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SPECIAL EXECUTIVE REPORT

S-4003

October 2, 2003

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I. CME EUROPEAN WEATHER INDEX FUTURES AND OPTIONS BEGIN TRADING FRIDAY, OCTOBER 3, at 7:00 a.m

CME will launch European Weather Index futures and options contracts on Friday, October 3, at 7:00 a.m. The following contracts will be listed for trading:

- Monthly HDD Index – October 2003, November 2003, December 2003, January 2004, February 2004, March 2004, April 2004
- Seasonal HDD Index – November 2003-March 2004 (Winter Season)
- Monthly CAT Index – April 2004, May 2004, June 2004, July 2004, August 2004, September 2004, October 2004
- Seasonal CAT Index – May 2004-September 2004 (Summer Season)

CME European Weather Index futures and options will trade exclusively on GLOBEX[®].

II. SPECIFICATIONS AND RULES FOR CME EUROPEAN WEATHER INDEX CONTRACTS

CME EUROPEAN HDD INDEX FUTURES CONTRACT

October 2, 2003

Contract Size:	100 British Pounds (pounds sterling) times the respective European HDD Index
Quotation:	Degree Day Index Points
Minimum Price Increment:	1 Degree Day Index Point
Tick Value:	100.00 British Pounds (pounds sterling)
Price Bands:	50 Index points (plus or minus) around "CME Last Price" equating to a maximum exposure of 5,000 British Pounds (pounds sterling) per contract
Months Traded:	October, November, December, January, February, March, April
Termination of Trading:	Trading shall terminate at 9:00 a.m. Chicago time on the first Exchange business day that is at least four calendar days after the futures contract month
Ticker Symbol:	D0=London-Heathrow D3=Berlin-Tempelhof D1=Paris-Orly D5 =Stockholm D2=Amsterdam-Schiphol
Settlement:	All futures contracts remaining open at the termination of trading shall be settled using the respective European HDD Index reported by Earth Satellite Corporation for that contract month, on the first Exchange business day that is at least four calendar days after the futures contract month.
Position Limits:	10,000 contracts net long or net short in all contract months combined
Electronic Trading Hours:	5:00 P.M. (5:30 P.M. on Sunday) to 3:15 P.M. the following day (9:00 A.M. on LTD)

OPTIONS ON THE CME EUROPEAN HDD INDEX FUTURES CONTRACT

October 2, 2003

Contract Size:	1 CME European HDD Index futures contract
Quotation:	Degree Day Index Points
Minimum Price Increment:	1 Degree Day Index Point (cabinet = .5 Degree Day Index Point)
Tick Value:	1 Point= 100.00 British Pounds (pounds sterling)
Daily Price Limits:	None
Months Traded:	October, November, December, January, February, March, April
Termination of Trading:	Same date and time as underlying futures
Ticker Symbol:	D0=London-Heathrow D3=Berlin-Tempelhof D1=Paris-Orly D5 =Stockholm D2=Amsterdam-Schiphol
Strike Price Interval:	50 Index Points, e.g. 700, 750, 800 (All Months) 10 Index Points, e.g. 700, 710, 720 (Two Nearest Months)
Exercise:	European Style (Exercised on LTD)
Position Limits:	10,000 contracts net long or net short in all contract months combined
Electronic Trading Hours:	5:00 P.M. (5:30 P.M. on Sunday) to 3:15 P.M. the following day (9:00 A.M. on LTD)

The text of the contract rules for CME European HDD Index futures and options is as follows:

CHAPTER 406
CME EUROPEAN HDD INDEX FUTURES

40600. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME European HDD Indexes. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

40601. COMMODITY SPECIFICATIONS

1. Heating Degree Days (HDD)

The daily average temperature is defined as the arithmetic average of the maximum temperature (Tmax) and minimum temperature (Tmin), measured at the following times for each location, as reported by Earth Satellite Corporation.

- Amsterdam-Schiphol, Netherlands (WMO 06240): Between 0000 and 2359 UTC the current day for Tmax, and between 0000 and 2359 UTC the current day for Tmin
- Berlin-Tempelhof, Germany (WMO 10384): Between 2351 UTC the previous day and 2350 UTC the current day for Tmax, and between 2351 UTC the previous day and 2350 UTC the current day for Tmin
- London-Heathrow, United Kingdom (WMO 03772): Between 0900 UTC the current day and 0859 UTC the following day for Tmax, and between 0900 UTC the previous day and 0859 UTC the current day for Tmin
- Paris-Orly, France: Between 0600 UTC the current day and 0559 UTC the following day for Tmax, and between 1800 UTC the previous day and 1759 UTC the current day for Tmin
- Stockholm, Sweden: Between 1800 UTC the previous day and 1759 UTC the current day for Tmax, and between 1800 UTC the previous day and 1759 UTC the current day for Tmin

For each day, HDD is the greater of (1) zero, (2) 18 degrees Celsius ("C") minus the daily average temperature.

2. The CME European HDD Indexes

Each particular CME European HDD Index is the accumulation of like Degree Days over a calendar month. The accumulation period of each CME European HDD Index futures contract begins with the first calendar day of the contract month and ends with the last calendar day of the contract month.

