

Chapter 401A

Options on S&P GSCI™ Commodity Index Futures

401A00. SCOPE OF CHAPTER

This chapter is limited in application to options on S&P GSCI Commodity Index futures. In addition to this chapter, options on S&P GSCI Commodity Index futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred to herein shall refer to and indicate Chicago time.

401A01. OPTIONS CHARACTERISTICS

401A01.A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Exchange.

401A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one S&P GSCI Commodity Index futures contract as specified in Chapter 401.

401A01.C. Minimum Fluctuations

The price of an option shall be quoted in S&P GSCI Futures Price Index points. Each 0.005 Index point shall represent \$1.25. The minimum fluctuation shall be 0.05 Index points representing \$12.50 (also known as one tick). Trades may also occur at a price of .025 Index points (\$6.25, also known as one-half tick) whether or not such trades result in the liquidation of positions for both parties to the trade.

401A01.D. Underlying Futures Contract

The underlying futures contract is the futures contract for the month in which the option expires. For example, the underlying futures contract for an option that expires in February is the February futures contract.

401A01.E. Exercise Prices

The exercise prices shall be stated in terms of the S&P GSCI Commodity Index futures contract which is deliverable upon exercise of the option. For all contract months, the exercise prices shall be even-numbered integers, e.g., 180, 182, 184, etc. In addition, for the nearest contract month, some exercise prices shall be at odd-number integers, e.g. 180, 181, 182, etc., as is described below.

At the commencement of option trading in a contract month the Exchange shall list all eligible exercise prices in a range of 20 index points above and below the previous day's settlement price of the underlying futures contract. If the previous day's settlement price equals an eligible exercise price, then that exercise price shall be listed also.

When a sale, bid, offer, or settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall list on the next Trading Day put and call options at the next higher (or next lower) exercise price within a 20 index point range above (or below) the exercise price at which or through which the underlying futures sale, bid, offer, or settlement price occurred. New options may be listed for trading up to and including the last day of trading.

When a contract month becomes the nearest contract month, the Exchange shall add exercise prices at an interval of odd-numbered integers in a range of 12 index points above and below the previous day's settlement price of the underlying futures contract. If the previous day's futures contract equals an eligible odd-numbered exercise price, then that exercise price shall also be listed. Thereafter, when a sale, bid, offer, or settlement price in the underlying futures contract occurs at, or passes through, an odd-numbered exercise price, the Exchange shall list on the next Trading Day put and call options at the next higher (or next lower) exercise price within a 12 index point range above (or below) the exercise price at which or through which the underlying futures sale, bid, offer, or settlement price occurred.

401A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

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

401A01.G. [Reserved]

401A01.H. [Reserved]

401A01.I. Termination of Trading

Options trading shall terminate at the same date and time as the underlying futures contract.

401A01.J. [Reserved]

401A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of the S&P GSCI Commodity Index options.

401A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer on any Business Day that the option is traded. Exercise of an option is accomplished by the clearing member representing the buyer presenting an exercise notice to the Clearing House by 7:00 p.m. on the day of exercise.

An option that is in the money and has not been liquidated or exercised prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. on the Business Day of expiration by the clearing member representing the option buyer, be automatically exercised. An option is in the money if the settlement price of the underlying futures contract at the termination of trading lies above the exercise price in the case of a call, or lies below the exercise price in the case of a put.

If the Final Settlement Price of the underlying futures contract, as determined in Rule 40103.A, occurs on any day other than the last day of trading, exercise and final settlement of the option will occur on that same day.

Corrections to option exercises may be accepted by the Clearing House after the 7:00 p.m. deadline and up to the beginning of final option expiration processing provided that such corrections are necessary due to: (1) a bona fide clerical error, (2) an unreconciled Exchange option transaction(s), or (3) an extraordinary circumstance where the clearing firm and customer are unable to communicate final option exercise instructions prior to the deadline. The decision whether a correction is acceptable will be made by the President of the Clearing House, or the President's designee, and such decision will be final.

401A02.B. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes prior to the opening of trading in the underlying futures contract on the following Business Day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call was exercised or a long position if a put was exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call was exercised and a short position if a put was exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the Trading Day of acceptance by the Clearing House of the exercise notice.

401A03. [RESERVED]

(End Chapter 401A)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 401A**

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