register the New Registered Price of the Contracts with such a number of decimals to make the rounding effect negligible or alternatively, MEFF will estipulate additional settlements. The number of shares representative of a contract, in case of adjustment, shall be rounded off to the nearest whole.

Intermediate algorithms to calculate the new number of shares or the new registered price of the contracts will be made with the maximum decimal precision possible, though the final results of the Registered Price of the Contracts or the number of shares are rounded as mentioned above.

4.7.1.11.3 Unforeseen Cases

All cases where an adjustment may be convenient and which do not clearly correspond to the provisions of the above sections, shall be submitted by MEFF to the Supervision and Surveillance Commission which shall determine the adjustment to be made, if any.

Once BME CLEARING Cash Equities Segment comes into effect, in those cases where the corporate event that leads to an adjustment is published after the date it should have been done, MEFF will propose to the SSC the fulfillment of a cash adjustment to the Members with open position on the pertinent contracts on the date prior to the of Ex Coupon Date or on the date when the market effectively deducts the corporate event. Cash adjustment shall be made by BME CLEARING under the agreement signed with MEFF.

The composition and functioning of the Supervision and Surveillance Commission are regulated by the MEFF Rule Book.

The Supervision and Surveillance Commission must be guided, in the resolution of the cases coming under this heading, by the principles of investor protection, equal treatment for long and short positions, consistency in the application of criteria, efficiency and co- ordination with the organizations governing the settlement of the Underlying Security. The SSC also shall be guided by the coordination principle with other Regulated Markets Rules where Spanish equities derivatives are also traded, with the aim of rule harmonization.

4.7.2 Contracts with underlying whose reference market is another Stock Exchange recognized by MEFF.

They will be adjusted in accordance with the relevant Derivatives Market. In the event that MEFF considers that it is not appropriate to make the adjustment in the manner established by the relevant Derivatives Market, the matter will be referred to the ECAC (European Corporate Actions Committee), following the recommendation issued by the committee.

4.8 Changes in the Listing Status of the Underlying Security

4.8.1 In the Case Where a Contract Expires While the Trading of the Underlying Security, or the Contract, or Both Are Suspended, or for Any Other Reason the Underlying Security Did Not Negotiate on That Day, the Expiration Date shall Remain Unchanged.

For contracts with Settlement by Delivery, deliveries shall be carried out at the Official Closing Price of the relevant securities in the Stock Exchange Interconnection System at the Expiration Date of the contract, as published by Sociedad de Bolsas or otherwise defined by Sociedad de Bolsas.

For contracts with Settlement by Differences, the Settlement Price at Expiration shall be that which is considered by BME CLEARING to best meet the requirements of replicability and market value of the Underlying Asset, assessing if applicable, the use of the Underlying Asset opening price after trading is resumed, as the Settlement Price at Expiration. Procedures for most foreseeable incidents shall be contemplated in a Circular.

4.8.2 For Contracts with Settlement by Delivery, Share Trades Shall Be Effected on the Business Day When the Trading of the Shares is Resumed, Taking into Account, Where Applicable, Any Adjustments Required in Accordance with These General Conditions (section 4.7) And Any Decisions of the Supervision and Surveillance Commission.

If trading in the shares is not resumed within a period of 10 Business Days from the day on which the trade should have originally been effected, the operation shall take place, provided that it is legally permitted. In the event that it is still not possible to effectuate the share trade, BME CLEARING shall determine a feasible way of settling the contracts, which could be a Cash Settlement instead of a delivery of the shares.

Appendix 1

Settlement at Fair Value

In the cases of early settlement at fair value, the valuation will be done as follows.

For this purpose, the contracts valuation day will be the day following the date on which the result of the Bid is published, or as soon as practicable.

The futures contracts will be settled at fair value, using the same valuation model that MEFF uses to calculate daily closing prices and the data to feed the model will be as follows:

1. Underlying price: for Bids entirely in cash, the price offered; for Bids in non- listed shares or other assets or rights, the valuation of the assets than can be reasonably made; for Bids combining listed shares and cash or other assets, the sum of the cash and rest of the assets valuation, including the listed shares.
2. Dividend amounts and dates: the amounts of future dividends will be the same that MEFF has been using to calculate closing prices before the Bid was announced, which at the same time shall be the dividend forecasts published by Markit Dividends up to the expiration date and which MEFF echoes for these purposes. If this company's forecasts were at any time insufficient or if there were none or they were glaringly wrong, historical dividends or other estimates considered by MEFF to reflect the market consensus may be used.
3. Any extraordinary payment announced by the company in relation with the Bid process will be treated as an adjustable payment.
4. Time to expiration: number of days from the date of publication of the Bid results to the expiration date for each contract.
5. Interest rates: The interest rate that MEFF uses for the Closing Price calculation corresponding to the term of every expiration.

Appendix 2

Ratio Method

In the cases of Take-Over Bids in Equity or in a combination of Equity and other assets where the listed shares component is equal or greater than 1/3 of the total value of the Bid, the new registered price of the Contracts and the new size of the Contracts will be calculated as follows:

a) Take-Over Bids in Equity (listed shares)

Adjustment to the registered price of the Contracts:

RPC = (DSP+D*) x X/Y – D*

Where

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

D: Dividend component, if any and if it is confirmed, in the calculation of DSP.

X,Y: "Y" is the number of shares offered for every "X" shares of the target company.

* In case of doubt regarding the Dividend component, the case will be consulted to the Supervision and Surveillance Commission, being able to take into account the general practices of the markets where derivatives on Spanish stocks are traded.

Adjustment to the size of the Contracts: the number of shares will be multiplied by the inverse ratio, Y/X.

b) Take-Over Bids in a mixture of Cash and Equity

Adjustment to the registered price of the Contracts:

PRC = [(PLD + D*) x (X / (E/PC)+Y)] – D*

Where

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

X,Y: "Y" is the number of shares offered for every "X" shares of the target company.

D: Dividend component, if any and if it is confirmed, in the calculation of DSP.

CP: Closing price of the shares offered the day prior to the "adjustment date".

E: Cash, or value of the other assets or rights offered with the listed shares.

* In case of doubt regarding the Dividend component, the case will be consulted to the Supervision and Surveillance Commission, being able to take into account the general practices of the markets where derivatives on Spanish stocks are traded.

Adjustment to the size of the Contracts: the number of shares will be multiplied by the inverse ratio, ((E/CP) +Y)/X.

Any complementary cash payment or special dividend will be treated as an adjustable payment.

5 Stock Options

5.1 Introduction

This section of the General Conditions describes the characteristics of Stock Option Contracts Listed on Spanish Stock Exchange Interconnection System managed by the Sociedad de Bolsas or contracts whose reference market is other Stock Exchanges recognized by MEFF.

5.2 The Underlying Securities

The Underlying Securities of the Stock Options Contracts shall always be shares already issued, fully subscribed and traded whose reference market is the Stock Exchange Interconnection System managed by the Stock Exchange Company or shares whose reference market is another Stock Exchange recognized by MEFF.

Underlying Securities may be stocks listed on the Spanish Stock Exchange Interconnection System which MEFF shall establish by Circular. MEFF shall make public the first date of negotiation or admission to the registration of the Contracts with new Underlying Assets.

5.3 Technical Specifications

The technical specifications of the Stock Options include a complete description of these contracts, including the characteristics relating to trading on the Exchange, as features regarding clearing, settlement and counterparty, which are carried out by BME CLEARING. Circulars mentioned will be MEFF Circulars unless otherwise stated.

5.3.1 Specifications of the Contracts with Standard Exercise Price and Monthly Expiration Date:

5.3.1.1 American Style Options, Settled by Delivery with Standard Exercise Price and Expiration Date

Underlying Security:	Company Shares determined by Circular.
Contract Size:	100 shares (except after adjustments pursuant to section 5.7 of these General Conditions).
Types of Option:	Call and put.
Expirations:	Potentially every month. Open contracts at expiration shall be made public by Circular.
Exercise Date:	Any Working Day until the Expiration Date inclusive.
Expiration Date:	The third Friday of the expiration month and if this falls on a holiday, it shall be the prior Business Day.
Last Day for Trading (MEFF) and Registration (BME CLEARING)	The Expiration Date
Exercise:	The exercise shall be notified to BME CLEARING in accordance with the procedure established in its General Conditions, or as detailed by Circular, producing the pertinent stock transaction the day of the exercise. The exercises assignment will be proportional, and notified to the affected Members according to the procedures and timetables established by Circular.
Premium Quotation:	In EURO per share, with a minimum fluctuation set according to the quotation of the underlying asset and/or the Market practice which shall be established by Circular. The minimum fluctuation shall be different in Trades negotiated directly between Members.
Premium Settlement:	First Business Day following the date of the Transaction.
Commission Settlement:	First Business Day following the date of the Transaction.
Margins:	Established by BME CLEARING.
Closing price:	Will be an approximation to the Market Price. The Calculation Method will be established by MEFF Circular.
Strike Prices:	Any of the prices according to the section 5.6 of these General Conditions.
Delivery Price:	The Exercise Price of the Option Contract.
Introduction of Series:	Expiration Dates and Exercise Prices shall be introduced in accordance with the provisions in section 5.6 of these General Conditions.

5.3.1.2 European Style Options, Settled by Delivery with Standard Exercise Price and Expiration Date

Underlying Security:	Company Shares determined by Circular.
Contract Size:	100 shares (except after adjustments pursuant to section 5.7 of these General Conditions).
Types of Option:	Call and put.
Expirations:	Potentially every month. Open contracts at expiration shall be made public by Circular.
Exercise Date:	The Expiration Date.
Expiration Date:	The third Friday of the expiration month and if this falls on a holiday, it shall be the prior Business Day.
Last Day for Trading (MEFF) and Registration (BME CLEARING)	The Expiration Date
Exercise:	The exercise shall be notified to BME CLEARING in accordance with the procedure established in its General Conditions, or as detailed by Circular, producing the pertinent stock transaction the day of the exercise. The exercises assignment will be proportional, and notified to the affected Members according to the procedures and timetables established by Circular.
Premium Quotation:	In EURO per share, with a minimum fluctuation set according to the quotation of the underlying asset and/or the Market practice which shall be established by Circular. The minimum fluctuation shall be different in Trades negotiated directly between Members.
Premium Settlement:	First Business Day following the date of the Transaction.
Commission Settlement:	First Business Day following the date of the Transaction.
Margins:	Established by BME CLEARING.
Closing price:	Will be an approximation to the Market Price. The Calculation Method will be established by MEFF Circular.
Strike Prices:	Any of the prices listed in section 5.6 of these General Conditions.
Delivery Price:	The Exercise Price of the Option Contract.
Introduction of Series:	Expiration Dates and Exercise Prices shall be introduced in accordance with the provisions in section 5.6 of these General Conditions.

