

## **DEFINITIONS**

### **ACT OR CEA**

The term "Act" or "CEA" shall mean the Commodity Exchange Act, as amended from time to time.

### **AGGREGATE BASE AVAILABLE FUNDS**

The sum of any remaining Base Collateral, any remaining Base Customer Collateral (if applicable as described in Rule 802.A.2), any Remaining Base Priority of Payments and the Aggregate Base Pays.

### **AGGREGATE BASE COLLECTS**

The sum of all Proprietary Base Collects, all Customer Futures Collects, all Individual Customer Swap Collects and the amount of payments utilized for position liquidation pursuant to Rule 802.B.7(b)(ii).

### **AGGREGATE BASE PAYS**

The sum of all Proprietary Base Pays, Customer Futures Pays and Individual Customer Swap Pays.

### **AUCTION PAYMENTS**

The amounts that would be owed to winner(s) of an auction of a defaulted Clearing Member's portfolio (or some portion thereof).

### **BASE ASSESSMENTS**

The amounts by which the Clearing House assesses Base Clearing Members collectively pursuant to Rule 802.

### **BASE CLEARING MEMBER**

A firm meeting the requirements of, and approved for, clearing membership with respect to Base Contracts at the Clearing House.

### **BASE COLLATERAL**

All assets of a defaulting Base Clearing Member that are available to the Clearing House, including without limitation its Base Guaranty Fund contribution (pursuant to Rule 816) including any excess amounts, its performance bonds on deposit with the Clearing House relating to the Base Guaranty Fund Products, any partial payment amounts or settlement variation gains in respect of Base Guaranty Fund Products, the proceeds of the sale of any membership assigned to it for clearing qualification, excess performance bond or guaranty fund deposits of the clearing member for non-Base Guaranty Fund Products and any of its other assets held by, pledged to or otherwise available to the Clearing House but excluding amounts carried in any customer account class.

### **BASE CONTRACT**

A Base Guaranty Fund Product that has been accepted for clearing by the Clearing House, provided however that for purposes of Rules 802.B.7, 802.B.8, 802.B.9, 802.B.10(b), and 802.B.11, the term Base Contract shall include Commingled Futures Positions (as such term is defined in Rule 8G831).

### **BASE CUSTOMER COLLATERAL**

The sum of Base Swap Customer Collateral, Base Futures Customer Collateral and Base Futures 30.7 Customer Collateral, each as applicable pursuant to Rule 802.A.2.

### **BASE PRIORITY OF PAYMENTS**

The CME Contribution, the Base Guaranty Fund and the Base Assessments, which shall be used in the order set forth in Rule 802.B.

**BASE PRODUCT CATEGORY**

Each category and sub-category of Base Contracts as determined by the Clearing House for default management purposes.

**BIDDING OTC FIRM**

A non-defaulted Base OTC Clearing Member that is required to participate in the Clearing House's default drill exercises and liquidation auctions for any OTC Derivative Product Category in which it has open interest, as determined by the Clearing House

**BLOCK TRADE**

A privately negotiated futures or option on futures transaction that is executed apart from the public auction market and that is permitted in designated contracts subject to specified conditions. These trades are governed by Rule 526 ("Block Trades").

**BOARD**

The Board of Directors of the Exchange or any other body acting in lieu of and with the authority of the Board.

**BROAD-BASED INDEX FUTURE**

A futures contract based upon an index that is not considered narrow-based as defined in Section 1a(35) of the Commodity Exchange Act.

**BROKERAGE**

The fee paid to an agent to facilitate the execution of orders.

**BUSINESS DAY**

In a given commodity, any day on which a settlement price is determined.

**BY-LAWS**

The By-Laws of the Exchange, unless otherwise specified.

**CASH COMMODITY**

The actual physical commodity or financial instrument as distinguished from the futures contract that is based on the physical commodity or financial instrument. Also referred to as "spot commodity."

**CBOT**

The Board of Trade of the City of Chicago, Inc.

**CERTIFICATE OF INCORPORATION**

The Certificate of Incorporation of the Exchange, unless otherwise specified.

**CFTC OR COMMISSION**

The U.S. Commodity Futures Trading Commission.

**CHAIRMAN**

The Chairman of the Board of Directors, or one acting in lieu of and with the authority of the Chairman of the Board.