40602. FUTURES CALL

40602.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours in such months as may be determined by the Board of Directors.

40602.B. Size of Trading Unit

The size of the unit of trading shall be 100 British pounds (pounds sterling) times the respective CME European HDD Index.

40602.C. Price Increments

The minimum price fluctuation of the respective CME European HDD Index futures shall be 1 index point and have a value of 100 British pounds (pounds sterling).

40602.D. Position Limits

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For position involving options on the respective CME European HDD Index futures, this rule is superseded by the option speculative position limit rule.

40602.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

40602.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 543.

40602.G. Termination of Trading

Futures trading shall terminate at 9:00 A.M. Chicago time on the first Exchange business day that is at least two calendar days after the futures contract month.

40602.H. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract, except that all contracts must conform to government regulations in force at the time of final settlement. If any U.S. governmental agency or body with jurisdiction over the trading of the contract or with jurisdiction respecting the trading or final settlement of the CME European HDD Index futures issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such governmental orders.

40602.I. [Reserved]

40603. SETTLEMENT PROCEDURES

40603.A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME European HDD Index reported by Earth Satellite Corporation for that city for that contract month, using the methodology in effect on that date, on the first Exchange business day that is at least two calendar days after the futures contract month. For example, on January 3, 2003, the December 2002 futures contract on the CME Amsterdam-Schiphol European HDD Index would have been settled at 468.60 Heating Degree Days.

40603.B. Final Settlement

Clearing members holding open positions in a CME European HDD Index futures contract at the termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

40604. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If the Exchange President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

40605. - 06. [RESERVED]

(End Chapter 406)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 406**

LIMITATION OF LIABILITY AND DISCLAIMER

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

**CHAPTER 406A
OPTIONS ON CME EUROPEAN HDD INDEX FUTURES**

406A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on CME European HDD Index futures contracts. The procedures for trading, clearing and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

406A01. OPTION CHARACTERISTICS

406A01. A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Directors.

406A01. B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one respective CME European HDD Index futures contract as specified in Chapter 406.

406A01.C. Minimum Fluctuations

The price of an option shall be quoted in terms of the respective CME European HDD Index. Each index point represents 100 British pounds (pounds sterling). For example, a quote of 2 index points represents 200 British pounds (pounds sterling). The minimum fluctuation shall be 1.0 index point (also known as one tick), equal to 100 British pounds (pounds sterling).

406A01.D. [Reserved]

406A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME European HDD Index futures contract that is deliverable upon exercise of the option.

For the first two contract months, exercise prices shall be at intervals of 50 CME European HDD Index points (e.g., 700, 750, 800, etc.). In addition, for options on the contract month nearest to expiration, some exercise prices shall also be at intervals of 10 index points (e.g., 710, 720, 730, etc.).

At the commencement of option trading in a contract month, the Exchange shall list put and call options at intervals of 50 index points in a range of 100 index points above and below the previous day's settlement price of the underlying futures contract. Thereafter, when the settlement price in the underlying futures contract occurs at or passes through any exercise price, the Exchange shall list on the next trading day put and call options at the next higher (or lower) exercise price within a 100-point range above (or below) the settlement price.

Furthermore, for options on the contract month nearest to expiration, the Exchange shall list put and call options at intervals of 10 index points in a range of 100 index points above and below the previous day's settlement price of the underlying futures contract. Thereafter, when a settlement price in the underlying futures contract occurs at or passes through any exercise price, the Exchange shall list on the next trading day put and call options at the next higher (or lower) exercise price within a 100-point range above (or below) settlement price. New options may be listed for trading up to and including the termination of trading.

406A01.F. Position Limits

No person shall own or control a combination of options and underlying futures contracts that exceeds 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

406A01.G. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

406A01.H. Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543.A. and shall not apply to other option positions exempted pursuant to Rule 543.

406A01.I. Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract.

406A01.J. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency or duly constituted body thereof issues an order, ruling, directive or law inconsistent with these rules, such order, ruling, directive or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.

406A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of the CME European HDD options.

406A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer only on the termination of trading day. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. Chicago time on the day of exercise.

An option that is in the money and has not been liquidated prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. Chicago time on the day of termination of trading by the clearing member representing the option buyer, be exercised automatically.

406A02.B. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day following acceptance by the Clearing House of the exercise notice.

406A03. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If exercise or assignment or any precondition or requirement of either is prevented by a strike, fire, accident, act of government or act of God, the seller or buyer shall immediately notify the Exchange President. If the President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

(End Chapter 406A)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 406A**

CLARIFICATION OF NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE

(Special Executive Report S-1618, March 31, 1986)

Please note that the non-agricultural option speculative position limit rule, in effect at this time, supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the options rule.