5.3.1.3 European Style Options, Settled by Differences with Standard Exercise Price and Expiration Date

Underlying Security:	Company Shares determined by Circular.
Contract Size:	100 shares (except after adjustments pursuant to section 5.7 of these General Conditions).
Types of Option:	Call and put.
Expirations:	Potentially every month. Open contracts at expiration shall be made public by Circular.
Expiration Date:	The third Friday of the expiration month and if this falls on a holiday, it shall be the prior Business Day.
Last Day for Trading (MEFF) and Registration (BME CLEARING)	The Expiration Date
Premium Quotation:	In EURO per share, with a minimum fluctuation set according to the quotation of the underlying asset and/or the Market practice which shall be established by Circular. The minimum fluctuation shall be different in Trades negotiated directly between Members.
Premium Settlement:	First Business Day following the date of the Transaction.
Commission Settlement:	First Business Day following the date of the Transaction.
Margins:	Established by BME CLEARING.
Closing price:	Will be an approximation to the Market Price. The Calculation Method will be established by MEFF Circular.
Introduction of Series:	Expiration Dates and Exercise Prices shall be introduced in accordance with the provisions in section 5.6 of these General Conditions.

5.3.2 Specifications of the Contracts with Standard Exercise Price and Weekly Expiration

They will have the same specifications than the ones described in section 5.3.1.1, 5.3.1.2 and 5.3.1.3 except:

Expirations:	Potentially every week. Open contracts at expiration shall be made public by Circular.
Expiration Date:	On Friday of the expiration week, and if this falls on a Holliday, it shall be the prior Working Day.

5.3.3 Specifications of the Contracts for European Style Options Settled by Differences and European or American Style Options Settled by Delivery, with Non-Standard Exercise Price and/or Expiration

5.3.3.1 Specifications Common to all the Contracts

Underlying Security:	Company Shares determined by Circular.
Contract Size:	100 shares (except after adjustments pursuant to section 5.7 of these General Conditions).
Types of Option:	Call and put.
Expiration Date:	Any Working Day. The maximum expiration date shall be determined by Circular.
Last Day for Trading (MEFF) and Registration (BME CLEARING)	The Expiration Date
Premium Quotation:	In EURO per share with the same number of decimal places as admitted in Trades negotiated directly between Members for the listed Contracts.
Premium Settlement:	First Business Day following the date of the Transaction.
Commission Settlement:	First Business Day following the date of the Transaction.
Margins:	Established by BME CLEARING.
Exercise Prices:	Any price expressed in Euro with two decimal points.
Introduction of Series:	Expiration Dates and Exercise Prices shall be introduced in accordance with the provisions in section 5.6 of these General Conditions.

5.3.3.2 Specifications for Options Contracts Settled by Delivery

Delivery Price:	The Exercise Price of the Options Contract.
Exercise:	The exercise shall be notified to BME CLEARING in accordance with the procedure established in its General Conditions.

5.3.3.3 Specifications for Options Contracts Settled by Differences

Settlement Price:	The Official Closing Price of the stock in the Expiration Date.
Contract Settlement Date:	The Working Day following the Exercise Date, the differences between the Exercise Price and Settlement Price shall be settled in cash.
Exercise:	At the Expiration Date, automatic for all Contracts which yield profits to their holders.

5.3.3.4 Specifications for American Style Options Contracts

Exercise Date:	Any Working Day until the Expiration Date inclusive.

5.3.3.5 Specifications for European Style Options Contracts

Exercise Date:	The Expiration Date.

5.4 Settlement of the Contracts Settled by Delivery

The Contracts shall be settled as a consequence of their holders exercising their Option rights.

Settlement by Exercise of the Contracts shall be made by the delivery of the shares constituting the Underlying Security whatever the Contract Class, in exchange for cash payment at the Exercise Price.

The shares to be delivered shall only be those admitted to list with full rights and fungible with the principal share series of the stock.

As a consequence of the expirations, there will be the pertinent stock transactions. BME CLEARING will resolve the buyers and sellers on stock transactions that are generated. BME CLEARING will not compensate buy and sell positions of a segregated client account.

Once Sociedad de Bolsas is informed of the buying and selling operation, this will become a stock transaction with all its consequences, according to the current regulation and established procedures, and all delivery obligations will be considered accomplished.

When BME CLEARING Cash Equities Segment comes into effect these stock transactions will have BME CLEARING in the Cash Equities Segment as Central Counterparty Entity, until they are appropriately settled. Members of BME CLEARING Financial Derivatives Segment must have assigned a Member in Cash Equities Segment, it may be themselves or another member.

5.5 Settlement of the Contracts Settled by Differences

Contracts settled by Differences, whether by early exercise or at expiration, shall be settled in cash by the difference between the Exercise Price and the Settlement Price. The Settlement Price shall be the price defined by BME CLEARING as the official closing price of the Share, without prejudice to the provisions of section 5.8 for special circumstances of the quotation of the Underlying Security.

5.6 Conditions for the Introduction of New Series

5.6.1 Standard Contracts

MEFF shall introduce Series in such way that a minimum of five Exercise Prices per Expiration may be negotiated.

The spreads of the Strike Prices shall be defined by Operating Instruction.

The Supervisor may, whenever it deems appropriate, at the request of a member or in response to the needs of the Market, introduce new series of strike prices.

When a new expiration is introduced, a minimum of five Series of Call Options and five Series of Put Options on the same Contract shall be introduced, with the same Expiration Date but with different Exercise Prices.

MEFF shall keep as many series as needed to cover different price levels of the underlying security.

5.6.2 Non Standard Contracts

MEFF shall introduce free choice Series with a view to admitting for registering trades agreed directly between Market Members and corresponding to Contracts admitted for registering.

The Exercise Prices and number of shares of each Contract may be adjusted, in accordance with the provisions set out in section 5.7 of these General Conditions.

5.6.3 Introduction of New Series

The introduction of new Series shall cater for the needs of the market. The Supervisor of the Session may suspend the introduction of new Expirations or Exercise Prices if there are exceptional circumstances affecting the underlying stock, like, for example, mergers or take-over bids.

5.7 Adjustments to the Contracts Characteristics

5.7.1 Contracts with underlying whose reference market is the Exchange Interconnection System managed by Sociedad de Bolsas

When certain corporate actions are declared during the life of the Contracts, the Exercise Price, the size of the Contract, or both, shall be adjusted by BME CLEARING for all open Contracts in order to maintain the economic value of the Contracts as close as possible to the value before the corporate actions are effected. Likewise, due to mergers, take-over bids or any process of stock exchange delisting, other specifications of the Contract, like the Underlying Asset or the Date and manner of settlement of open Contracts, shall be adjusted in the way described in these General Conditions.

Adjustments shall be effective as from the day on which the operation giving rise to the adjustment takes effect ("the adjustment date").

In the following subsections there is a description of the adjustments for the following events:

- Share capital increases (shares issues) and share repurchase programs.
- Share capital or reserves reductions through cash payment to shareholders.
- Split of shares.
- Consolidation of shares.
- Extraordinary dividends.
- Mergers.
- Take-over bids.
- Take-Over Bids of an issuer over its own shares.
- Spin-offs.
- Others not explicitly mentioned which MEFF might submit to the Supervision and Surveillance Commission.

All adjustments will be made with the aim of maintaining the original value of the contract. MEFF may call upon the Supervision and Surveillance Commission when a corporate action takes place, even if this action is included in the previous cases, when the nature of this corporate action may require an adjustment different from the one exposed in these General Conditions. In these cases the adjustment to be made, due to the corporate action, will be decided by the Supervision and Surveillance Commission.

The rules hereby described and in general, any adjustment will have to be in line with the Consensus of the ECAC (European Corporate Action Committee). MEFF belongs to the ECAC from its beginnings and its objective is the coordination between all the European Derivatives Markets in adjustments matters.

5.7.1.1 Capital Increase by Bonus Share Issue with Same Dividend Rights

- - The number of shares represented by one Contract shall be multiplied by the ratio of "shares after/shares before".
- - The Exercise Price shall be multiplied by the inverse ratio, i.e., "shares before/shares after".

5.7.1.2 Fully Paid Scrip Issue with Different Dividend Terms, or Partially Paid Scrip Issue, or Capital Increase Issued at a Premium, in Which There Is Subscription Right or Share Repurchase Program Which Creates a Right with Positive Value for the Shareholders

a) Once the price of the subscription right has been calculated on the basis of the closing price of the Underlying Asset on the working day prior to the "adjustment date" and the issue conditions (payment, ratio and dividend terms), each Exercise Price shall be adjusted as follows:

nEP = oEP x (1 – (TVR / CP))

Where:

nEP = New Exercise Price.

oEP = Old Exercise Price.

TVR = Theoretical Value of the subscription right.

CP = Closing price of Underlying Asset the day prior to the adjustment.

b) In addition, the number of shares representative of each contract shall be adjusted to maintain the nominal value of the positions before and after the adjustment, in order to carry out as far as practicable the following equation:

oEP * NSBA = nEP * NSAA

Where:

NSBA = Number of shares per contract before the adjustment

NSAA = Number of shares per contract after the adjustment.

