

Chapter 10M

Soybean-Corn Intercommodity Ratio Options

10M00. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on the Soybean-Corn Futures Intercommodity Ratio. In addition to the rules of this chapter, transactions in Soybean-Corn Intercommodity Ratio Options shall be subject to the general rules of the Exchange insofar as applicable.

10M01. OPTIONS CHARACTERISTICS

10M01.A. Contract Months

Trading in Soybean-Corn Intercommodity Ratio options may be scheduled in such months as determined by the Exchange.

10M01.B. Trading Unit

10,000 times the ratio value.

One Soybean-Corn Intercommodity Ratio Option reflects a position in the price ratio between one (1) Soybean futures contract of a specified contract month and one (1) Corn futures contract of a specified contract month on the Board of Trade of the City of Chicago, Inc. rounded to the nearest 1/1,000th of a point (0.001).

For example, assuming a corn price of 375.75 cents per bushel and a soybean price of 917.50 per bushel, the ratio is $917.50/375.75 = 2.4417831$, rounded to the nearest 0.001 of a point or 2.442.

10M01.C. Minimum Fluctuations

The premium for Soybean-Corn Intercommodity Ratio options shall be in multiples of 0.0005, or \$5.00 per contract.

However, a position may be initiated or liquidated in Soybean-Corn Intercommodity Ratio options at premiums ranging from \$1.00 to \$4.00, in \$1.00 increments per option contract.

10M01.D. Trading Hours

The hours for trading of Soybean-Corn Intercommodity Ratio options contracts shall be determined by the Exchange. Soybean-Corn Intercommodity Ratio options shall be opened and closed for all months and strike prices simultaneously.

On the last day of trading in an expiring option, the expiring Soybean-Corn Intercommodity Ratio options shall be closed with a public call, made strike price by strike price, immediately following the close of the open outcry trading session for the corresponding futures contracts.

10M01.E. Exercise Prices

Trading shall be conducted for put and call options with strike prices in integral multiples of 5/100's of one point per bushel (i.e., 2.40, 2.45, 2.50, 2.55, etc.). At the commencement of trading for such option contracts, the following strike prices shall be listed: one with a strike price closest to the previous day's Soybean-Corn Intercommodity Ratio; the next ten consecutive higher and the next ten consecutive lower strike prices closest to the previous day's Soybean-Corn Intercommodity Ratio. If the previous day's ratio is midway between two strike prices, the closest strike price shall be the larger of the two. Over time, new strikes will be added to ensure that all strikes above and below the previous day's settlement price in the underlying futures contract are listed. When a new strike price is added for an option contract month, the same strike price will be added to all option contract months for which that strike price is not already listed.

All strikes will be listed prior to the opening of trading on the following business day. Upon demand and at the discretion of the Exchange, new out-of-current-range strike prices at regularly defined intervals may be added for trading on as soon as possible basis.

The Exchange may modify the procedures for the introduction of strikes as it deems appropriate in order to respond to market conditions.

10M01.F. Position Limits

For the purposes of this rule, positions in Corn futures and options, mini-sized Corn futures, Corn Calendar Spread options, and Soybean-Corn Intercommodity Spread options and positions in Soybean futures and options, mini-sized Soybean futures, Soybean Calendar Spread options, and Soybean-Corn Intercommodity Ratio options will be aggregated for the purpose of determining compliance with the contracts' position limit.

In accordance with Rule 559, Position Limits and Exemptions, no person shall own or control Corn positions in excess of:

1. 33,000 futures-equivalent contracts net long or net short in any single month or in all months combined.

In accordance with Rule 559, Position Limits and Exemptions, no person shall own or control Soybean positions in excess of:

1. 15,000 futures-equivalent contracts net long or net short in any single month or in all months combined.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

10M01.G. Reserved

10M01.H. Nature of Options on Intercommodity Ratios

On expiration of a put option the buyer of one Soybean-Corn Intercommodity Ratio put option will be entitled to receive the value of that put option. The value of a Soybean-Corn Intercommodity Ratio put option at expiration will be defined as the difference between the strike price of the put option and the settlement price of the referencing CBOT Soybean futures contract divided by the settlement price of the referencing CBOT Corn futures contract rounded to the nearest 1/1,000th of a point (0.001), and multiplied by 10,000, or zero, whichever is greater. The seller of one Soybean-Corn Intercommodity Ratio put option incurs the obligation to pay the value of that put option. For example, on final settlement day for a November Soybean-Corn Intercommodity Ratio option, assume November Soybean futures settle at 917.50 cents per bushel and December Corn futures settle at 375.75 cents. The final ratio would be $917.50/375.75$ rounded to the nearest 0.001 or 2.442. The value of a 2.50 put would be $(2.50 - 2.442) * 10,000 = \580 .

