



CME Lean Hog Futures Final Settlement Procedure

Lean Hog (HE) futures are cash settled. Please note that the settlement price determined on the last day of trading is only a temporary settlement price, and the contract will be cash settled based upon the CME Lean Hog Index® for the two-day period ending on the day on which trading terminates. The relevant index is released two business days subsequently. For example, the index for the two-day period ending on Friday, April 12, 2013 was released on Tuesday, April 16, 2013.

Temporary Settlement Calculation for Expiring Contract

CME Group staff determines the settlement for the expiring Lean Hog (HE) future contract by incorporating both Floor-based and Globex-based trading activity between 11:58:30 and 12:00:00 Central Time (CT) – the last minute and a half of the contract's life.

- Tier 1:** The expiring contract settles to its volume-weighted average price (VWAP) of all trades that occur between 11:58:30 and 12:00:00 Central Time (CT) on the day of expiration, rounded to the nearest tradable tick. If the VWAP is equidistant between two ticks, then it's rounded to the nearest tradable tick that is closer to the prior-day's settlement price.
- Tier 2:** In the absence of any trade activity in the expiring contract between 11:58:30 and 12:00:00 Central Time (CT), the bid that is higher than the last trade or prior day's settlement price, or the offer that is lower than the last trade or prior day's settlement price in either trading venue from 11:58:30 and 12:00:00 Central Time (CT) will determine the final settlement price for that contract month.
- Tier 3:** If there is no market activity, then the contract settles to the prior-day settlement price.

Final Settlement Details

For final settlement details, please see the CME Rulebook (**Chapter 152**):

<http://www.cmegroup.com/rulebook/CME/II/150/152/152.pdf>

If you have any questions, please call the CME Global Command Center at 800.438.8616, in Europe at 44.800.898.013, or in Asia at 65.6532.5010.

Note: In the event the aforementioned calculations cannot be made or if CME Group staff, in its sole discretion, determines that anomalous activity produces results that are not representative of the fair value of the contract, staff may determine an alternative settlement price.