And using the equation in section a) above, it can be deduced that:

NSAA = NSBA / K

Where:

K = 1 – TVR / CP

5.7.1.3 Reduction of Capital or Reserves by Cash Payment to Shareholders

Adjustment for this reason shall take place only when the event cannot be considered as another way to pay an ordinary dividend. In case of adjustment, exercise price and contract size shall be adjusted as follows:

a) Exercise prices:

nEP = Oep x (1 – AP / CP)

Where:

nEP= New Exercise Price.

oEP= Exercise Price before the adjustment.

AP= Gross amount to be paid per share.

CP= Closing Price of Underlying Asset the day prior to the Adjustment.

b) In addition, the number of shares representative of each contract shall be adjusted to maintain the nominal value of the positions before and after the adjustment, in order to carry out as far as practicable the following equation:

oEP * NSBA = nEP * NSAA

Where:

NSBA = Number of shares per contract before the adjustment.

NSAA = Number of shares per contract after the adjustment.

And using the equation in section a) above, it can be deduced that:

NSAA = NSBA / K

Where:

K = 1 – AP / CP

5.7.1.4 Split of Shares

- Positions in contracts are multiplied by the ratio of “shares after / shares before”.
- The Exercise Price shall be multiplied by the ratio of “shares before / shares after”.

5.7.1.5 Consolidation of Shares

The number of shares and the Exercise Price shall be adjusted in the same way as in section 5.7.1.

5.7.1.6 Dividends

5.7.1.6.1 Ordinary Dividends

Ordinary dividends or similar retributions to shareholders shall not be adjusted. The following retributions shall be considered as dividends:

- The first of a series of payments with a periodical and recurrent basis.
- The change of a periodical and recurrent payment in the form of dividend for another payment named differently but with the same basis.
- Recurrent and periodical payments to shareholders from equity accounts.

5.7.1.6.2 Extraordinary Dividends

All special dividends and retributions to shareholders not considered as ordinary dividends shall be adjusted for the amount of the exceptional and not periodical retribution.

In those cases where dividend adjustment is necessary, the Exercise Price and the contract size shall be adjusted as described in section 5.7.3.

On asset distributions with likely difficult valuation at the moment of the adjustment or when there are potential difficulties to trade the assets to be distributed, it shall be possible not to adjust, in which case, the “no adjustment” shall be rapidly announced just after the issuing company announces its intention to make such a distribution.

In cases where an adjustment for an asset distribution is required, but the asset valuation cannot be known before the adjustment date, options trading can be temporarily suspended in order to facilitate the adjustment process on the fairest conditions for option holders and issuers.

5.7.1.7 Mergers

When the shares of the surviving company are “listed shares”, the original underlying shares shall be replaced by the shares offered. For this purpose, “listed shares” are those on which there are, or there can be, listed contracts on MEFF before the merger takes effect.

Exercise Prices and the size of the Contract shall be adjusted as follows:

- Exercise Prices shall be multiplied by the Ratio:

  X/Y

  Where X, Y:

"Y" is the number of shares of the surviving company offered for every "X" shares of the original underlying company.

- The number of shares per Contract shall be multiplied by the inverse Ratio.

5.7.1.8 Take-Over Bids

5.7.1.8.1 Analysis Prior to the Adjustment Decision

The mere launch of a take-over bid does not warrant an automatic adjustment procedure. Rather, its application will depend on when the Supervision and Surveillance Commission (hereinafter "SSC") considers that the protection of the market participants requires the adjustment.

Once the Bid Prospectus is published, the SSC shall determine which result shall be needed to cause an adjustment to the contracts. The SSC decision shall be published as soon as possible.

The analysis shall be made based, among other factors, on the following:

a) The various scenarios of capitalization and free float of the target company after the Bid, compared to other companies in the IBEX 35 index.

b) The number of shares freely floating in relation with the open interest of BME CLEARING relevant contracts and an estimate of relevant OTC positions, under various scenarios.

c) The intention of the bidder about excluding the target company from Stock Exchange listing.

In the event that, once the decision taken by SSC is published, there are new significant events (for instance, a competing Bid) which, in the SSC opinion, modify the circumstances; the SSC may revise its decision.

5.7.1.8.2 Adjustment Methods

In case, once the Bid result is public, the result is such that the Contracts adjustment is required, according to the criteria determined and made public by the SSC, one of the following methods shall be applied, depending on the type of Bid:

a) Cash settlement at fair value

The Contracts shall be early settled at fair value, according to the valuation criteria established in Appendix 1, which can be modified in line with generally accepted valuation criteria.

b) Ratio Method

The Contracts original underlying shares shall be substituted by the shares offered, according to the conditions of the Bid, adjusting the specifications of the Contracts using the Ratio as established in Appendix 2.

5.7.1.8.3 Types of Take-Over Bids

To this effect, "listed shares" are those on which there are, or there can be, listed contracts on MEFF before the end of the Bid process. Any other type of shares shall not be considered as "listed shares" but as "other assets or rights".

a) Take-Over Bids in Cash.

When the Bid is entirely in cash or other assets or rights, and an adjustment is deemed necessary, the adjustment shall mean the early expiration of the Contracts and the corresponding cash settlement at fair value (Cash settlement at fair value method).

b) Take-Over Bids in Equity.

When the Bid is entirely in listed shares, the Ratio Method shall be used.

c) Take-Over Bids in a mixture of Cash and Equity.

When the Bid is in a combination of listed shares and cash, or other assets or rights, and the equity component is equal or greater than 1/3 of the total value of the Bid, the Contracts shall be adjusted applying the Ratio Method.

However, if the cash and/or other assets or rights component is more than 2/3 of the total value of the Bid, the Bid shall be treated as a Bid in cash.

5.7.1.9 Take-Over Bid of an Issuer Over its Own Shares

They shall be adjusted at Exercise Price and the options multiplier as follows:

a) Exercise Price:

$$nEP = oEP \times R$$

$$R = \frac{NSBA \times CP - NsAA \times AP}{NSBA - NSAA} / CP$$

Where:

nEP: New Exercise Price.

oEP: Exercise Price before the adjustment.

CP: Closing Price of Underlying Asset the day prior to the Adjustment.

AP: Gross amount to be paid per share.

NSBA: Number of shares per contract before the adjustment.

NSAA: Number of shares per contract after the adjustment.

b) Representative number of shares of every contract shall be adjusted with the aim of maintain nominal value of the positions before and after the adjustment:

$$nM = \frac{oM}{R}$$

$$R = \frac{NSBA \times CP - NsAA \times AP}{NSBA - NSAA} / CP$$

Where:

nM: New multiplier, adjusted to the nearest whole.

oM: Multiplier previous to the adjustment.

CP: Closing Price of Underlying Asset the day prior to the Adjustment.

AP: Gross amount to be paid per share.

NSBA: Number of shares per contract before the adjustment.

NSAA: Number of shares per contract after the adjustment.

5.7.1.10 Spin-offs

As a general rule, the Underlying Asset will be changed, building up a basket. The components of this basket will be the shares that were the underlying of the company that makes the spin-off, plus the shares of the new company that corresponds to the ones over which the shareholder has a right.

No adjustments will be made to the multiplier of the contract or the exercise prices of the Options Contracts.

5.7.1.11 Other Aspects

5.7.1.11.1 Expirations adjusted

For contracts with standard strike and expiration date, the preceding adjustments in the Exercise Price shall be applied to all Series of Expirations where there is any Series with open interest, and shall continue to apply until the date of the last affected Expiration, and the adjustments to the size shall be applied to all existing expirations up to the furthest maturity with open interest in Options or Futures Contracts, preserving only one size per maturity and underlying security.

If, after the adjustment, new Series with an Expiration Date prior to the last affected Expiration are open, those new Series shall be opened with specifications similar to the adjusted Series.

Series for Expirations with an expiration date after the last affected Expiration that are opened after the "adjustment date" shall have the standard Contract specifications as established in section 3 of these General Conditions.

For contracts with non-standard strike and expiration date, the preceding adjustments shall be applied individually to each Series.

5.7.1.11.2 Rounding

Contract adjustment shall be carried out as follows:

a) The number of shares per Contract shall be rounded off to the nearest whole number.

b) The Exercise Price of the Contracts, in case of adjustment, shall be rounded off to the nearest whole cent.

c) Intermediate calculations shall be made with the maximum possible decimal precision, though the final results of Exercise Price of the Contracts or number of shares shall be rounded as mentioned above.

d) In case rounding operations represents significant amount MEFF shall stipulate supplementary cash settlements to reduce the impact of rounding. Cash adjustment shall be performed by BME CLEARING according to the agreement signed with MEFF.

5.7.1.11.3 Unforeseen Cases

All cases where an adjustment may be convenient and which do not clearly correspond to the provisions of the above sections, shall be submitted by MEFF to the Supervision and Surveillance Commission which shall determine the adjustment to be made, if any.

Once BME CLEARING Cash Equities Segment comes into effect, in those cases where the corporate event that leads to an adjustment is published after the date it should have been done, MEFF will propose to the SSC the fulfillment of a cash adjustment to the Members with open position on the pertinent contracts on the date prior to the of Ex Coupon Date or on the date when the market effectively deducts the corporate event. Cash adjustment shall be made by BME CLEARING under the agreement signed with MEFF.

The composition and functioning of the Supervision and Surveillance Commission are regulated by of the Market Rule Book.

The Supervision and Surveillance Commission must be guided, in the resolution of the cases coming under this heading, by the principles of investor protection, equal treatment for holders and writers of outstanding options, consistence in the application of criteria, efficiency and co-ordination with the organizations governing the settlement of the Underlying Security. The SSC also shall be guided by the coordination principle with other Regulated Markets Rules where Spanish equities derivatives are also traded, with the aim of rule harmonization.

5.7.2 Contracts with underlying whose reference market is another Stock Exchange recognized by MEFF.

They will be adjusted in accordance with the relevant Derivatives Market. In the event that MEFF considers that it is not appropriate to make the adjustment in the manner established by the relevant Derivatives Market, the matter will be referred to the ECAC (European Corporate Actions Committee), following the recommendation issued by that committee.

5.8 Changes in the Listing Status of the Underlying Security

5.8.1 In the Case Where a Contract Expires While the Trading of the Underlying Security, or the Contract, or Both, Are Suspended, or for Any Other Reason the Underlying Security Has Not Been Traded, the Expiration Date Shall Remain Unchanged

In shall be considered as Reference Price the Official Closing Price published by Sociedad de Bolsas for that session.