**CHIEF EXECUTIVE OFFICER OR CEO**

The Chief Executive Officer of the Exchange or one duly authorized to act in lieu of and with the authority of the Chief Executive Officer.

**CLASS A SHARE**

A share of Class A Common Stock of CME Group Inc. Class A Shares shall confer no trading rights.

**CLEARED SWAPS CUSTOMER ACCOUNT**

Shall have the meaning ascribed to such term in CFTC Regulation 22.1; provided however, that, for purposes of CME and Exchange Rules, the term Cleared Swaps Customer Account shall not include an account in which positions in Cleared Swaps (or the money, securities and/or other property margining, guaranteeing or securing such derivatives) are, pursuant to a CFTC order, commingled with positions and funds held in segregated accounts maintained in accordance with Section 4d of the CEA.

**CLEARED SWAPS CUSTOMERS**

Shall have the meaning ascribed to such term in CFTC Regulation 22.1.; provided however, that a customer is only a Cleared Swaps Customer with respect to its positions in Cleared Swaps (as defined in CFTC Regulation 22.1); provided further, that, for purposes of CME Rules, the term Cleared Swaps Customers shall not include customers whose Cleared Swaps (as defined in CFTC Regulation 22.1) and whose money, securities and/or other property margining, guaranteeing or securing such Cleared Swaps are, pursuant to a CFTC order, commingled with positions and funds held in segregated accounts maintained in accordance with Section 4d of the CEA.

**CLEARING HOUSE**

The CME Clearing House, also referred to as CME Clearing, a division of CME.

**CLEARING MEMBER**

A firm meeting the requirements of, and approved for, clearing membership at the Exchange. The term "clearing member" as used in the Rules shall include all clearing member categories set forth in Rule 900, unless otherwise specified.

**CME**

Chicago Mercantile Exchange Inc.

**CME GROUP INC.**

CME Group or CME Group Inc. is a holding company and the parent of CME, CBOT and NYMEX.

**COMBINATION ORDER/SPREAD ORDER**

A combination of buy and/or sell orders for the same account, except as provided by Rule 527, at the market, at a fixed differential or by some other appropriate pricing convention. Also referred to as a spread order.

**COMEX**

Commodity Exchange, Inc.

**COMMODITY**

Any product approved and designated by the Board for trading or clearing pursuant to the rules of the Exchange.

**CONTRACT**

Depending on the context in which it is used, a term of reference describing either a unit of trading in a particular futures, options or cleared product or a product approved and designated by the Board for trading or clearing pursuant to the rules of the Exchange.

**DELIVERY MONTH**

Unless otherwise specified in the rules, the designated period of time during which delivery intents may be tendered or deliveries may be completed.

**DERIVATIVES CLEARING ORGANIZATION OR DCO**

A clearing organization as defined in CFTC Regulation 1.3.

**DESIGNATED CONTRACT MARKET OR DCM**

A contract market as defined in CFTC Regulation 1.3.

**DISCIPLINARY OFFENSE**

Any offense as set forth in Rule 300.E.

**EMERGENCY**

Any occurrence or circumstance which, in the opinion of the Exchange, requires immediate action and threatens or may threaten fair and orderly trading, clearing, delivery or liquidation of any contracts on the Exchange. Occurrences and circumstances which the Exchange may deem emergencies are set forth in the Rules.

**EXCHANGE**

New York Mercantile Exchange, Inc., including its wholly owned subsidiary Commodity Exchange Inc.

**EXCHANGE OF OPTIONS FOR OPTIONS (EOO) TRADE**

A privately negotiated and simultaneous exchange of an Exchange option position for a corresponding OTC option position. An EOO is one type of an authorized Exchange for Related Position (EFRP) trade governed by Rule 538.

**EXCHANGE FOR PHYSICAL (EFP) TRADE**

A privately negotiated and simultaneous exchange of an Exchange futures position for a corresponding cash position. An EFP is one type of an authorized Exchange for Related Position (EFRP) trade governed by Rule 538.

**EXCHANGE FOR RISK (EFR) TRADE**

A privately negotiated and simultaneous exchange of an Exchange futures position for a corresponding OTC swap or other OTC instrument. An EFR is one type of an authorized Exchange for Related Position (EFRP) trade governed by Rule 538.

**EXCHANGE OFFICIAL**

An employee or member designated by the Exchange to perform or execute certain acts.

