

## Chapter 1254 European Union Allowance (EUA) Option

### 1254100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on European Union Allowance (EUA) futures contracts. In addition to the rules of this chapter, transactions in European Union Allowance (EUA) Options shall be subject to the general rules of the Exchange.

For purposes of these rules, unless otherwise specified, times referred to herein shall refer to and indicate the prevailing time in the Netherlands.

### 1254101. OPTION CHARACTERISTICS

The number of months open for trading at a given time shall be determined by the Exchange.

#### 1254101.A. Trading Schedule

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

#### 1254101.B. Trading Unit

The European Union Allowance (EUA) Option is an option on the European Union Allowance (EUA) Futures Contract. On exercise of a call option, the long position will be assigned a long position in the European Union Allowance (EUA) first nearby December Futures at the strike price. On exercise of a call option, the short position will be assigned a short position in the European Union Allowance (EUA) first nearby December Futures position at the strike price. On exercise of a put option, the long position will be assigned a short position in the European Union Allowance (EUA) first nearby December Futures at the strike price. On exercise of a put option, the short position will be assigned a long position in the European Union Allowance (EUA) first nearby December Futures position at the strike price.

#### 1254101.C. Price Increments

The minimum price fluctuation is €0.005 per EUA (€5 per contract). Prices shall be quoted in Euros (€) and Euro cents (¢) per EUA.

#### 1254101.D. 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.

#### 1254101.E. Termination of Trading

The option contract shall expire at the close of trading three business days prior to the expiration of the underlying European Union Allowance (EUA) futures contract.

On the last trading day, trading terminates at 2:00 p.m. The option shall be available for automatic exercise. The in-the-money value of the option shall be based on a methodology to be published by the Exchange that reflects market prices at the termination of trading of a contract. Notwithstanding the above, the Exchange may determine an alternative termination of trading time on the last trading day for specific expiries on NYMEX Business Days immediately prior to or concurrent with local or U.S. holidays.

#### 1254101.F Option Type

The option is a European-style option which can only be exercised into the underlying futures on expiration day.

#### 1254101.G. Settlement Variation and Option Value

This contract is a future-style margin option. Settlement variation rules for futures-style margin options conform to those set forth for non-options stipulated in NYMEX Rule 814. As such,

when a clearing member or its customers is long or short any amount of any commodity for a settlement cycle, as indicated by Clearing House records, settlement for any outstanding exposure shall be made with the Clearing House based on the settlement price for that settlement cycle. For futures-style margin options, each clearing member and its customers shall pay to, or collect from, the Clearing House any loss or profit, as the case may be, represented by the difference between (x) the settlement price of the futures-style margin option for such settlement cycle and (y) the settlement price of the futures-style margin option for the prior settlement cycle (or, for the first settlement cycle after the purchase/sale of such option, the price at which the option was purchased or sold).

**1254102. EXERCISE PRICES**

Transactions shall be conducted for option contracts as set forth in Rule 300.20.