For contracts with Settlement by Differences, the Settlement Price shall be the one considered by BME CLEARING to best meet the requirements of reproducibility and market value of the Underlying Security, assessing if applicable, the use of the Underlying Security opening price after trading is resumed, as the Settlement Price. Procedures for most foreseeable incidents shall be contemplated in a Circular.

5.8.2 In the Case of the Exercise of Contract Rights, Either Early or at Expiration, Which Produces Trades in Shares Whose Trading Is under Suspension, the Exercise Shall Be Valid and the Share Trade Shall Be Effected on the Working Day When the Trading of the Shares is Resumed, Taking into Account, Where Applicable, Any Adjustments Required in Accordance with These General Conditions (section 5.7) And Any Decisions of the Supervision and Surveillance Commission

If trading in the shares is not resumed within a period of 10 Working Days from the day on which the trade should have originally been effected, the operation shall take place, provided that it is legally permitted. In the event that it is still not possible to effectuate the share trade, BME CLEARING shall determine a feasible way of settling the contracts, which could be a Cash Settlement instead of a delivery of the shares.

Appendix 1

Settlement at Fair Value

In the cases of early settlement at fair value, the valuation shall be done as follows.

For this purpose, the Contracts valuation day shall be the day following the date on which the result of the Bid is published, or as soon as practicable.

The Options Contracts shall be settled at fair value, using the same valuation model that MEFF uses to calculate daily closing prices and the data to feed the model shall be as follows:

1. Underlying price: for Bids entirely in cash, the price offered; for Bids in non- listed shares or other assets or rights, the valuation of the assets than can be reasonably made; for Bids combining listed shares and cash or other assets, the sum of the cash and rest of the assets valuation, including the listed shares.

2. Dividend amounts and dates: the amounts and dates of future dividends shall be the same as MEFF had been using to calculate closing prices before the Bid was announced, which at the same time shall be the dividend forecasts published by Markit Dividends up to the expiration date and which MEFF E echoes for these purposes. If this company's forecasts were at any time insufficient or if there were none or they were glaringly wrong, historical dividends or other estimates considered by MEFF to reflect the market consensus may be used.

3. Any extraordinary payment announced by the company in relation with the Bid process shall be treated as an adjustable payment.

4. Volatility: The volatility for each Options Series shall be the average of the volatility used by MEFF to calculate the closing prices in the 5 days prior to the Bid announcement by the bidder.

5. Time to expiration: number of days from the date of publication of the Bid results to the expiration date for each Contract.

6. Interest rates: The interest rate that MEFF uses for the Closing Price calculation corresponding to the term of every expiration.

Appendix 2

Ratio Method

With the Ratio Method, the original underlying shares are substituted by the shares offered, multiplying the Options Exercise Prices by the Ratio, and dividing the original number of shares per contract by the same Ratio.

1. For take-over bids in a mixture of equity and cash or other assets or rights, where the listed shares component is equal or greater than 1/3 of the total value of the Bid, the Ratio shall be:

   $$\mathrm{Ratio} = 1/[((\mathrm{E}/\mathrm{CP}) + \mathrm{y})/\mathrm{x}]$$

   Where:

   x, y: “y” is the number of shares offered in the Bid for every “x” shares of the target company.

   CP: Closing Price of the shares offered.

   E: cash, or value of other assets or rights, offered together with the shares, if any.

2. For take-over bids fully in listed shares, the Ratio is simplified to:

   $$\mathrm{Ratio} = \mathrm{x}/\mathrm{y}$$

   Any complementary cash payment or special dividend shall be treated as an adjustable payment.

6 Single Stock Dividend Futures

6.1 Introduction

The current section of these General Conditions describes the characteristics of the Single Stock Dividend Future Contracts on the amount of dividends paid by a company between two predetermined dates.

6.2 The Underlying Asset

The Underlying Asset of the Single Stock Dividend Futures Contracts is the sum of gross ordinary dividends or similar retributions to shareholders during a specific period of time.

The following retributions will be considered as dividends:

- The first of a series of payments with a periodical and recurrent character.
- The change of a periodical and recurrent payment in the form of dividend for another payment named differently but with the same character.
- Recurrent and periodical payments to shareholders from equity accounts.

Regarding those dividends according to which the shareholder can choose between receiving cash for the irrevocable commitment of purchase of free allocation rights or new shares, for the calculation of the cash amount of said dividends, the amount of the purchase commitment assumed by the company will be used for this purpose.

The list of Underlying Assets will be established by a MEFF Circular. MEFF will announce the date of commencement of trading or admission to registration of each Class of Contract.

6.3 Technical Specifications

The technical specifications of the Single Stock Dividend Futures include a complete description of these contracts, including the characteristics relating to trading on the Exchange, as features regarding clearing, settlement and counterparty, which are carried out by BME CLEARING. Circulars mentioned will be MEFF Circulars unless otherwise stated.

6.3.1 Single Stock Dividend Futures

Underlying Asset: Sum of a company ordinary dividends during a specific period of time described in the Expirations paragraph.

Contract Size: Dividends corresponding to 1000 shares (except after adjustments pursuant to section 6.6 of these General Conditions).

Expirations: At least three annual expirations. An annual expiration period means a computation period from last year third Friday of December, excluded, until the third Friday of December of the expiration year, included. Non-annual cycles expiries can also be opened. The actual expirations will be determined by Circular.

Expiration Date: The third Friday of the expiration month.

Settlement at expiration: Cash settlement of the difference with respect to the Settlement Price at Expiration.

Contract Settlement Date: First Business Day following the Expiration Date.

Last Day for Trading (MEFF) and Registration (BME CLEARING)	The Expiration Date.

Futures Price Quotation: In EURO per share with a minimum fluctuation set according to the quotation of the underlying asset and/or the Market practice. It will be established by Circular. The minimum fluctuation may be different in pre-arranged trades between Members.

Daily Settlement of

Variation Margin: Daily cash settlement by the difference between the sessions Daily Settlement Price and that of the previous session (see section 6.5).

Commission Settlement: First Business Day following the date of the Transaction.

Margins: Established by BME CLEARING.

Closing Price: It will be an approximation to the “market price”. Criteria will be determined by MEFF Circular. On expiration date it will be the Expiration Settlement Price.

Daily Settlement Prices: They will be the best estimate of the “fair market price”. The criteria will be established by Circular. On the expiration date, it will be the Settlement Price at Expiration established in section 6.4.

6.3.2. Single Stock Dividend Futures Plus.

All specification will be the same to those listed on point 6.3.1 regarding Single Stock Dividend Futures, except:

Contract Size: Dividends corresponding to 25,000 shares (except after adjustments pursuant to section 6.6 of these General Conditions).

Multiplier: Dividends corresponding to 25,000 shares.

6.4 Settlement Price at Expiration

In cash, for the difference with respect to the Settlement Price at Expiration.

The Contract's Settlement Price at Expiration shall be the sum of the remunerations referred to in section 6.2 whose exdates are within the Expiration concerned, including the Settlement Date. Exdate refers to the first day a share is quoted without the right to the dividend.

In the Settlement Price at Expiration, regarding those retributions according to which the shareholder can choose between receiving cash for the irrevocable commitment of purchase of free allocation rights or new shares, for the calculation of the cash amount of said dividends, the amount of the purchase commitment assumed by the company will be used for this purpose.

The payment periods that applies to Expirations is established according as follows:

- For yearly expirations, the calculation period starts from the third Friday of December of the previous year, excluded, to the third Friday of December of the expiration year, included.
- For quarterly expirations, the calculation period starts from the third Friday of December of the previous year, excluded, to the third Friday of the expiration month, included. Therefore, March expiries shall include an approximate period of three months, June expirations an approximate period of six months and September expiries an approximate period of nine months.

When due to a Corporate Action described in section 6.6 of these General Conditions, an expiry has been adjusted, the Settlement Price at Expiration will be the product of the sum of remunerations prior to the adjustment date multiplied by the corresponding adjustment ratio plus the sum of remunerations paid after the date of adjustment.

6.5 Daily Settlement of Variation Margin

The method to determine the Daily Settlement Price will be established by BME CLEARING in a Circular. On Expiration Date, it will coincide with the Expiration Settlement Price.

In case adjustments to the Registered Price of the Contracts must be effected (pursuant to section 6.6 of these General Conditions), the preceding Daily Settlement Price for the session after the adjustment will be the new Registered Price of the Contracts.

6.6 Adjustments to the Contracts Characteristics

When, during the life of the Contracts, certain corporate actions are declared, the Registered Price of the Futures Contracts (for the purpose of the subsequent Daily Settlement of Variation Margin), the number of Contracts of a position or the size of the Contract, or a combination of these factors, shall be adjusted by BME CLEARING in order to maintain the economic value of the Contracts as close as possible to the value before the corporate actions are effected. Likewise, due to mergers, take-over bids or any process of stock exchange delisting, other specifications of the Contract, will be adjusted in the way described in these General Conditions.

Adjustments shall be effective as from the day on which the corporate action-giving rise to the adjustment takes effect ("the adjustment date"), therefore they will be made after the close and Daily Settlement of Variation Margin of the session immediately prior to the "adjustment date".

The Registered Price of the Contracts will be that resulting after the adjustments and will be applied to all positions in the relevant Class of Contract; therefore the positions will become registered at such Price once the Daily Settlement of Variation Margin corresponding to the session prior to the "adjustment date" has been do In the following subsections there is a description of the adjustments for the following events:

- Share capital increases (shares issues) and share repurchase programs.
- Share capital or reserves reductions through cash payment to shareholders.
- Split of shares.
- Consolidation of shares.
- Extraordinary dividends.
- Mergers.
- Take-over bids.
- Take-over bids of an issuer over its own shares.
- Spin-offs
- Nationalization, bankruptcy or delisting.
- Others not explicitly mentioned that MEFF might submit to the Supervision and Surveillance Commission.