**EXERCISE PRICE**

The terms "exercise price", "strike price" and "striking price" shall be synonymous and mean the price at which the futures contract underlying the options contract will be assigned upon exercise of the option. For options contracts which are exercised into multiple futures contracts, the exercise price represents the spread price differential between the futures contracts.

**EXPIRATION DATE**

The term "expiration date" shall mean the last day on which an options contract may be exercised.

**FIRM**

The term "firm" shall mean a corporation, partnership, association, sole proprietorship or other eligible entity.

**FOLLOWING DAY (OR OTHER SIMILAR EXPRESSION)**

The following, or subsequent, business day.

**FORCE MAJEURE**

Any circumstance (including but not limited to an act of God, strike, lockout, blockage, embargo, governmental action or terrorist activity) which is beyond the control of the buyer or seller and precludes either party from making or taking

delivery of product or precludes the Exchange from determining a final settlement as provided for in Exchange Rules.

#### **FOREIGN BOARD OF TRADE OR FBOT**

A board of trade or exchange located outside the U.S., its territories or possessions and which is not registered with the CFTC as a designated contract market.

#### **FUTURES COMMISSION MERCHANT OR FCM**

A person that solicits or accepts customer orders to buy or sell futures or options on futures contracts or that clears transactions in swaps or futures or options on futures contracts for customers and accepts money or other assets from customers in connection with such orders or transactions, and that is required to be registered as an FCM with the CFTC. As used in the Rules the terms do not include a person that is exempt from registration as an FCM pursuant to Commission Regulations.

#### **FUTURES CONTRACT**

A legally binding agreement to buy or sell a commodity or financial instrument at a later date pursuant to the Rules of the Exchange or the rules of another exchange for which the Clearing House provides clearing services. Futures contracts are normally standardized according to the quality, quantity, delivery period and location for each commodity, with price as the only variable.

#### **GLOBEX®**

Globex refers to CME Globex, an electronic trading platform.

#### **GLOBEX ORDER TYPES**

The availability of specific Globex Order Types is dependent on the product, and not all Order Types are available for all products. Supported Order Types by Product are set forth in the Globex Reference Guide (<http://www.cmegroup.com/globex/files/GlobexRefGd.pdf>).

##### **COMBINATION ORDER**

A combination of buy and/or sell orders for the same account or accounts with the same ownership, except as provided by Rule 527, at a fixed differential or by some other appropriate pricing convention.

##### **HIDDEN QUANTITY ORDER**

An order which displays only a portion of the order to the marketplace. When the displayed quantity has been filled, another portion of the order will then be displayed to the marketplace.

##### **LIMIT ORDER**

An order to be executed at a specific price ("limit price") or better.

##### **MARKET WITH PROTECTION ORDER**

An order to execute as much of order as possible at the best current offer price (for buy orders) or bid price (for sell orders) within a range of prices predefined by the Exchange (the protected range). Any quantity which cannot be filled within the protected range will remain in the order book as a limit order at the limit of the protected range.

##### **MINIMUM QUANTITY ORDER**

An order which is executed only if a certain minimum quantity of that order can be immediately matched. Any unfilled balance will remain in the book as a limit order at the specified price.

##### **STOP LIMIT ORDER**

An order which becomes eligible for execution at its limit price or better when the market trades at or above the stop price in the case of a buy stop limit order or at or below the stop price in the case of a sell stop limit order.

##### **STOP WITH PROTECTION ORDER**

An order which becomes eligible for execution when the designated price (the stop price) is traded on Globex. Such orders are filled only within a range of prices predefined by the Exchange (the protected range). When the stop price is triggered, the order enters the order book as a limit order with the limit price equal to the trigger price plus or minus the predefined protected range. Any quantity which cannot be filled within the protected range will remain in the order book as a limit order at the limit price.

##### **Globex Order Duration Qualifiers**

An order eligible to be entered into Globex that does not contain a duration qualifier will be cancelled if not filled during the Trading Day in which it was received or, if it was received between Trading Days, during the next Trading Day. An order may specify one of the following duration qualifiers:

**DAY**

An order that will be canceled if not filled by the conclusion of the Globex trade date for which it was entered.

**FILL AND KILL**

An order immediately filled in whole or in part at the specified price, with any remaining quantity canceled.