LIMITATION OF LIABILITY AND DISCLAIMER

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CME EUROPEAN SEASONAL HDD INDEX FUTURES CONTRACT
October 2, 2003

Contract Size:	100 British Pounds (pounds sterling) times the respective European Seasonal HDD Index
Quotation:	Degree Day Index Points
Minimum Price Increment:	1 Degree Day Index Point
Tick Value:	100.00 British Pounds (pounds sterling)
Price Bands:	50 Index points (plus or minus) around "CME Last Price" equating to a maximum exposure of 5,000 British Pounds (pounds sterling) per contract
Season Traded:	November – March (Heating Season)
Termination of Trading:	Trading shall terminate at 9:00 a.m. Chicago time on the first Exchange business day that is at least four calendar days after the last calendar day of the fifth month in the 5-month period
Ticker Symbol:	P0=London-Heathrow P3=Berlin-Tempelhof P1=Paris-Orly P5=Stockholm P2=Amsterdam-Schiphol
Settlement:	All futures contracts remaining open at the termination of trading shall be settled using the respective European Seasonal HDD Index reported by Earth Satellite Corporation for that contract period, on the first Exchange business day that is at least four calendar days after the last calendar day of the fifth month in the 5-month period (March).
Position Limits:	10,000 contracts net long or net short in all contract months combined
Electronic Trading Hours:	5:00 P.M. (5:30 P.M. on Sunday) to 3:15 P.M. the following day (9:00 A.M. on LTD)

OPTIONS ON THE CME EUROPEAN SEASONAL HDD INDEX FUTURES CONTRACT

October 2, 2003

Contract Size:	1 CME European Seasonal HDD Index futures contract
Quotation:	Degree Day Index Points
Minimum Price Increment:	1 Degree Day Index Point (cabinet = .5 Degree Day Index Point)
Tick Value:	1 Point= 100.00 British Pounds (pounds sterling)
Daily Price Limits:	None
Season Traded:	November – March (Heating Season)
Termination of Trading:	Same date and time as underlying futures
Ticker Symbol:	P0=London-Heathrow P3=Berlin-Tempelhof P1=Paris-Orly P5=Stockholm P2=Amsterdam-Schiphol
Strike Price Interval:	50 Index Points, e.g. 700, 750, 800
Exercise:	European Style (Exercised on LTD)
Position Limits:	10,000 contracts net long or net short in all contract months combined
Electronic Trading Hours:	5:00 P.M. (5:30 P.M. on Sunday) to 3:15 P.M. the following day (9:00 A.M. on LTD)

The text of the contract rules for CME European Seasonal HDD Index futures and options is as follows:

CHAPTER 407

CME EUROPEAN SEASONAL HDD INDEX FUTURES

40700. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME European Seasonal HDD Indexes. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

40701. COMMODITY SPECIFICATIONS

1. Heating Degree Days (HDD)

The daily average temperature is defined as the arithmetic average of the maximum temperature (Tmax) and minimum temperature (Tmin), measured at the following times for each location, as reported by Earth Satellite Corporation.

- Amsterdam-Schiphol, Netherlands (WMO 06240): Between 0000 and 2359 UTC the current day for Tmax, and between 0000 and 2359 UTC the current day for Tmin
- Berlin-Tempelhof, Germany (WMO 10384): Between 2351 UTC the previous day and 2350 UTC the current day for Tmax, and between 2351 UTC the previous day and 2350 UTC the current day for Tmin
- London-Heathrow, United Kingdom (WMO 03772): Between 0900 UTC the current day and 0859 UTC the following day for Tmax, and between 0900 UTC the previous day and 0859 UTC the current day for Tmin
- Paris-Orly, France: Between 0600 UTC the current day and 0559 UTC the following day for Tmax, and between 1800 UTC the previous day and 1759 UTC the current day for Tmin
- Stockholm, Sweden: Between 1800 UTC the previous day and 1759 UTC the current day for Tmax, and between 1800 UTC the previous day and 1759 UTC the current day for Tmin

For each day, HDD is the greater of (1) zero, (2) 18 degrees Celsius ("C") minus the daily average temperature.

2. The CME European Seasonal HDD Indexes

Each particular CME European Seasonal HDD index is the accumulation of like Degree Days over a 5-month period. The accumulation period of each CME European Seasonal HDD Index futures contract begins with the first calendar day of the first month in the 5-month period (November) and ends with the last calendar day of the fifth month in the 5-month period (March).

40702. FUTURES CALL

40702.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours in such months as may be determined by the Board of Directors.

40702.B. Size of Trading Unit

The size of the unit of trading shall be 100 British pounds (pounds sterling) times the respective CME European Seasonal HDD Index.

40702.C. Price Increments

The minimum price fluctuation on the CME European Seasonal HDD Index futures shall be 1 index point and have a value of 100 British pounds (pounds sterling).

40702.D. Position Limits

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For position involving options on the respective CME European Seasonal HDD Index futures, this rule is superseded by the option speculative position limit rule.

40702.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

40702.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 543.

40702.G. Termination of Trading

Futures trading shall terminate at 9:00 A.M. Chicago time on the first Exchange business day that is at least two calendar days after the last calendar day of March.

40702.H. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract, except that all contracts must conform to government regulations in force at the time of final settlement. If any U.S. governmental agency or body with jurisdiction over the trading of the contract or with jurisdiction respecting the trading or final settlement of the CME European Seasonal HDD Index futures issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such governmental orders.