All adjustments will be made with the aim of maintaining the original value of the contract. MEFF may call upon the Supervision and Surveillance Commission when a corporate action takes place, even if this action is included in the previous cases, when the nature of this corporate action may require an adjustment different from the one exposed in these

General Conditions. In these cases the adjustment to be made, due to the corporate action, will be decided by the Supervision and Surveillance Commission.

The rules hereby described and in general, any adjustment will have to be in line with the Consensus of the ECAC (European Corporate Action Committee). MEFF belongs to the ECAC from its beginnings and its objective is the coordination between all the European Derivatives Markets in adjustments matters.

6.6.1. Capital increase by bonus share issue with same dividend rights.

Adjustments:

a) To the Registered Price of the Contracts:

RPC = (DSP) x shares before / shares after

Where:

RPC: New Registered Price of the Contracts.

DSP: Daily Settlement Price of the session prior to the “adjustment date”.

b) To the size of the Contract:

NSAA = NSBA x shares after / shares before

Where:

NSAA: Number of shares of a Contract after the adjustment.

NSBA: Number of shares of a Contract before the adjustment.

c) To the Settlement Price at Expiration (SPE):

C.1 If all payments of the period have been previous to the corporate action, the SPE is calculated as the sum of dividends paid multiplied by (shares before / shares after).

C.2 If all payments of the period are subsequent to the corporate action, the SPE will not be adjusted and shall be the sum of dividends for the period.

C.3 If there are previous payments to the capital increase and subsequent payments, the SPE shall be the sum of previous dividends multiplied by (shares before / shares after) plus the sum of subsequent dividends without adjustment.

6.6.2 Fully Paid Scrip Issue with Different Dividend Terms, or Partially Paid Scrip Issue, or Capital Increase Issued at a Premium, in Which There Is Subscription Right or Share Repurchase Program That Creates a Right with Positive Value for the Shareholders

Adjustments:

a) To the Registered Price of the Contracts:

RPC = (DSP) x [1-(TVR/CP)]

Where:

RPC: New Registered Price of the Contracts.

DSP: Daily Settlement Price of the session prior to the “adjustment date”.

TVR: Theoretical Value of the (Subscription) Rights.

CP: Closing Price of Underlying Asset the day prior to the adjustment.

b) To the Contract size:

NSAA = NSBA / [1 – (TVR / CP)]

Where:

NSAA: Number of shares of a Contract after the adjustment.

NSBA: Number of shares of a Contract before the adjustment.

TVR: Theoretical Value of the Subscription Rights.

CP: Closing Price of Underlying Asset the day prior to the adjustment.

c) To the Settlement Price at Expiration:

C.1If all payments of the period have been previous to the corporate action, the SPE is calculated as the sum of dividends paid multiplied by [1 – (TVR / CP)].

C.2 If all payments of the period are subsequent to the corporate action, the SPE will not be adjusted and shall be the sum of dividends for the period.

C.3 If there are previous and subsequent payments, the SPE shall be the sum of previous dividends multiplied by [1 – (TVR / CP)] plus the sum of subsequent dividends without adjustment.

6.6.3 Reduction of Capital or Reserves by Cash Payment to Shareholders

Adjustment for this reason will take place only when the event cannot be considered as another way to pay an ordinary dividend. In case of adjustment, the Registered Price of the Contracts and the Contract size will be adjusted as follows:

Adjustments:

a) To the Registered Price of the Contracts:

RPC = (DSP) x [1 - (AP / CP)]

Where:

RPC: New Registered Price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

AP: Gross amount to be paid per share.

CP: Closing price of the Underlying Asset the day prior to the adjustment date.

b) To the Contract size:

NSAA = NSBA / [1 – (AP / CP)]

Where:

NSAA: Number of shares of a Contract after the adjustment.

NSBA: Number of shares of a Contract before the adjustment.

AP: Gross amount to be paid per share.

CP: Closing price of the Underlying Asset the day prior to the adjustment date.

c) To the Settlement Price at Expiration:

C.1 If all dividend payments of the period have been previous, the SPE is calculated as the sum of dividends paid multiplied by [1 – (AP / CP)].

C.2 If all payments of the period are subsequent, the SPE will not be adjusted and shall be the sum of dividends for the period.

C.3 If there are previous and subsequent payments, the SPE shall be the sum of previous dividends multiplied by [1 – (AP / CP)] plus the sum of subsequent dividends without adjustment.

6.6.4 Split of Shares

Adjustments:

a) To the Registered Price of the Contracts:

RPC: DSP x shares before / shares after

Where:

RPC: New Registered Price of the Contracts.

DSP: Daily Settlement Price of the session prior to the “adjustment date”.

b) To the number of Contracts registered: it is multiplied by the factor "shares after / shares before".

c) To the Settlement Price at Expiration.

c.1 If all dividend payments of the period have been previous, the SPE is calculated as the sum of dividends paid multiplied by (shares before / shares after).

c.2 If all payments of the period are subsequent to the capital increase, the SPE will not be adjusted and shall be the sum of dividends for the period.

c.3 If there are previous and subsequent payments, the SPE shall be the sum of previous dividends multiplied by (shares before / shares after) plus the sum of subsequent dividends without adjustment.

6.6.5 Consolidation of Shares

Adjustments:

a) To the Registered Price of the Contracts:

RPC = DSP x shares before / shares after

Where:

RPC: New Registered Price of the Contracts.

DSP: Daily Settlement Price of the session prior to the “adjustment date”.

b) To the size of the Contract:

NSAA = NSBA x shares after / shares before

Where:

NSAA: Number of shares of a Contract after the adjustment.

NSBA: Number of shares of a Contract before the adjustment.

c) To the Settlement Price at Expiration:

C.1 If all dividend payments of the period have been previous, the SPE is calculated as the sum of dividends paid multiplied by (shares before / shares after).

C.2 If all payments of the period are subsequent to the capital increase, the SPE will not be adjusted and shall be the sum of dividends for the period.

C.3 If there are previous and subsequent payments, the SPE shall be the sum of previous dividends multiplied by (shares before / shares after) plus the sum of subsequent dividends without adjustment.

6.6.6 Extraordinary Dividends

All special dividends and retributions to shareholders not considered as ordinary dividends will be adjusted for the amount of the exceptional and not periodical retribution.

In those cases where dividend adjustment is necessary, the Registered Price of the Contracts and the contract size will be adjusted as described in section 6.6.3.

On asset distributions with likely difficult valuation at the moment of the adjustment or when there are potential difficulties to trade the assets to be distributed, it will be possible not to adjust, in which case, the “no adjustment” shall be rapidly announced just after the issuing company announces its intention to make such a distribution.

In cases where an adjustment for an asset distribution is required, but the asset valuation cannot be known before the adjustment date, futures trading can be temporarily suspended in order to facilitate the adjustment process on the fairest conditions for futures open position holders.

6.6.7 Mergers

When the surviving company's shares are shares for which there are Dividend Stock Futures contracts (or may be before the end of the merger), the original underlying security will be substituted by the dividends of the shares of the acquiring company.

However, it could be analyzed case by case the conversion ratio of the dividends futures contracts, in price and in number of shares, and their correspondence or not with the conversion ratio for the contracts on stocks (futures and options).

6.6.8 Take-Over Bids

The same decision that the Supervision and Surveillance Commission stipulates for Stock Options and Futures contracts pursuant to Sections 5.7.8 and 4.7.8 of the General Conditions of Stock Options and Futures shall applied to Dividend Stock Futures.

The SSC will determine, once the Bid Prospectus is published, which result will be needed to produce an adjustment to the contracts. The decision of the Commission will include, in addition to the outcome of the Bid that triggers the adjustment, the specific adjustment method (Ratio Method or Cash Settlement at Fair Value), which in turn will be conditioned by the type of Bid concerned (in cash, stocks or mixed).

In case of Cash Settlement, the contracts will be early settled at fair value, according to the valuation criteria established in Appendix 1, which can be modified in line with generally accepted valuation criteria.

In case of using the Ratio Method, the dividends of the original underlying shares will be substituted by the dividends of the new company, according to the conditions of the Bid. However, it could be analyzed case by case the conversion ratio of dividends contracts, in price and in number of contracts, and their correspondence or not with the conversion ratio of stocks contracts (futures and options).

6.6.9 Take-Over Bid of an Issuer Over its Own Shares

Registered Price of the Contracts will be adjusted, number of dividends paid by share and the Expiration Price as follows:

a) Registered Price of the Contracts

$$RPC = (DSP + D) \times R - D^*$$

$$R = \frac{NSBA \times CP - NsAA \times AP}{NSBA - NSAA} / CP$$

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

CP: Closing Price of Underlying Asset the day prior to the adjustment.

AP: Gross amount to be paid per share.

NSBA: Number of shares per contract before the adjustment.

NSAA: Number of shares per contract after the adjustment.

D: Dividend component if existing at the calculation of DSP.

* In case of doubt regarding the Dividend component, the case will be consulted to the Supervision and Surveillance Commission, being able to take into account the general practices of the markets where derivatives on Spanish stocks are traded.

b) Number of paid dividends per shares of a contract:

$$NSAA = \frac{NSBA}{R}$$

$$R = \frac{NSBA \times CP - NsAA \times AP}{NSBA - NSAA} / CP$$

Where:

NSBA: Number of shares per contract before the adjustment.

NSAA: Number of shares per contract after the adjustment.

CP: Closing Price of Underlying Asset the day prior to the Adjustment.

AP: Gross amount to be paid per share.

nEP: New Exercise Price.

oEP: Exercise Price before the adjustment.

All dividends paid after the take-over bid shall be added directly, without being multiplied by any factor.

c) Settlement price at maturity (SPE):

All dividends paid prior to the date of adjustment for the takeover bid will be added to the SPE by multiplying by a factor F defined such that:

$$R = \frac{NSBA \times CP - NsAA \times AP}{NSBA - NSAA} / CP$$

Being:

CP: Closing Price of the Underlying Asset on the day prior to the “adjustment date”

AP: Price per share at wich the takeover bid is made.

NSBA: Number of existing shares of the Underlying Asset.

NSAA: Number of shares on which the takeover bid is made.