On expiration of a call option the buyer of one Soybean-Corn Intercommodity Ratio call option will be entitled to receive the value of that call option. The value of a Soybean-Corn Intercommodity Ratio call option at expiration will be defined as the difference between the settlement price of the referencing CBOT Soybean futures contract divided by the settlement price of the referencing CBOT Corn futures contract rounded to the nearest 1/1,000th of a point (0.001), and the strike price, multiplied by 10,000, or zero, whichever is greater. The seller of one Soybean-Corn Intercommodity Ratio call option incurs the obligation to pay the value of that call option. For example, on final settlement day for a November Soybean-Corn Intercommodity Ratio option, assume November Soybean futures settle at 917.50 cents per bushel and December Corn futures settle at 375.75 cents. The final ratio would be $917.50/375.75$ rounded to the nearest 0.001 or 2.442. The value of a 2.40 call would be $(2.442 - 2.40) * 10,000 = \420 .

"Market Disruption Event" ("MDE") shall mean: (a) the termination or suspension of, or material limitation or disruption in the trading of the referencing CBOT Soybean futures contract and/or the referencing CBOT Corn futures contract on that day, including if due to the closing of the Exchange

prior to the regularly scheduled closing time of the Exchange; (b) the settlement price of the referencing CBOT Soybean futures contract and/or the referencing CBOT Corn futures contract reflects the maximum permitted price change from the previous day's settlement price; or (c) the failure of the Exchange to publish an official Settlement Price(s) for the referencing CBOT Soybean futures contract and/or the referencing CBOT Corn futures contract. If an MDE occurs and the Exchange does not publish a settlement price for the referencing CBOT Soybean futures contract and/or the referencing CBOT Corn futures contract, the Soybean-Corn Intercommodity Ratio options on that day shall revert back to the settlement prices on the first preceding business day. If an MDE occurs and the Exchange publishes settlement prices for the referencing CBOT Soybean futures contract and the referencing CBOT Corn futures contract and it is not final settlement day, the Soybean-Corn Intercommodity Ratio options will settle normally. If an MDE occurs on final settlement day, then final settlement for expiring Soybean-Corn Intercommodity Ratio options shall be based on the next available set of referencing CBOT Soybean futures settlement prices and referencing CBOT Corn futures settlement prices for which an MDE is no longer in effect, with a delay limited to 10 business days from the original expiration date. If, on the 11th business day, an MDE is still in effect, then the Exchange will determine an appropriate estimated settlement price.

10M01.I. Termination of Trading

Subject to the provisions of rule 10M01.D no trades in Soybean-Corn Intercommodity Ratio options expiring in the current month shall be made after the close of trading of the open outcry trading session on the day identical to the expiration of standard Corn and Soybean options. Therefore, expiration will occur on the last Friday which precedes by at least two business days, the last business day of the month preceding the option month. If such Friday is not a business day, the last day of trading shall be the business day prior to such Friday. For example, the November-December Soybean-Corn Intercommodity Ratio Option (November Soybeans divided by December Corn) will expire on the last Friday which precedes by at least two business days the last business day of October.

10M01.J. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency, or duly constituted body thereof issues an order, ruling, directive, or law inconsistent with these rules, such order, ruling, directive, or law shall be construed to become part of the rules and all open and new options contracts shall be subject to such government orders.

10M02. EXERCISE OF OPTION

Soybean-Corn Intercommodity Ratio options will be cash settled on expiration day.

Soybean-Corn Intercommodity Ratio options cannot be exercised at any time during the life of the option.

10M03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701.).

10M04. RESERVED

10M05. RESERVED

10M06. PAYMENT OF OPTION PREMIUM

The option premium must be paid in full by each clearing member to the Clearing House and by each option customer to his futures commission merchant at the time that the option is purchased, or within a reasonable time after the option is purchased.