40702.I. [Reserved]

40703. SETTLEMENT PROCEDURES

40703.A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME European Seasonal HDD Index reported by Earth Satellite Corporation for that city for that contract period, using the methodology in effect on that date, on the first Exchange business day that is at least two calendar days after the last calendar day of March. For example, on April 2, 2003, the March 2003 futures contract on the CME Amsterdam-Schiphol European Seasonal HDD Index would have been settled at 1994.90 Heating Degree Days.

40703.B. Final Settlement

Clearing members holding open positions in a CME European Seasonal HDD Index futures contract at the termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

40704. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If the Exchange President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

40705 – 06. [RESERVED]

(End Chapter 407)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 407**

LIMITATION OF LIABILITY AND DISCLAIMER

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

CHAPTER 407A
OPTIONS ON CME EUROPEAN SEASONAL HDD INDEX FUTURES

407A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on CME European Seasonal HDD Index futures contracts. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

407A01. OPTION CHARACTERISTICS

407A01.A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Directors.

407A01. B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one respective CME European Seasonal HDD Index futures contract as specified in Chapter 407.

407A01. C. Minimum Fluctuations

The price of an option shall be quoted in terms of the respective CME European Seasonal HDD Index. Each index point represents 100 British pounds (pounds sterling). For example, a quote of 2 index points represents 200 British pounds (pounds sterling). The minimum fluctuation shall be 1.0 index point (also known as one tick), equal to 100 British pounds (pounds sterling).

407A01.D. [Reserved]

407A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME European Seasonal HDD Index futures contract that is deliverable upon exercise of the option.

For all contract months, exercise prices shall be at intervals of 50 CME European Seasonal HDD Index points (e.g., 4500, 4550, 4600, etc.).

At the commencement of options trading in a contract month, the Exchange shall list put and call options at intervals of 50 index points in a range of 1000 points above and below the previous day's settlement price. Thereafter, when a settlement price in the underlying futures contract occurs at or passes through any exercise price, the Exchange shall list on the next trading day put and call options at the next higher (or lower) exercise price in a 1000-point range above (or below) settlement price. New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

407A01. F. Position Limits

No person shall own or control a combination of options and underlying futures contracts that exceeds 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

407A01. G. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

407A01. H. Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543.A. and shall not apply to other option positions exempted pursuant to Rule 543.

407A01. I. Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract.

407A01. J. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency or duly constituted body thereof issues an order, ruling, directive or law inconsistent with these rules, such order, ruling, directive or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.

407A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of the CME European Seasonal HDD options.

407A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer only on the termination of trading day. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. Chicago time on the day of exercise.

An option that is in the money and has not been liquidated prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. Chicago time on the day of termination of trading by the clearing member representing the option buyer, be exercised automatically.

407A02.B. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day following acceptance by the Clearing House of the exercise notice.

407A03. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If exercise or assignment or any precondition or requirement of either is prevented by a strike, fire, accident, act of government or act of God, the seller or buyer shall immediately notify the Exchange President. If the President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

(End Chapter 407A)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 407A**

CLARIFICATION OF NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE

(Special Executive Report S-1618, March 31, 1986)

Please note that the non-agricultural option speculative position limit rule, in effect at this time, supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the options rule.

LIMITATION OF LIABILITY AND DISCLAIMER

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

CME EUROPEAN CAT INDEX FUTURES CONTRACT
October 2, 2003

Contract Size:	100 British Pounds (pounds sterling) times the respective European CAT Index
Quotation:	CAT Index Points
Minimum Price Increment:	1 Daily Average Temperature Index Point
Tick Value:	100.00 British Pounds (pounds sterling)
Price Bands:	50 Index points (plus or minus) around "CME Last Price" equating to a maximum exposure of 5,000 British Pounds (pounds sterling) per contract
Months Traded:	April, May, June, July, August, September, October
Termination of Trading:	Trading shall terminate at 9:00 a.m. Chicago time on the first Exchange business day that is at least four calendar days after the futures contract month
Ticker Symbol:	G0=London-Heathrow G3=Berlin-Tempelhof G1=Paris- Orly G5=Stockholm G2=Amsterdam-Schiphol
Settlement:	All futures contracts remaining open at the termination of trading shall be settled using the respective European CAT Index reported by Earth Satellite Corporation for that contract period, on the first Exchange business day that is at least four calendar days after the futures contract month.
Position Limits:	10,000 contracts net long or net short in all contract months combined
Electronic Trading Hours:	5:00 P.M. (5:30 P.M. on Sunday) to 3:15 P.M. the following day (9:00 A.M. on LTD)