All dividends paid after the takeover bid will be added directly, without multiplying them by any factor.

6.6.10 Spin-Offs

As a general rule, the Underlying Asset will be changed, building up a basket. The components of this basket will be the dividends of the shares that were the underlying of the company that makes the spin-off, plus the dividends of the shares of the new company that corresponds to the ones over which the shareholder has a right.

No adjustments will be made to the multiplier of the contract or the registered price of the Futures Contracts.

6.6.11 Nationalization, Bankruptcy or Delisting

The contracts will be early settled following the terms of Appendix 1.

6.6.12 Other Aspects

6.6.12.1 Expirations Adjusted

For contracts with standard expiration date, adjustments to the Registered Price shall be applied to all Futures maturities with open interest. Adjustments to the size shall be applied to all existing maturities with open interest.

If, after the adjustment, new Contracts with an expiration date prior to the last affected Expiration are open, those new Contracts shall be opened with specifications similar to the adjusted expirations.

Expirations with an expiration date after the last affected Expiration that are opened after the "adjustment date" shall have the standard Contract specifications as established in section 6.3 of these General Conditions.

For contracts with non-standard expiration date, if any, the preceding adjustments shall be applied individually to each Series.

6.6.12.2 Rounding

Adjustment for any type of contract:

With the aim of reducing the economic impact of the rounding, MEFF will register the New Registered Price of the Contracts with such a number of decimals to make the rounding effect negligible or alternatively, MEFF will estipulate additional settlements. The number of shares that are considered of a contract, in case of adjustment, shall be rounded off to the nearest whole.

Intermediate algorithms to calculate the new number of shares or the new RPC will be made with the maximum decimal precision possible, though the final results of the Registered Price of the Contracts or the number of shares are rounded as mentioned above.

6.6.13 Unforeseen Cases

All cases where an adjustment may be convenient and which do not clearly correspond to the provisions of the above sections, shall be submitted by MEFF to the Supervision and Surveillance Commission which shall determine the adjustment to be made, if any.

In those cases where the corporate event that leads to an adjustment is published after the date it should have been done, MEFF will propose to the SSC the fulfilment of a cash adjustment to the Members with open position on the pertinent contracts on the date prior to the of Ex Coupon Date or on the date when the market effectively deducts the corporate event. Cash adjustment shall be made by BME CLEARING under the agreement signed with MEFF.

The composition and functioning of the Supervision and Surveillance Commission are regulated by the Market Rule Book.

The Supervision and Surveillance Commission must be guided, in the resolution of the cases coming under this heading, by the principles of investor protection, equal treatment for long and short positions, consistency in the application of criteria, efficiency and co- ordination with the organizations governing the settlement of the Underlying Security. The SSC also shall be guided by the coordination principle with the rules of other Regulated Markets where Spanish equity derivatives are also traded, with the aim of harmonize the guideline.

Appendix 1

Settlement at Fair Value

In the event of early settlement, positions will be definitively settled at the last Daily Settlement Price (DSP) established by BME CLEARING before the corporate announcement, except if it is found that the price does not accurately reflect the market price of the contracts.

7 Futures on the 10 Year Government National Bond (BONO 10)

7.1 Introduction

The current section of these General Conditions describes the characteristics of the Future Contracts on the 10 year Government Notional Bond as the Regulation requires.

7.2 Underlying Asset

Underlying is a bond, theoretically issued at par on the expiration day of the futures contract, with a maturity of ten years, an annual 6% coupon and a face value of 100.000€.

7.3 Technical Specifications

The technical specifications of the Futures on the 10 year Government Bond include a complete description of these contracts, including the characteristics relating to trading on the Exchange, as features regarding clearing, settlement and counterparty, which are carried out by BME CLEARING. Circulars mentioned will be MEFF Circulars unless otherwise stated.

Underlying: Bond theoretically issued at par on the expiration day of the futures contract, with a maturity of ten years, an annual 6% coupon and a face value of 100.000€.

Contract Face value: 100.000 euros.

Maturities: At least the three closest maturities to March, June, September and December. Effective open maturities will be communicated by Circular.

Expiration Date: 10th day of the maturity month, if this is a Holiday next business day.

Settlement day: Deliveries of the Underlying Asset and the corresponding payments are due on the expiration date.

Last Day for Trading (MEFF) and Two business days prior to the expiration date. Last Business

Registration (BME CLEARING) day prior to the Expiration Date shall be the first Trading Day of the new Expiration.

Quotation Method: Percentage of Contract value.

Minimum Price Fluctuation: One Hundredth of one per cent of the contract value (one basis point), equivalent to 10€.

Profit and Loss daily settlement: Daily, cash, by differences with Daily Settlement Price of previous session.

Commission Settlement: First Business day after transaction date.

Margins: Establish by BME CLEARING.

Closing Price: It will be an approximation to the "market price". Criteria will be determined by MEFF Circular. On expiration date it will be the Expiration Settlement Price.

Daily Settlement Price: They will be the best estimate of the "fair market price". The criteria will be established by Circular. On the expiration date, it will be the Settlement Price at Expiration established in section 6.4.

Expiration Settlement price: The settlement price of the 10 year Government Bond future at the expiration date is calculated by dividing the cheapest to deliver bond market price (ex-coupon) at the end of the session by the conversion factor of the bond.

The market price of the cheapest to deliver bond will be the closing price for that bond determined by SENAF.

In exceptional circumstances and prior notification to the CNMV, MEFF shall determine the Settlement Price by alternative methods.

7.4 Settlement Price at Expiration

Settlement at contract expiration will be with delivery of the deliverable securities.

7.5 Profits and Losses Daily Settlement

Calculation method of the daily Settlement Price will be established by circular. On Expiry Date it will coincide with the Expiry Settlement Price.

8 FX Rolling Spot Futures

8.1 Introduction

The current section of these General Conditions describes the characteristics of the FX Rolling Spot Futures as the Regulation requires.

8.2 Underlying

The Underlying Asset is the spot rate of a currency pair. The underlying Currency pairs will be specified by Circular.

8.3 Technical Specifications

The technical specifications of the FX Spot Rolling Futures include a complete description of these contracts, including the characteristics relating to trading on the Exchange, as features regarding clearing, settlement and counterparty, which are carried out by BME CLEARING. Circulars mentioned will be MEFF Circulars unless otherwise stated.

Underlying:	Spot rate of the currency pair established by Circular
Base Currency	First Currency of the pair. Expressed always as one unit.
Quoted Currency	Second Currency of the pair. Corresponds with the Currency. Corresponds to the currency whose value is quoted in the price.
Contract Size:	Established by Circular.
Expiry:	For each Underlying Asset, a single perpetual maturity will be open for trading.
Pricing:	Units of the Quoted Currency for each unit of the Base Currency
Settlement:	By differences, always in Euros regardless of the Currency pair whose Spot Rate is the underlying.
Fee Settlement:	First Business Day following the date of the Transaction.
Margins:	Established by BME CLEARING.
Closing Price:	It will be an approximation to the “market price”. Criteria will be determined by MEFF Circular.
Daily Settlement Price:	Established by BME CLEARING, taking as reference the Closing Price published by MEFF.

8.4 Adjustments to the Contracts

MEFF, in coordination with BME CLEARING, may proceed to the settlement at fair value of the Contract when events occur that lead to a prolonged absence of prices in the order books, making it impossible to trade the product. The Supervision and Surveillance Commission will determine the application of the adjustment. Some of these events could be:

- Armed conflict or situation of instability in a country specific to one of the currencies of the pair underlying the contract.
- Situation of serious economic, legal and / or administrative alarm in a country specific to one of the currencies of the pair underlying the contract.
- Disappearance of the currency due to political / economic agreements made by the country specific to one of the currencies of the pair underlying the contract.
- When for reasons other than the above, the liquidity providers cease their activity and, as a consequence, there is not enough liquidity in the market to be able to close the existing positions of the members / clients who wish to do so, and the return of liquidity to them is not foreseen in the short term, MEFF will convene the CSV to study if it lis pertinent the settlement of the contracts, and where appropriate, determine the estimated term for this.

In the event adjustments being made, the application date will be made public and BME CLEARING will close the positions in the Contract.

The closing of positions will be made at the settlement price of that day.

Appendix 1

Settlement at Fair Value

In the cases of early settlement at fair value, the valuation shall be done as follows.

- For this purpose, the settlement date of the contracts will be the day following to the one on which the events described above have taken place or as soon as possible.

The futures shall be settled at fair value, using the same valuation model that MEFF uses to calculate daily closing prices.

9 Stocks Rolling Spot Futures

9.1 Introduction and Definitions

This section of the General Conditions describes the characteristics of Rolling Spot Futures over stocks listed on Spanish Stock Exchange Interconnection System, managed by Sociedad de Bolsas or on other stock exchanges recognized by MEFF through Circular (hereinafter, xRolling Stocks).

9.2 Underlying Security

The Underlying Asset of the xRolling Stocks Contracts shall always be shares already issued, fully subscribed and admitted to trading in:

- The Spanish Stock Exchange Interconnection System (SIBE), managed by Sociedad de Bolsas.
- Other Underlying Assets may be shares already issued, fully subscribed and admitted to trading in other exchanges established by Circular.

(Hereinafter both of them will be referred as Reference Markets).

Underlying Assets may be stocks issued by the companies which MEFF shall establish by Circular. MEFF shall make public the first date of negotiation or admission to the registration of Contracts with new Underlying Assets.

9.3 Technical Specifications

The technical specifications of the xRolling Stocks Contracts include a complete description of these contracts, including the characteristics relating to trading on the Exchange, as features regarding clearing, settlement and counterparty, which are carried out by BME CLEARING. Circulars mentioned will be MEFF Circulars unless otherwise stated.

Underlying Security:	Shares admitted to trading in the Reference Markets: The Spanish Stock Exchange Interconnection System (SIBE) and other Reference Markets established by Circular. The underlying Assets will be established by Circular, as well as the Reference Market for each one of them.
Contract Size:	Established by Circular.
Trading Unit:	Established by Circular.
Expiry:	For each Underlying Asset, a single perpetual maturity will be open for trading.

