

Advisory Notice

Clearing House

10-397

To: Clearing Members Firms
Back Office Managers

From: CME Clearing

Subject: Quarterly Equity Expiration Notice

Date: September 17, 2010

In response to customers frequently asked questions with regard to CME and CBOT quarterly equity options and futures expiration, we are providing this advisory to help answer those questions. This notice also serves as a reminder to guide the customers and firms thru clearing procedures, timelines and other processes associated with the quarterly equity expirations. Please note that all times are in CST Chicago time.

- **S&P Options Expiration Trading Hours**
 - Open Outcry:
 - 3:15 p.m. / Thursday prior to 3rd Friday of the contract month
 - Globex:
 - 8:15 a.m. / Thursday prior to 3rd Friday of the contract month
- **E-mini S&P Options Expiration Trading Hours**
 - Globex:
 - 8:30 a.m. / 3rd Friday of the contract month
- **NASDAQ Expiration Trading Hours**
 - Open Outcry:
 - 3:15 p.m. / Thursday prior to 3rd Friday of the contract month
 - Globex:
 - 8:15 a.m. / Thursday prior to 3rd Friday of the contract month
- **E-mini NASDAQ Options Expiration Trading Hours**
 - Globex:
 - 8:30 a.m. / 3rd Friday of the contract month
- **DOW (\$10) Expiration Trading Hours**
 - Open Outcry:
 - 3:15 p.m. / Thursday prior to 3rd Friday of the contract month
 - Globex:
 - 8:15 a.m. / 3rd Friday of the contract month

- **E-mini DOW (\$5) Options Expiration Trading Hours**
 - Globex:
 - 8:30 a.m. / 3rd Friday of the contract month
- **Futures Settlement Price**
 - Use the “Special Opening Quotation” (SOQ) which is calculated per normal index calculation procedures except that the values for the respective components are taken as the actual opening values for each of the component equities on the 3rd Friday of the contract month.
- **Equity Options Exercise**
 - Option exercise results in a position in the underlying cash-settled Futures contract. Options which are in-the-money on the last day of trading are automatically exercised.
 - QUARTERLY OPTIONS are exercised into expiring cash-settled futures, which settle to the SOQ calculated the morning of the 3rd Friday of the contract month.
- **Option Exercise Deadlines**
 - All in-the-money long positions will be automatically exercised. The deadlines to submit all option exercise notices, including special instructions, are as follows: **CME options 7:00 p.m. CBOT options 6:00 p.m. and CBOT flex options 5:00 p.m.**
- **Position Removal from Trade Register**
 - All Positions are removed on the business day after the settlement day of the contract month.
 - Any options that clear after the 3rd Friday will be exercised on the night they clear and will be removed on the following business day.

If you have inquiries related to this notice, please contact CME Clearing Services ccs@cmegroup.com or at 312 207 2525.

Thank you