

Chapter 416 CME Frost Index Futures¹

41600. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME Frost Indexes². The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

41601. COMMODITY SPECIFICATIONS³

1. Frost Index Point

A “Frost Index Point” shall be recorded whenever one or more of the following conditions are met for a particular location:

- The temperature at 0700 local time (0600 UTC, except 0500 UTC beginning the last Sunday in March) is less than or equal to -3.5 degrees Celsius;
- The temperature at 1000 local time (0900 UTC, except 0800 UTC beginning the last Sunday in March) is less than or equal to -1.5 degrees Celsius;
- The temperature at 0700 local time (0600 UTC, except 0500 UTC beginning the last Sunday in March) is less than or equal to -0.5 degrees Celsius, and the temperature at 1000 local time (0900 UTC, except 0800 UTC beginning the last Sunday in March) is less than or equal to -0.5 degrees Celsius.

2. The CME Frost Indexes and Listing Cities

Each particular CME Frost index is the accumulation of like Frost Index Points during a month within the period beginning the first Monday in November and ending the last Friday in March, excluding Saturdays, Sundays, December 25, December 26, and January 1. Each particular Index shall be computed by MDA Information Systems, Inc. using final temperature observations reported by the respective national meteorological office.

Listing Cities and Corresponding Weather Stations

- Amsterdam-Schiphol, Netherlands (WMO 06240)

41602. FUTURES CALL

41602.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours in such months as may be determined by the Board of Directors.

41602.B. Size of Trading Unit⁴

The size of the unit of trading shall be 10,000 Euros (€) times the respective CME Frost Index.

41602.C. Price Increments⁵

The minimum price fluctuation on the respective CME Frost Index futures shall be .01 index points and have a value of 100 Euros (€).

41602.D. Position Limits⁶

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For position involving options on the respective CME Frost Index futures, this rule is superseded by the option speculative position limit rule.

¹ Revised June 2008.

² Revised June 2008.

³ Revised June 2008.

⁴ Revised June 2008.

⁵ Revised June 2008.

⁶ Revised June 2008.

41602.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

41602.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

41602.G. Termination of Trading**FOR CONTRACTS THROUGH MARCH 2012:**

For the November, December, January and February contract months, futures trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least six calendar days after the respective futures contract month. For the March contract month only, futures trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least six calendar days after the last Friday in March.

FOR CONTRACTS BEGINNING NOVEMBER 2012:

For the November, December, January and February contract months, futures trading shall terminate at 9:00 A.M. on the fifth Exchange business day after the respective futures contract month. For the March contract month only, futures trading shall terminate at 9:00 A.M. on the fifth Exchange business day after the last Friday in March.

41602.H. Contract Modification¹

Specifications shall be fixed as of the first day of trading of a contract, except that all contracts must conform to government regulations in force at the time of final settlement. If any U.S. governmental agency or body with jurisdiction over the trading of the contract or with jurisdiction respecting the trading or final settlement of the CME Frost Index futures issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such governmental orders.

41602.I. [Reserved]**41603. SETTLEMENT PROCEDURES****41603.A. Final Settlement Price²****FOR CONTRACTS THROUGH MARCH 2012:**

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Frost Index reported by MDA Information Systems, Inc. for that city for that contract period, using the methodology in effect on that date. For the November, December, January and February contract months, final settlement shall occur on the first Exchange business day that is at least six calendar days after the respective futures contract month. For the March contract month only, final settlement shall occur on the first Exchange business day that is at least six calendar days after the last Friday in March. For example, on March 7, 2005, the February 2005 futures contract on the CME Amsterdam-Schiphol Frost Index would have been settled at 2.00 Frost Index Points.

FOR CONTRACTS BEGINNING NOVEMBER 2012:

¹ Revised June 2008; August 2011.

² Revised June 2008; August 2011.

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Frost Index reported by MDA Information Systems, Inc. for that city for that contract period, using the methodology in effect on that date. For the November, December, January and February contract months, final settlement shall occur on the fifth Exchange business day after the respective futures contract month. For the March contract month only, final settlement shall occur on the fifth Exchange business day after the last Friday in March. For example, on March 7, 2005, the February 2005 futures contract on the CME Amsterdam-Schiphol Frost Index would have been settled at 2.00 Frost Index Points.

41603.B. Final Settlement¹

Clearing members holding open positions in a CME Frost Index futures contract at the termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

41604. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

41605.-06. [RESERVED]

(End Chapter 416)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 416**

LIMITATION OF LIABILITY AND DISCLAIMER

MDA Information Systems, Inc. (“MDA”, formerly “EarthSat”) grants the Exchange the rights to use various data (“Data”) in connection with the trading of futures contracts and options on futures contracts based upon such Data. MDA makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. MDA makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall MDA have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

¹ Revised June 2008.