

Chapter 10E

Options on Black Sea Corn Financially Settled (Platts) Futures

10E100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on Black Sea Corn Financially Settled (Platts) futures contracts. In addition to the rules of this chapter, transactions in options on Black Sea Corn Financially Settled (Platts) futures shall be subject to the general rules of Exchange insofar as applicable.

10E101. OPTION CHARACTERISTICS

10E101.A. Contract Months

Trading may be scheduled in such months as determined by the Exchange and the number of months open for trading at a given time shall also be determined by the Exchange.

10E101.B. Trading Unit

Each option reflects one fifty (50) metric tons Black Sea Corn Financially Settled (Platts) futures contract with the same contract month.

10E101.C. Minimum Fluctuations

Prices shall be quoted in U.S. dollars and cents per metric ton. The minimum price fluctuation shall be \$0.05 per metric ton or \$2.50 per contract.

However, a position may be initiated or liquidated at a premium of \$1.00 per option contract.

10E101.D. Trading Hours

The hours of trading for this contract shall be determined by the Exchange.

10E101.E. Exercise Prices

Trading shall be conducted for call and put options with strike prices in integral multiples of \$2.50 per metric ton. New strike prices at regularly defined intervals shall be added for trading on an as-needed basis.

10E101.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.

10E101.G. Nature of Option

Options on Black Sea Corn Financially Settled (Platts) futures contracts are American-Style expiry options and may be exercised by the buyer on any Exchange Business Day. An Option that is in the money and has not been exercised or liquidated prior to the expiration day shall be exercised automatically.

A call option on the Black Sea Corn Financially Settled (Platts) futures contract represents an option for a buyer to assume a long position in the underlying Black Sea Corn Financially Settled (Platts) futures at the strike price.

A put option on the Black Sea Corn Financially Settled (Platts) futures contract represents an option for a buyer to assume a short position in the underlying Black Sea Corn Financially Settled (Platts) futures at the strike price.

10E101.H. Termination of Trading

Trading terminates on the last trading day of the corresponding Futures contract.

10E102. CASH SETTLEMENT

For a Call option on Black Sea Corn Financially Settled (Platts) futures contract that is not exercised ahead of the expiration day, the settlement on expiration day is the differential between the underlying futures Final Settlement Price and the strike price multiplied by 50 metric tons, or zero which ever is greater on the day on which the option is exercised.

Where a Call Option is in the money and is exercised ahead of the expiration day, the options will expire into the Black Sea Corn Financially Settled (Platts) futures contract.

For a Put option on Black Sea Corn Financially Settled (Platts) futures contract that is not exercised ahead of the expiration day, the settlement on expiration day is the differential between the strike price and the underlying futures Final Settlement Price multiplied by 50 metric tons, or zero which ever is greater on the day on which the option is exercised.

Where a Put Option is in the money and is exercised ahead of the expiration day, the options will expire into the Black Sea Corn Financially Settled (Platts) futures contract.

10E103. OPTION PREMIUM FLUCTUATION LIMITS

There are no option premium limits during any day for options on Black Sea Corn Financially Settled (Platts) futures contracts.

10E104. 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.

10E105. DISCLAIMER

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