OPTIONS ON THE CME EUROPEAN CAT INDEX FUTURES CONTRACT

October 2, 2003

Contract Size:	1 CME European CAT Index futures contract
Quotation:	CAT Index Points
Minimum Price Increment:	1 CAT Index Point (cabinet = .5 CAT Index Point)
Tick Value:	1 Point = 100.00 British Pounds (pounds sterling)
Daily Price Limits:	None
Months Traded:	April, May, June, July, August, September, October
Termination of Trading:	Same date and time as underlying futures
Ticker Symbol:	G0=London-Heathrow G3=Berlin-Tempelhof G1=Paris- Orly G5=Stockholm G2=Amsterdam-Schiphol
Strike Price Interval:	50 Index Points, e.g. 700, 750, 800 (All Months) 10 Index Points, e.g. 700, 710, 720 (Two Nearest Months)
Exercise:	European Style (Exercised on LTD)
Position Limits:	10,000 contracts net long or net short in all contract months combined
Electronic Trading Hours:	5:00 P.M. (5:30 P.M. on Sunday) to 3:15 P.M. the following day (9:00 A.M. on LTD)

The text of the contract rules for CME European CAT Index futures and options is as follows:

CHAPTER 408

CME EUROPEAN CAT INDEX FUTURES

40800. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME European CAT Indexes. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

40801. COMMODITY SPECIFICATIONS

1. Cumulative Average Temperature (CAT)

The daily average temperature is defined as the arithmetic average of the maximum temperature (Tmax) and minimum temperature (Tmin), measured at the following times for each location, as reported by Earth Satellite Corporation.

- Amsterdam-Schiphol, Netherlands (WMO 06240): Between 0000 and 2359 UTC the current day for Tmax, and between 0000 and 2359 UTC the current day for Tmin
- Berlin-Tempelhof, Germany (WMO 10384): Between 2351 UTC the previous day and 2350 UTC the current day for Tmax, and between 2351 UTC the previous day and 2350 UTC the current day for Tmin
- London-Heathrow, United Kingdom (WMO 03772): Between 0900 UTC the current day and 0859 UTC the following day for Tmax, and between 0900 UTC the previous day and 0859 UTC the current day for Tmin
- Paris-Orly, France: Between 0600 UTC the current day and 0559 UTC the following day for Tmax, and between 1800 UTC the previous day and 1759 UTC the current day for Tmin
- Stockholm, Sweden: Between 1800 UTC the previous day and 1759 UTC the current day for Tmax, and between 1800 UTC the previous day and 1759 UTC the current day for Tmin

2. The CME European CAT Indexes

Each particular CME European CAT Index is the accumulation of like daily average temperatures over a calendar month. The accumulation period of each CME European CAT Index futures contract begins with the first calendar day of the contract month and ends with the last calendar day of the contract month.

40802. FUTURES CALL

40802.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours in such months as may be determined by the Board of Directors.

40802.B. Size of Trading Unit

The size of the unit of trading shall be 100 British pounds (pounds sterling) times the respective CME European CAT Index.

40802.C. Price Increments

The minimum price fluctuation of the respective CME European CAT Index futures shall be 1 index point and have a value of 100 British pounds (pounds sterling).

40802.D. Position Limits

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For position involving options on the respective CME European CAT Index futures, this rule is superseded by the option speculative position limit rule.

40802.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

40802.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 543.

40802.G. Termination of Trading

Futures trading shall terminate at 9:00 A.M. Chicago time on the first Exchange business day that is at least two calendar days after the futures contract month.

40802.H. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract, except that all contracts must conform to government regulations in force at the time of final settlement. If any U.S. governmental agency or body with jurisdiction over the trading of the contract or with jurisdiction respecting the trading or final settlement of the CME European CAT Index futures issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such governmental orders.

40802.I [Reserved]

40803. SETTLEMENT PROCEDURES

40803.A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME European CAT Index reported by Earth Satellite Corporation for that city for that contract month, using the methodology in effect on that date, on the first Exchange business day that is at least two calendar days after the futures contract month. For example, on July 2, 2003, the June 2003 futures contract on the CME Amsterdam-Schiphol European CAT Index would have been settled at 507.65 Degrees.

40803.B. Final Settlement

Clearing members holding open positions in a CME European CAT Index futures contract at the termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

40804. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If the Exchange President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

40805. - 06. [Reserved]

(End Chapter 408)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 408**

LIMITATION OF LIABILITY AND DISCLAIMER

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

CHAPTER 408A

OPTIONS ON CME EUROPEAN CAT INDEX FUTURES

408A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on CME European CAT Index futures contracts. The procedures for trading, clearing and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

408A01. OPTION CHARACTERISTICS

408A01.A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Directors.

408A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one respective CME European CAT Index futures contract as specified in Chapter 408.

408A01.C. Minimum Fluctuations

The price of an option shall be quoted in terms of the respective CME European CAT Index. Each index point represents 100 British pounds (pounds sterling). For example, a quote of 2 index points represents 200 British pounds (pounds sterling). The minimum fluctuation shall be 1.0 index point (also known as one tick), equal to 100 British pounds (pounds sterling).

408A01.D. [Reserved]

408A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME European CAT Index futures contract that is deliverable upon exercise of the option.

For the first two contract months, exercise prices shall be at intervals of 50 CME European CAT Index points (e.g., 700, 750, 800, etc.). In addition, for options on the contract month nearest to expiration, some exercise prices shall also be at intervals of 10 index points (e.g., 710, 720, 730, etc.).

