

Chapter 480A

Options on Euro Short-Term Rate (€STR) Futures

480A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Euro Short-Term Rate (€STR) Futures (“options”). In addition to this chapter, options shall be subject to the general rules and regulations of the Exchange insofar as applicable.

Unless otherwise specified, times referenced herein shall refer to and indicate Chicago time.

480A01. OPTION CHARACTERISTICS

480A01.A. Contract Months and Trading Hours

Options shall be listed for expiration on such dates and shall be scheduled for trading during such hours as may be determined by the Exchange.

480A01.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 €STR futures contract (Chapter 480) (“futures” or “futures contract”).

480A01.C. Minimum Fluctuations

The price of an option shall be quoted in IMM Index points corresponding to such option’s underlying futures contract (Rule 480A01.D.). Pursuant to Rules 48002.C., each 0.01 IMM Index point signifies one (1) basis point per annum of interest rate exposure in such underlying futures contract’s Trading Unit (Rule 48002.B.) and is equal to €25 per option contract. Accordingly, for example, an option contract price of 0.35 IMM Index points represents €875 (equal to 35 basis points x €25 per basis point per option contract).

Minimum price fluctuations shall be as follows –

1. All Quarterly and Serial Standard Options (Rule 480A01.D.1.)

The minimum price fluctuation shall be 0.0025 IMM Index points (equal to €6.25 per option contract).

480A01.D. Underlying Futures Contracts

1. Options in the March Quarterly Cycle (“Quarterly Standard Options”)

For options that expire in any month in the March quarterly cycle (i.e., March, June, September, and December), the underlying futures contract is the futures contract for which the contract Reference Quarter (Rule 48003.A.1.) begins on the third Wednesday of the month in which such options expire.

Example: For a given year, the underlying futures contract for an option that expires in March is the futures contract for which the contract Reference Quarter begins on (and includes) the third Wednesday of March and ends on (and does not include) the third Wednesday of June.

2. Options Not in the March Quarterly Cycle (“Serial Standard Options”)

For options that expire in any month not in the March quarterly cycle, (i.e., January, February, April, May, July, August, October, and November), the underlying futures contract is the futures contract for which the contract Reference Quarter (Rule 48003.A.1.) begins on the third Wednesday of the next month in the March quarterly cycle that is nearest the expiration of such options.

Example: For a given year, the underlying futures contract for an option that expires in either January or February is the futures contract for which the contract Reference

Quarter begins on (and includes) the third Wednesday of March and ends on (and does not include) the third Wednesday of June.

480A01.E. Exercise Prices

1. Twenty-Five Point Exercise Prices

For options for a given expiration date that are exercisable into a given underlying futures contract, exercise prices shall be stated in terms of the IMM Index for such underlying futures contract and shall be stated in intervals whose last two digits are 00, 25, 50, or 75 ("twenty-five point exercise prices") for all IMM Index levels, e.g., 88.00, 88.25, 88.50, 88.75.

The Exchange shall list put and call options for trading at the exercise price that is nearest the previous day's settlement price of such underlying futures contract ("at-the-money exercise price") and at all eligible exercise prices in a range from 5.50 IMM Index points above to 5.50 IMM Index points below such at-the-money exercise price. Thereafter until termination of trading in such options, the Exchange shall ensure that put and call options are listed for trading on each day at all eligible exercise prices in a range from 5.50 IMM Index points above to 5.50 IMM Index points below the at-the-money exercise price for such underlying futures contract. New options may be listed for trading up to and including the termination of trading.

2. Special Listings of Five Point Exercise Prices

For options for a given expiration date that are exercisable into a given underlying futures contract, additional exercise prices shall be stated in intervals whose last three digits are 0.05, 0.10, 0.15, ... 0.90, or 0.95 ("0.05 point exercise prices") for all IMM Index levels, e.g., 93.30, 93.35, 93.40, 93.45.

The Exchange shall ensure that put and call options are listed for trading on each day at all such 5 point exercise prices in a range from 5.00 IMM Index points above to 5.00 IMM Index points below the at-the-money exercise price for such underlying futures contract.

3. Dynamically-Listed Exercise Prices

Upon demand and at the discretion of the Exchange, a new option contract with an out-of-current- range exercise price may be added, on an as-soon-as-possible basis, provided that the last two digits of the exercise price of such newly added option contract must be a multiple of 05 (e.g., 88.05, 88.10, 88.15, 88.20, 88.25).

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

480A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion. Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

480A01.G. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special price fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits and Daily Price Limits Table in the Interpretations & Special Notices Section of Chapter 5.

480A01.H.-I. [Reserved]

480A01.J. Termination of Trading

1. All Options

Trading in any Quarterly Standard Option or Serial Standard shall terminate at the close of trading on the Friday preceding the third Wednesday of the month in which such option expires. If such Friday is a scheduled Exchange holiday, then trading shall terminate on the immediately preceding Business Day. In the event that the underlying futures market for such option does not open on the day scheduled for termination of trading in such option, then trading in such option shall be extended to the next day on which the underlying futures market is open for trading.

480A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of €STR options.

480A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer on any Business Day that the option is traded. To exercise an option, the clearing member representing the buyer shall present an exercise notice to the Clearing House by 5:30 p.m. on the day of exercise.

An option that is in the money and has not been liquidated or exercised prior to the termination of trading in such option shall be exercised automatically no later than 5:30 p.m. on the last day of trading by the clearing member representing the option buyer. An option is in the money if the settlement price of the underlying futures contract at the termination of trading lies strictly above the exercise price in the case of a call, or lies strictly below the exercise price in the case of a put.

480A02.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 of acceptance by the Clearing House of the exercise notice.

480A03. [RESERVED]