Chapter 927
Coal (API 2) cif ARA (Argus/McCloskey) Option

927100. SCOPE OF CHAPTER
This chapter is limited in application to Coal (API 2) cif ARA (Argus/McCloskey) put and call options. In addition to the rules of this chapter, transactions in Coal (API 2) cif ARA (Argus/McCloskey) put and call options shall be subject to the general rules of the Exchange insofar as applicable.

927101. OPTION CHARACTERISTICS
The number of months open for trading at a given time shall be determined by the Exchange.

927101.A. Trading Schedule
The hours of trading for this contract shall be determined by the Exchange.

927101.B. Trading Unit
On the expiration of a call option, the option will be financially settled to the greater of zero or the value produced by subtracting the strike price from the Floating Price of the Coal (API 2) cif ARA (Argus/McCloskey) Futures contract for the same contract month, multiplied by 1,000 metric tons. On the expiration of a put option, the option will be financially settled to the greater of zero or the value produced by subtracting the Floating Price of the Coal (API 2) cif ARA (Argus/McCloskey) Futures contract for the same contract month from the strike price, multiplied by 1,000 metric tons.

927101.C. Price Increments
Prices shall be quoted in dollars and cents per metric ton. The minimum price fluctuation shall be $0.01 per metric ton. The minimum final settlement is $0.01 per metric ton. A cabinet trade may occur at the price of $.001 per metric ton or $1.00, however, if it results in the liquidation of positions of both parties to the trade.

927101.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.

927101.E. Termination of Trading
The Coal (API 2) cif ARA (Argus/McCloskey) Option expiration shall be on the last Friday of the contract month. If such Friday is a UK holiday, the contract will expire on the UK business day immediately prior to the last Friday of the contract month unless such day is not an Exchange business day, in which case the contract will expire on the Exchange business day immediately prior.

927101.F. Type Option
Coal (API 2) cif ARA (Argus/McCloskey) Option is a financially settled European-style option. The option cannot be exercised prior to expiration.

927102. EXERCISE PRICES
Transactions shall be conducted for option contracts as set forth in Rule 300.20.

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