At the commencement of option trading in a contract month, the Exchange shall list put and call options at intervals of 50 index points in a range of 100 index points above and below the previous day's settlement price of the underlying futures contract. Thereafter, when the settlement price in the underlying futures contract occurs at or passes through any exercise price, the Exchange shall list on the next trading day put and call options at the next higher (or lower) exercise price within a 100-point range above (or below) the settlement price.

Furthermore, for options on the contract month nearest to expiration, the Exchange shall list put and call options at intervals of 10 index points in a range of 100 index points above and below the previous day's settlement price of the underlying futures contract. Thereafter, when a settlement price in the underlying futures contract occurs at or passes through any exercise price, the Exchange shall list on the next trading day put and call options at the next higher (or lower) exercise price within a 100-point range above (or below) settlement price. New options may be listed for trading up to and including the termination of trading.

408A01.F. Position Limits

No person shall own or control a combination of options and underlying futures contracts that exceeds 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

408A01.G. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

408A01.H. Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543.A. and shall not apply to other option positions exempted pursuant to Rule 543.

408A01.I. Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract.

408A01.J. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency or duly constituted body thereof issues an order, ruling, directive or law inconsistent with these rules, such order, ruling, directive or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.

408A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of the CME European CAT options.

408A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer only on the termination of trading day. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. Chicago time on the day of exercise.

An option that is in the money and has not been liquidated prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. Chicago time on the day of termination of trading by the clearing member representing the option buyer, be exercised automatically.

408A02.B. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day following acceptance by the Clearing House of the exercise notice.

408A03. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If exercise or assignment or any precondition or requirement of either is prevented by a strike, fire, accident, act of government or act of God, the seller or buyer shall immediately notify the Exchange President. If the President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

(End Chapter 408A)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 408A**

CLARIFICATION OF NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE

(Special Executive Report S-1618, March 31, 1986)

Please note that the non-agricultural option speculative position limit rule, in effect at this time, supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the options rule.

LIMITATION OF LIABILITY AND DISCLAIMER

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

CME EUROPEAN SEASONAL CAT INDEX FUTURES CONTRACT
October 2, 2003

Contract Size:	100 British Pounds (pounds sterling) times the respective European Seasonal CAT Index
Quotation:	CAT Index Points
Minimum Price Increment:	1 CAT Index Point
Tick Value:	100.00 British Pounds (pounds sterling)
Price Bands:	50 Index points (plus or minus) around "CME Last Price" equating to a maximum exposure of 5,000 British Pounds (pounds sterling) per contract
Season Traded:	May – September (Cooling Season)
Termination of Trading:	Trading shall terminate at 9:00 a.m. Chicago time on the first Exchange business day that is at least four calendar days after the last calendar day of the fifth month in the 5-month period
Ticker Symbol:	V0=London-Heathrow V3=Berlin-Tempelhof V1=Paris-Orly V5=Stockholm V2=Amsterdam-Schiphol
Settlement:	All futures contracts remaining open at the termination of trading shall be settled using the respective European Seasonal CAT Index reported by Earth Satellite Corporation for that contract period, on the first Exchange business day that is at least four calendar days after the last calendar day of the fifth month in the 5-month period
Position Limits:	10,000 contracts net long or net short in all contract months combined
Electronic Trading Hours:	5:00 P.M. (5:30 P.M. on Sunday) to 3:15 P.M. the following day (9:00 A.M. on LTD)

OPTIONS ON THE CME EUROPEAN SEASONAL CAT INDEX FUTURES CONTRACT

October 2, 2003

Contract Size:	1 CME European Seasonal CAT Index futures contract
Quotation:	CAT Index Points
Minimum Price Increment:	1 CAT Index Point (cabinet = .5 CAT Index Point)
Tick Value:	1 Point= 100.00 British Pounds (pounds sterling)
Daily Price Limits:	None
Season Traded:	May – September (Cooling Season)
Termination of Trading:	Same date and time as underlying futures
Ticker Symbol:	V0=London-Heathrow V3=Berlin-Tempelhof V1=Paris-Orly V5=Stockholm V2=Amsterdam-Schiphol
Strike Price Interval:	50 Index Points, e.g. 4000, 4050, 4100
Exercise:	European Style (Exercised on LTD)
Position Limits:	10,000 contracts net long or net short in all contract months combined
Electronic Trading Hours:	5:00 P.M. (5:30 P.M. on Sunday) to 3:15 P.M. the following day (9:00 A.M. on LTD)

The text of the contract rules for CME European Seasonal CAT Index futures and options is as follows:

CHAPTER 409 CME EUROPEAN SEASONAL CAT INDEX FUTURES

40900. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME European Seasonal CAT Indexes. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

40901. COMMODITY SPECIFICATIONS

1. Cumulative Average Temperature (CAT)

The daily average temperature is defined as the arithmetic average of the maximum temperature (Tmax) and minimum temperature (Tmin), measured at the following times for each location, as reported by Earth Satellite Corporation.