**GOOD 'TILL CANCELED (GTC)**

An order which will remain in force until executed, cancelled or the contract expires.

**GOOD 'TILL DATE (GTD)**

An order which will remain in force through a specified trade date unless executed or canceled, or until the contract expires.

**GLOBEX TERMINAL OPERATOR**

Globex terminal operator refers to 1) any person who physically enters orders into Globex or 2) any automated trading system which enters orders into Globex, either directly or through an automated order routing system or independent software vendor. All Globex terminal operators must be identified to the Exchange in accordance with the provisions of Rule 576 (Identification of Globex Terminal Operators).

**GLOBEX TRADING HOURS**

Those hours designated by the Board of Directors for trading particular contracts on Globex.

**GUARANTY FUND DEPOSIT**

The amount required to be deposited with the Clearing House by the clearing member as a guaranty of its obligations to the Clearing House.

**HOLIDAY**

Any day declared to be a holiday by these rules or by a resolution of the Board on which the Exchange is closed. When any such holiday falls on Sunday, the following Monday shall be considered such holiday. When any such holiday falls on Saturday, the immediately preceding Friday shall be considered such holiday.

**INITIAL PERFORMANCE BOND**

Generally, a factored amount over the maintenance performance bond requirement as determined by the Clearing House.

**INTRODUCING BROKER OR IB**

A firm or individual that solicits and accepts orders to buy or sell futures or options on futures contracts from customers but does not accept money or other assets from such customers. An IB must be registered with the CFTC, unless exempt from registration pursuant to CFTC Regulations.

**INVESTIGATIVE AND HEARING COMMITTEES**

The investigative and hearing committees of the Exchange are the Business Conduct Committee, or Hearing Panels of the Business Conduct Committee, Hearing Panels of the Board of Directors and such other committees created for this purpose by the Board.

**IRS CLEARING MEMBER**

Has the meaning as set forth in the CME Rulebook in Rule 8G04.

**LIQUIDITY EVENT**

The Clearing House requires liquidity (1) to satisfy obligations of a defaulted or suspended Clearing Member, (2) to satisfy obligations associated with the transfer of account(s) of a defaulted or suspended Clearing Member or (3) as a result of a liquidity constraint or default by a depository or settlement bank.

**MAINTENANCE PERFORMANCE BOND**

The minimum amount of performance bond equity required to be maintained in an account. The maintenance performance bond requirement is the actual risk performance bond as determined by the Clearing House.

**MANDATED BASE CLEARING MEMBER**

A Base Clearing Member that is required to participate in the Clearing House's default drill exercises and auctions for a given Base Product Category.

**MEMBER**

Unless otherwise specified in the rules, an individual owning or holding a membership in the Exchange.

**MEMBER FIRM**

An entity to which membership privileges on the Exchange have been conferred.

**NARROW-BASED INDEX FUTURE**

Refers to a futures contract based upon a Security Index that is considered narrow-based as defined in Section 1a(35) of the Commodity Exchange Act.

**NATIONAL FUTURES ASSOCIATION OR NFA**

The National Futures Association. NFA is an independent self-regulatory organization for the U.S. futures industry with no ties to any specific marketplace.

**NON-MEMBER**

Unless otherwise specified in the rules, any Person who is not a Member of the Exchange.

**NON-MEMBER FIRM**

An entity to which membership privileges on the Exchange have not been conferred.

**NOTICE**

Except as otherwise specifically provided, a notice in writing emailed to or personally served upon the person to be notified, left at their usual place of business during business hours or mailed by U.S. First Class Mail, Certified Mail, Registered Mail or by overnight delivery to their last known place of business or residence.

**NYMEX**

New York Mercantile Exchange, Inc., including its wholly owned subsidiary Commodity Exchange, Inc.

**OMNIBUS ACCOUNT**

An account of one Futures Commission Merchant (FCM), the originating FCM, which resides on the books of another FCM (the carrying FCM), in which the transactions of two or more persons are combined and carried in the name of the originating FCM rather than in the name of the individual customers.

**PANEL**

A subcommittee selected in accordance with committee procedure to adjudicate or make a particular determination. A decision of a panel shall be deemed a decision of the committee.

**PANELIST**

An individual appointed to an Exchange committee who is entitled to participate in a decision on any matter under consideration by the committee or panel thereof.