Every Working Day, at the close, the open position of both counterparties in the Contract will be kept open, rolling over both positions.

	The roll over trade will not exist, in its place it will be established by BME CLEARING regulation, a series of payments or deferral flows that will compensate the financial effects of the roll over.
Pricing:	In the same currency in which the Underlying Asset quotes in the Reference Market, with the same tick size as the prices of the shares in that Reference Market.
Settlement:	By differences, in Euros.
Fee Settlement:	First Business Day following the date of the Transaction.
Margins:	Established by BME CLEARING.
Closing Price:	The closing price of the Underlying Asset in the Reference Market.
Daily Settlement Price:	Established by BME CLEARING considering the MEFF Closing Price as a reference.

9.4 Participants and Trading Characteristics in the xRolling Stocks Contract

The participants in the trading of the xRolling Stocks Contract are the xRolling Requesting Party (hereinafter RP), acting for own account or for a client account, and the xRolling Liquidity Provider (hereinafter LP), also for own account or for a client account.

Every trade in xRolling Stocks will be closed between a Member in its condition as a RP and a Member in its condition as a LP, being able to meet an only Member in the trade but always from one side as a LP and from the other as a RP.

The LP will have, in the terms established by Circular, the obligation to execute, in the Reference Market of the Contract and previously to the acceptance of the Trade in the xRolling Stocks Contract, the hedge trade of the shares corresponding to the xRolling Stocks Contract. If the Liquidity Provider acts on behalf of a LP Client, the hedge trade will have to be done on the Client LP behalf.

The LP will receive Deferral Payments at the end of the market session in regard to the open position maintained in xRolling Stocks Contracts. The calculation of this Payment will be established by Circular of BME CLEARING.

The RP will make Deferral Payments at the end of the market session in regard to the open position maintained in xRolling Stocks Contracts. The calculation of this Payment will be established by Circular of BME CLEARING.

In the terms established by Circular, as long as the LP has an open position with the RP in a xRolling Stocks Contract, he must accept the Request For Quote (RFQ) sent by the RP that want to trade to close his position against that LP.

The LP will not be compelled to accept the RFQ when the RP sends it to open a new position, leading to the opening a new balance in the LP.

When a RP, with the aim of closing the Contract, trades with a LP with which he does not have a previous open position in that same Contract, the Contract will not be taken as closed. In that case, the RP will open (buying or selling) a new Contract with that LP, and the Contract he wanted to close (buying or selling) will continue to be alive. Given this, both positions will generate the corresponding Deferral Payments. The Client RP will not assume those Deferral Payments, with which will be taken on by the RP.

May be established by Circular any other characteristics or peculiarities on the participation or trading of these Contracts. Within these peculiarities, the volume associated to the RFQ, its answer and the xRolling Stocks Trades, will be expressed in trading units, whose equivalence with one Contract will be established by Circular, just as mentioned on section 9.3.

In this sense, differently from the rest of Contracts regulated in the Financial Derivatives Segment in which the trading unit is equal to a Contract, in xRolling Stock will not necessarily be in the same way. According to this, and as an example, if the relevant Circular establishes the trading unit in 0.01 Contracts, a buying Request with volume 72 will represent the intention of buying 0.72 xRolling Stocks Contracts.

9.5 Daily Settlement of Variation Margin

The method to determine the Daily Settlement Price will be established by Circular of BME CLEARING.

In the cases in which it is pertinent to adjust the price at which the Contracts are registered (pursuant to section 6.6 of these General Conditions), the preceding Daily Settlement Price for the session after the adjustment will be the new Registered Price of the Contracts.

9.6 Adjustments to the Contracts

The adjustments in the xRolling Stocks Contracts will be the ones defined in the Stocks Derivatives that are already listed in MEFF with a few exceptions: multiplier on the contract and ordinary dividends will not be adjusted.

When, during the life of the Contracts, certain corporate actions are declared over their correspondent Underlying Asset, the Registered Price of the Contracts shall be adjusted by BME CLEARING for the purpose of the subsequent Daily Settlement of Variation Margin. Likewise, due to mergers, take-over bids or any process of stock exchange delisting, other specifications of the Contract, such as the Underlying Asset, will be adjusted in the way described in these General Conditions.

Adjustments shall be effective as from the day on which the corporate action-giving rise to the adjustment takes effect (“the adjustment date”), therefore they will be made after the close and Daily Settlement of Variation Margin of the session immediately prior to the “adjustment date”.

The registered price of the Contracts will be the one resulting after the adjustments and will be applied to all positions in the relevant Class of Contract, therefore the positions will be registered at the said Price once the Daily Settlement of Variation Margin corresponding to the session prior to the “adjustment date” has been done.

In the following subsections there is a description of the adjustments for the following corporate events:

- Share capital increases (shares issues) and share repurchase programs
- Share capital or reserves reductions through cash payment to shareholders
- Split of shares
- Consolidation of shares
- Extraordinary dividends
- Mergers
- Take-over bids
- Take-over bids of an issuer over its own shares
- Spin-offs
- Others not explicitly mentioned that MEFF might submit to the Supervision and Surveillance Commission.

All adjustments will be made with the aim of maintaining the original value of the contract. MEFF may call upon the Supervision and Surveillance Commission when a corporate action takes place, even if this action is included in the previous cases, when the nature of this corporate action may require an adjustment different from the one exposed in these General Conditions. In these cases, the adjustment to be made due to the corporate action, will be decided by the Supervision and Surveillance Commission.

The rules hereby described and in general, any adjustment will have to be in line with the Consensus of the ECAC (European Corporate Action Committee). MEFF belongs to the ECAC from its beginnings and its objective is the coordination between al the European Derivatives Markets in adjustments matters.

9.6.1 Capital Increase by Bonus Share Issue With Same Dividend Rights.

Adjustments to the registered price of the Contracts:

RPC = (DSP) x shares before / shares after

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

9.6.2 Fully Paid Scrip Issue with Different Dividend Terms, or Partially Paid Scrip Issue, or Capital Increase Issued at a Premium, in Which There is Subscription Right or Share Repurchase Program that Creates a Right With Positive Value for the Shareholders

Adjustments to the registered price of the Contracts:

RPC = DSP x (1-TVR/CP)

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

TVR: Theoretical Value of the (Subscription) Rights.

CP: Closing Price of Underlying Asset the day prior to the adjustment.

9.6.3 Reduction of Capital or Reserves by Cash Payment to Shareholders

Adjustments to the registered price of the Contracts:

RPC = DSP x [1 - (AP / CP)]

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

AP: Gross amount to be paid per share.

CP: Closing price of the Underlying Asset the day prior to the adjustment date.

9.6.4 Split of Shares

Adjustments to the registered price of the Contracts:

RPC: DSP x shares before / shares after

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

9.6.5 Consolidation of Shares

Adjustments to the registered price of the Contracts:

RPC = DSP x shares before / shares after

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

9.6.6 Dividends

9.6.6.1 Ordinary Dividends

Ordinary dividends or similar retributions to shareholders will be adjusted. The following retributions will be considered as dividends:

- The first of a series of payments with a periodical and recurrent character.
- The change of a periodical and recurrent payment in the form of dividend for another payment named differently but with the same character.
- Recurrent and periodical payments to shareholders from equity accounts.

The adjustment will be done by BME CLEARING through a compensatory flow for which the RP with a long position receives the 81% of the payment or retribution to the shareholders and if the RP has a short position, pays the 100% of the payment or retribution to the shareholders.

Regarding those dividends according to which the shareholder can choose between receiving cash for the irrevocable commitment of purchase of free allocation rights or new shares, for the calculation of the cash amount of said dividends, the amount of the purchase commitment assumed by the company will be used for this purpose.

In case an ordinary dividend is announced later to the date previous to the exdate, said dividend will not be adjusted.

9.6.6.2Extraordinary Dividends

All special dividends and retributions to shareholders not considered as ordinary dividends will be adjusted for the amount of the exceptional and not periodical retribution, as described in section 9.6.3 of these General Conditions.

In those cases where dividend adjustment is necessary, the Registered Price of the Contracts will be adjusted in the same way as in the case indicated in the section Reduction of capital or reserves by cash payment to shareholders.

On asset distributions with likely difficult valuation at the moment of the adjustment or when there are potential difficulties to trade the assets to be distributed, it will be possible not to adjust, in which case, the “no adjustment” shall be rapidly announced just after the issuing company announces its intention to make such a distribution.

In cases where an adjustment for an asset distribution is required, but the asset valuation cannot be known before the adjustment date, xRolling Stocks trading can be temporarily suspended in order to facilitate the adjustment process on the fairest conditions for the position holders.

9.6.7 Mergers

When the shares of the surviving company are “listed shares”, the original underlying shares will be replaced by the shares offered. For this purpose, “listed shares” are those on which there are, or there can be, listed contracts on MEFF before the merger takes effect.

Adjustments to the registered price of the Contracts:

RPC = DSP x X/Y

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the “adjustment date”.

X,Y: “Y” is the number of shares of the surviving company offered for every “X” shares of the original underlying company.

Adjustments to the number of Contracts registered:

NSAA = NSBA x Y/X

Where:

NSAA: Number of shares of a Contract after the adjustment.

NSBA: Number of shares of a Contract before the adjustment.

X,Y: “Y” is the number of shares of the surviving company offered for every “X” shares.

BME CLEARING will make the necessary rounding to this figure with the aim of making equal the number of contracts in long positions and the number of contracts in short positions.

9.6.8 Take-Over Bids

9.6.8.1 Analysis Prior to the Adjustment Decision

The mere launch of a take-over bid does not warrant an automatic adjustment procedure. Rather, the application of any adjustment will need that the Supervision and Surveillance Commission (hereinafter "SSC") considers that the protection of the market participants and/or the protection of BME CLEARING as the central counterparty clearing house requires to make the adjustment.

The SSC will determine, once the Bid Prospectus is published, what result will be needed to cause an adjustment to the contracts. The SSC's decisions will be published as soon as possible.