- Amsterdam-Schiphol, Netherlands (WMO 06240): Between 0000 and 2359 UTC the current day for Tmax, and between 0000 and 2359 UTC the current day for Tmin
- Berlin-Tempelhof, Germany (WMO 10384): Between 2351 UTC the previous day and 2350 UTC the current day for Tmax, and between 2351 UTC the previous day and 2350 UTC the current day for Tmin
- London-Heathrow, United Kingdom (WMO 03772): Between 0900 UTC the current day and 0859 UTC the following day for Tmax, and between 0900 UTC the previous day and 0859 UTC the current day for Tmin
- Paris-Orly, France: Between 0600 UTC the current day and 0559 UTC the following day for Tmax, and between 1800 UTC the previous day and 1759 UTC the current day for Tmin
- Stockholm, Sweden: Between 1800 UTC the previous day and 1759 UTC the current day for Tmax, and between 1800 UTC the previous day and 1759 UTC the current day for Tmin

2. The CME European Seasonal CAT Indexes

Each particular CME European Seasonal CAT index is the accumulation of like daily average temperatures over a 5-month period. The accumulation period of each CME European Seasonal CAT Index futures contract begins with the first calendar day of the first month in the 5-month period (May) and ends with the last calendar day of the fifth month in the 5-month period (September).

40902. FUTURES CALL

40902.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours in such months as may be determined by the Board of Directors.

40902.B. Size of Trading Unit

The size of the unit of trading shall be 100 British pounds (pounds sterling) times the respective CME European Seasonal CAT Index.

40902.C. Price Increments

The minimum price fluctuation on the CME European Seasonal CAT Index futures shall be 1 index point and have a value of 100 British pounds (pounds sterling).

40902.D. Position Limits

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For position involving options on the respective CME European Seasonal CAT Index futures, this rule is superseded by the option speculative position limit rule.

40902.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

40902.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 543.

40902.G. Termination of Trading

Futures trading shall terminate at 9:00 A.M. Chicago time on the first Exchange business day that is at least two calendar days after the last calendar day of September.

40902.H. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract, except that all contracts must conform to government regulations in force at the time of final settlement. If any U.S. governmental agency or body with jurisdiction over the trading of the contract or with jurisdiction respecting the trading or final settlement of the CME European Seasonal CAT Index futures issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such governmental orders.

40902.I. [Reserved]

40903. SETTLEMENT PROCEDURES

40903.A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME European Seasonal CAT Index reported by Earth Satellite Corporation for that city for that contract period, using the methodology in effect on that date, on the first Exchange business day that is at least two calendar days after the last calendar day of September. For example, on October 2, 2002, the September 2002 futures contract on the CME Amsterdam-Schiphol European Seasonal CAT Index would have been settled at 2481.10 Degrees.

40903.B. Final Settlement

Clearing members holding open positions in a CME European Seasonal CAT Index futures contract at the termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

40904. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If the Exchange President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

40905 – 06. [Reserved]

(End Chapter 409)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 409**

LIMITATION OF LIABILITY AND DISCLAIMER

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

CHAPTER 409A
OPTIONS ON CME EUROPEAN SEASONAL CAT INDEX FUTURES

409A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on CME European Seasonal CAT Index futures contracts. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

409A01. OPTION CHARACTERISTICS

409A01.A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Directors.

409A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one respective CME European Seasonal CAT Index futures contract as specified in Chapter 409.

409A01.C. Minimum Fluctuations

The price of an option shall be quoted in terms of the respective CME European Seasonal CAT Index. Each index point represents 100 British pounds (pounds sterling). For example, a quote of 2 index points represents 200 British pounds (pounds sterling). The minimum fluctuation shall be 1.0 index point (also known as one tick), equal to 100 British pounds (pounds sterling).

409A01.D. [Reserved]

409A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME European Seasonal CAT Index futures contract that is deliverable upon exercise of the option.

For all contract months, exercise prices shall be at intervals of 50 CME European Seasonal CAT Index points (e.g., 4500, 4550, 4600, etc.).

At the commencement of options trading in a contract month, the Exchange shall list put and call options at intervals of 50 index points in a range of 1000 points above and below the previous day's settlement price. Thereafter, when a settlement price in the underlying futures contract occurs at or passes through any exercise price, the Exchange shall list on the next trading day put and call options at the next higher (or lower) exercise price in a 1000-point range above (or below) settlement price. New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

409A01.F. Position Limits

No person shall own or control a combination of options and underlying futures contracts that exceeds 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

409A01.G. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

409A01.H. Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543.A. and shall not apply to other option positions exempted pursuant to Rule 543.

409A01.I. Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract.

409A01.J. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency or duly constituted body thereof issues an order, ruling, directive or law inconsistent with these rules, such order, ruling, directive or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.

409A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of the CME European Seasonal CAT options.

409A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer only on the termination of trading day. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. Chicago time on the day of exercise.

An option that is in the money and has not been liquidated prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. Chicago time on the day of termination of trading by the clearing member representing the option buyer, be exercised automatically.

409A02.B. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day following acceptance by the Clearing House of the exercise notice.