**PARTNER CLEARINGHOUSE**

The term "Partner Clearinghouse" means a derivatives clearing organization or a clearinghouse which has agreed to act in concert with the Exchange to facilitate clearance of Security Futures Products as defined herein. A Partner Clearinghouse shall be considered a Clearing Member for purposes of the Rules except to the extent otherwise provided in an agreement between the Exchange and the Partner Clearinghouse.

**PARTICIPATING BASE OTC CLEARING MEMBER**

A non-defaulted Base OTC Clearing Member that participates or is required to participate in hedging and liquidation auctions for an OTC Derivative Product Category

**PARTICIPATING EXCHANGE**

An exchange or clearing house that has entered into a business relationship with the Exchange for clearing, order routing or any other business purpose, except as otherwise expressly provided in the Rules.

**PERFORMANCE BOND**

The minimum amount of funds that must be deposited as a performance bond by 1) an account holder with their FCM, 2) a non-clearing FCM with a clearing member or 3) a clearing member with the Clearing House.

**PERFORMANCE BOND EQUITY**

An account's net liquidating equity plus the collateral value of acceptable performance bond deposits.

**PERSON**

It shall include the singular or plural, and individuals, associations, partnerships, corporations and trusts.

**REMAINING BASE PRIORITY OF PAYMENTS**

The amount of each non-defaulted Base Clearing Member's remaining payment obligations, if any, in respect of Base Assessments, any remaining CME Contribution, any remaining Base Guaranty Fund amounts and any remaining Base Assessments previously funded.

**REQUEST FOR QUOTE**

An electronic message disseminated on Globex for the purpose of soliciting bids or offers for specific contract(s) or combinations of contracts.

**RULES**

The Certificate of Incorporation, By-Laws, rules, interpretations, orders, resolutions, advisories, notices, manuals and similar directives of the Exchange, and all amendments thereto. The trading and clearing of all Exchange futures, options on futures, cleared-only and spot contracts shall be subject to the rules.

**SECURITY FUTURES PRODUCTS**

A contract based on securities products as such term is defined by 1a(45) of the Commodity Exchange Act. Security Futures Products ("SFPs") include futures contracts based upon a single security (or "stock futures"); futures contracts based upon a narrow-based security index; and, options on any security futures as those terms are defined in Sections 1a(35) and 1a(44) of the Commodity Exchange Act.

**SETTLEMENT PRICE**

The official daily closing price of futures and options on futures contracts, as determined in accordance with Rule 813, used by the Clearing House for marking all open positions at the close of the daily settlement cycle.

**SETTLEMENT VARIATION**

The change in dollar amount calculated by the Clearing House for clearing members figured to the daily settlement price on the basis of their positions.

**SPAN 2**

A filtered historical value at risk margining framework.

**SPOT**

The actual physical commodity as distinguished from the futures contract that is based on the physical commodity. Also referred to as "cash commodity."

**SWAP EXECUTION FACILITY OR SEF**

A swap execution facility as defined in CFTC Regulation 1.3.

**TRADE**

The term "trade" shall mean any purchase or sale of any commodity futures or options contract made on the Exchange.

**TRADING DAY**

A trading day shall mean the hours of trading as determined by the board for each contract starting with the opening of trading and ending with the close of trading for such contract.

**TRADING ANNEX**

The term "Trading Annex" means the location provided by the Exchange, subject to availability and entry into an applicable Trading Annex license agreement, in which a Member may act in a registered capacity by soliciting or broking transactions in Exchange products or may trade as a principal. The Exchange discontinued the provision of the Trading Annex effective at the close of business on November 30, 2018

**TRADING SESSION**

A trading session means the Globex session (the hours on a particular trading day when a product can be traded on Globex).

**U.S. GOVERNMENT SECURITIES BROKER-DEALER**

A broker-dealer registered with the Securities and Exchange Commission or a state or federally chartered bank or savings association (or a state or federally licensed branch or agency of a foreign bank) that is subject to bank supervision that functions in the operation of markets for U.S. Treasuries. The functions may include, but are not limited to:

- Acting as a channel for the United States Department of the Treasury and investors in primary market for U.S. Treasuries (for example, by participating in auctions);
- Acting as providers of liquidity in primary and secondary markets for U.S. Treasuries; and
- Acting as providers of asset transformation and market making services in the market for U.S. Treasuries.

***(End Definitions)***