The analysis will be made based on the following factors, among others:

a) The various scenarios of capitalization and free float of the target company after the Bid, compared to other companies in the IBEX 35 index.

b) The number of shares freely floating in relation with the open interest of MEFF relevant contracts and an estimate of relevant OTC positions, under various scenarios.

c) The intention of the bidder about excluding the target company from Stock Exchange listing.

In the event that, once the decision taken by SSC is published, there are new significant events (for instance, a competing Bid) which, in the SSC opinion, modify the circumstances; the SSC may revise its decision.

9.6.8.2 Adjustment Methods

In case, once the Bid result is public, the result is such that the Contracts adjustment is required, according to the criteria determined and made public by the SSC, one of the following methods will be applied, depending on the type of Bid:

a) Cash settlement at fair value: the Contracts will be early settled at fair value, according to the valuation criteria established in Appendix 1, which can be modified in line with generally accepted valuation criteria.

b) Ratio Method: the Contracts original underlying shares will be substituted by the shares offered, according to the conditions of the Bid, adjusting the specifications of the Contracts using the Ratio as established in Appendix 2.

9.6.8.3 Types of Take-Over Bids

To this effect, "listed shares" are those on which there are, or there can be, listed contracts on MEFF before the end of the Bid process. Any other type of shares will not be considered as "listed shares" but as "other assets or rights".

a) Take-Over Bids in Cash

When the Bid is entirely in cash or other assets or rights, and an adjustment is deemed necessary, the adjustment will mean the early expiration of the Contracts and the corresponding cash settlement at fair value (Cash settlement at fair value method).

b) Take-Over Bids in Equity.

When the Bid is entirely in listed shares, the Ratio Method will be used.

c) Take-Over Bids in a mixture of Cash and Equity.

When the Bid is in a combination of listed shares and cash, or other assets or rights, and the listed shares component is equal or greater than 1/3 of the total value of the Bid, the Contracts will be adjusted applying the Ratio Method.

However, if the cash and/or other assets or rights component is more than 2/3 of the total value of the Bid, the Bid will be treated as a Bid in cash.

9.6.9 Take-Over of an Issuer on its Own Shares

An adjustment shall be made for this corporate event as long as the take-over bid price is greater than the share closing price on the previous day of the adjustment date.

The registered price of the contracts will be adjusted as follows:

$$RCP = DSP \text{ x } R$$

$$R = \frac{NSBA \times CP - NsAA \times AP}{NSBA - NSAA} / \, CP$$

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the “adjustment date”.

CP: Closing Price of Underlying Asset the day prior to the adjustment.

AP: Gross amount to be paid per share.

NSBA: Number of shares per contract before the adjustment.

NSAA: Number of shares per contract after the adjustment.

9.6.10 Spin-Offs

The Underlying Asset will not be changed so strictly there will not be a basket itself. In its place:

- The xRolling whose underlying are the shares of the company that makes the spin-off, will be unaltered.
- Additionally, a new position will be created in xRolling contracts whose underlying will be the shares of the new company result from the spin-off, in the correspondent number in which the shareholder has a right.

No adjustments to the multiplier or the register price of the xRolling Contracts will be made.

9.6.11 Other Aspects

9.6.11.1 Rounding

For the adjustment for any type of contract:

With the aim of reducing the economic impact of the rounding, MEFF will register the New Registered Price of the Contracts[1] with such a number of decimals to make the rounding effect negligible or alternatively, MEFF will estipulate additional settlements.

Intermediate calculations to find out the new Registered Price of the Contracts will be made with the maximum decimal precision possible, though the final results of the Registered Price of the Contracts are rounded as mentioned above.

For those adjustments implying a change in the size of the registered position: BME CLEARING may round this figure with the aim of making equal the number of contracts in long positions and the number of contracts in short positions registered in BME CLEARING. No decimals are contemplated in the number of contracts. When in applying an adjustment due to a corporate event, there appear differences between buys and sells as a consequence of the rounding, these will be adjusted in the side of the Liquidity Providers.

9.6.11.2 Unforeseen cases

All cases where an adjustment may be convenient and which do not clearly correspond to the provisions of the above sections, shall be submitted by MEFF to the Supervision and Surveillance Commission (SSC) which shall determine the adjustment to be made, if any.

In those cases where the corporate event that leads to an adjustment is published after the date it should have been done, MEFF will propose to the SSC the fulfillment of a cash adjustment to the Members with open position on the pertinent contracts on the date prior to the of Ex Coupon Date or on the date when the market effectively deducts the corporate event. Cash adjustment shall be made by BME CLEARING under the agreement signed with MEFF.

The composition and functioning of the Supervision and Surveillance Commission are regulated by the MEFF Rule Book.

The Supervision and Surveillance Commission must be guided, in the resolution of the cases coming under this heading, by the principles of investor protection, equal treatment for long and short positions, consistency in the application of criteria, efficiency and co- ordination with the organizations governing the settlement of the Underlying Security. The SSC also shall be guided by the coordination principle with other Regulated Markets Rules where Spanish equities derivatives are also traded, with the aim of rule harmonization.

---

[1]The Contracts in this section are expressed in registration units whose definition will be contained in BME CLEARING General Conditions, in the xRolling Stocks section.

9.7 Unilateral Termination of the Contracts (UTC) by the Liquidity Provider

As the Contract has a perpetual maturity, the faculty regulated in this section allows the LP, unilaterally and acting in good faith and under the terms established in the relevant Circular, when exceptional circumstances arise that prevent or hinder the Liquidity Provider or the Client LP to keep the position open, to request MEFF to terminate the Contracts.

MEFF will establish by Circular:

- The causes that will allow a LP to request a UTC.
- The typology of positions over which the LP will be able to request a UTC.
- The minimum periods to be accomplished in the application of the UTC.
- The limitations to the trading that the LP will have as a consequence in the application of the UTC.

When a LP requests to MEFF the unilateral termination of the Contract, this will imply, in the terms established in its regulation, the organization of an auction by BME CLEARING in the search of other Liquidity Providers interested in allocate the position of the LP that has requested the UTC.

If the auction is partially executed or null and void, BME CLEARING will be forced to close the position at the closing price as described in its regulation. The position close will be done against the RPs with which the Liquidity Provider that requests the UTC had open position, closing therefore their position too in xRolling Stocks and ending their corresponding paying obligations derived from this position.

In the cases of the UTC, when the position is transferred to another LP with occasion of an auction, this las LP will not have the obligation to make the hedge trade of the shares (section 9.4).

When closing definitely the position of the RPs for not having found a new LP to which be able to allocate it, the Close will be over the position on xRolling Stocks, without making any action on the Underlying Asset result of the hedge trade.

Appendix 1

Settlement at Fair Value

In the cases of early settlement at fair value, the valuation will be done as follows.

- For this purpose, the contracts valuation day will be the day following to the date on which the result is published, or as soon as practicable.
- The futures contracts will be settled at fair value, using the same valuation model that MEFF uses to calculate daily closing prices and the data to feed the model will be as follows:

1. Underlying price: for Bids entirely in cash, the price offered; for Bids in non- listed shares or other assets or rights, the valuation of the assets than can be reasonably made; for Bids combining listed shares and cash or other assets, the sum of the cash and rest of the assets valuation, including the listed shares.
2. Any extraordinary payment announced by the company in relation with the Bid process will be treated as an adjustable payment.

Appendix 2

Ratio Method

In the cases of Take-Over Bids in Equity or in a combination of Equity and other assets where the listed shares component is equal or greater than 1/3 of the total value of the Bid, the new registered price of the Contracts and the new size of the Contracts will be calculated as follows:

a) Take-Over Bids in Equity (listed shares)

Adjustment to the registered price of the Contracts:

RPC = DSP x X/Y

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

X,Y: "Y" is the number of shares offered for every "X" shares of the target company.

Adjustments to the number of Contracts registered: the number of shares will be multiplied by the inverse ratio, Y/X. BME CLEARING may round this figure with the aim of making equal the number of contracts in long positions and the number of contracts in short positions

b) Take-Over Bids in a mixture of Cash and Equity

Adjustment to the registered price of the Contracts:

PRC = PLD x X / (E/PC+Y)

Where:

RPC: New registered price of the Contracts.

DSP: Daily Settlement Price of the session prior to the "adjustment date".

X,Y: "Y" is the number of shares offered for every "X" shares of the target company.

CP: Closing price of the shares offered the day prior to the "adjustment date".

E: Cash, or value of the other assets or rights offered with the listed shares.

Adjustments to the number of Contracts registered: the number of shares will be multiplied by the inverse ratio, ((E/CP) +Y)/X. BME CLEARING may round this figure with the aim of making equal the number of contracts in long positions and the number of contracts in short positions

Any complementary cash payment or special dividend will be treated as an adjustable payment.

This material has been prepared by Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros S. A. (BME), its subsidiaries, affiliates and/or their branches (together, "BME") for the exclusive use of the persons to whom BME delivers this material. This material or any of its content is not to be construed as a binding agreement, recommendation, investment advice, solicitation, invitation or offer to buy or sell financial information, products, solutions or services. The information does not reflect the firm positions (proprietary or third party) of the entities involved in the Spanish Securities Market. BME is under no obligation to update, revise or keep current the content of this material, and is subject to change without notice at any time. No representation, warranty, guarantee or undertaking – express or implied – is or will be given by BME as to the accuracy, completeness, sufficiency, suitability or reliability of the content of this material.

The opinions presented are theoretical and, therefore, the content hereof is intended for informational purposes only and should not be used for portfolio or asset valuations, or as the basis for any investment recommendations. Neither contributing Entities, nor Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros S.A.(BME) nor any of its subsidiaries, accept responsibility for any financial loss or decision made based on the information contained in this material. In general, neither Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros S. A. (BME) nor any of its subsidiaries, nor the contributing Entities, their directors, representatives, associates, subsidiaries, managers, partners, employees or advisors accept any responsibility for this information or unauthorised use of the same.

This material is property of BME and may not be printed, copied, reproduced, published, passed on, disclosed or distributed in any form without the express prior written consent of BME.

2023 Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros S. A. All rights reserved.

BME
Plaza de la Lealtad,1
Palacio de la Bolsa
28014 Madrid

www.bolsasymercados.es