409A03. EMERGENCIES, ACTS OF GOD, ACTS OF GOVERNMENT

If exercise or assignment or any precondition or requirement of either is prevented by a strike, fire, accident, act of government or act of God, the seller or buyer shall immediately notify the Exchange President. If the President determines that emergency action may be necessary, he shall call a special meeting of the Board of Directors and arrange for the presentation of evidence respecting the emergency condition. If the Board determines that an emergency exists, it shall take such action as it deems necessary under the circumstances and its decision shall be binding upon all parties to the contract.

(End Chapter 409A)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 409A**

CLARIFICATION OF NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE

(Special Executive Report S-1618, March 31, 1986)

Please note that the non-agricultural option speculative position limit rule, in effect at this time, supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the options rule.

LIMITATION OF LIABILITY AND DISCLAIMER

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

If you have any questions about these rules, please contact Charles Piszczor, Senior Market Analyst, Commodity Product Development, at (312) 930-4536.

**III. INITIAL CONTRACTS FOR CME EUROPEAN WEATHER INDEX FUTURES
AND OPTIONS TRADING**

The Exchange will list for trading the following CME European Weather Index futures:

- Monthly HDD Index – October 2003, November 2003, December 2003, January 2004, February 2004, March 2004, April 2004
- Seasonal HDD Index – November 2003-March 2004 (Heating Season)
- Monthly CAT Index – April 2004, May 2004, June 2004, July 2004, August 2004, September 2004, October 2004
- Seasonal CAT Index – May 2004-September 2004 (Summer Season)

A new month/season will be listed on the business day following termination of trading of the nearby month/season.

These same monthly/seasonal contracts will be eligible for trading in options on futures beginning the same business day as futures.

If you have any questions about these procedures, please contact Charles Piszczor, Senior Market Analyst, Commodity Product Development, at (312) 930-4536.

IV. INITIAL CME EUROPEAN WEATHER INDEX OPTIONS STRIKE PRICES

MONTHLY:

For all contract months, exercise prices shall be at intervals of 50 Index points. In addition, for options on the two contract months nearest to expiration, some exercise prices shall also be at intervals of 10 index points.

At the commencement of option trading in a contract month, the Exchange shall list put and call options at intervals of 50 index points in a range of 250 index points above and below the previous day's settlement price of the underlying futures contract.

Furthermore, for options on the two contract months nearest to expiration, the Exchange shall list put and call options at intervals of 10 index points in a range of 100 index points above and below the previous day's settlement price of the underlying futures contract.

SEASONAL:

For all contract months, exercise prices shall be at intervals of 50 Index points.

At the commencement of option trading in a contract month, the Exchange shall list put and call options at intervals of 50 index points in a range of 1000 index points above and below the previous day's settlement price of the underlying futures contract.

If you have any questions about strike price listings, please contact Charles Piszczor, Senior Market Analyst, Commodity Product Development, at (312) 930-4536.

V. CLEARING & GLOBEX FEES FOR CME EUROPEAN WEATHER INDEX FUTURES AND OPTIONS

Account	GLOBEX Fees (per side)
Equity/Clearing Member	\$0.59
106.I Members and their 100% owned subsidiaries	\$0.59
Rule 106.D Lessees/ Rule 106.F Employees	\$0.79
106 H/N Firms	\$0.99
Customers of Member Firms	\$1.64
Block Trade Surcharge	\$1.75

If you have any questions regarding clearing fees, please contact Julie Langland, Accounting, at (312) 648-5470.

VI. REPORTABLE POSITION LEVELS FOR CME EUROPEAN WEATHER INDEX FUTURES AND OPTIONS

For purposes of Rule 817. - REPORTS OF LARGE POSITIONS, the minimum levels at which positions must be reported to the Exchange are as follows for CME European Weather Index futures and options:

<u>COMMODITY</u>	<u>REPORTABLE LEVEL</u>
CME European Futures	25 contracts
CME European Options	25 contracts

If you have any questions about these levels, please contact Joel Koranteng, Market Surveillance, at (312) 466-4372.

VII. PERFORMANCE BONDS FOR THE CME EUROPEAN WEATHER INDEX FUTURES

The indicative weather performance bond requirements for CME European Weather Index futures are shown below. These margins are subject to change before launch.

	Initial	Maint.
Amsterdam-Schiphol		
Spec.	X%	X%
Hedge/Member	X%	X%
Berlin-Tempelhof		
Spec.	X%	X%
Hedge/Member	X%	X%
London-Heathrow		
Spec.	X%	X%
Hedge/Member	X%	X%
Paris-Orly		
Spec.	X%	X%
Hedge/Member	X%	X%
Stockholm		
Spec.	X%	X%
Hedge/Member	X%	X%

If you have any questions about these requirements, please contact the Risk Control Department at (312) 648-3888.

VIII. GLOBEX[®] ERROR TRADE POLICY

The GLOBEX[®] error trade policy for all CME European Weather Indexes calls for a no bust range of 10 index points or less.

If you have any questions, please contact Mr. John Restivo, Director, GLOBEX Control Center (GCC), at (312) 648-5475.