SUBMISSION COVER SHEET

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Registered Entity Identifier Code (optional): 14-217 (7 of 12)

Organization: Chicago Mercantile Exchange Inc. ("CME")

Filing as a: ☒ **DCM** ☐ **SEF** ☐ **DCO** ☐ **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): September 5, 2014 Filing Description: Listing of Two-Year, Three-Year, and Five-Year Bundle Futures and Option Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

☐	Certification	§ 40.6(a)
☐	Approval	§ 40.5(a)
☐	Notification	§ 40.6(d)
☐	Advance Notice of SIDCO Rule Change	§ 40.10(a)
☐	SIDCO Emergency Rule Change	§ 40.10(h)

Rule Numbers:

New Product **Please note only ONE product per Submission.**

☒	Certification	§ 40.2(a)
☐	Certification Security Futures	§ 41.23(a)
☐	Certification Swap Class	§ 40.2(d)
☐	Approval	§ 40.3(a)
☐	Approval Security Futures	§ 41.23(b)
☐	Novel Derivative Product Notification	§ 40.12(a)
☐	Swap Submission	§ 39.5

Official Product Name:

Product Terms and Conditions (product related Rules and Rule Amendments)

☐	Certification	§ 40.6(a)
☐	Certification Made Available to Trade Determination	§ 40.6(a)
☐	Certification Security Futures	§ 41.24(a)
☐	Delisting (No Open Interest)	§ 40.6(a)
☐	Approval	§ 40.5(a)
☐	Approval Made Available to Trade Determination	§ 40.5(a)
☐	Approval Security Futures	§ 41.24(c)
☐	Approval Amendments to enumerated agricultural products	§ 40.4(a), § 40.5(a)
☐	"Non-Material Agricultural Rule Change"	§ 40.4(b)(5)
☐	Notification	§ 40.6(d)

Official Name(s) of Product(s) Affected:

Rule Numbers:

Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

September 5, 2014

VIA ELECTRONIC PORTAL

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

RE: CFTC Regulation 40.2(a) Certification. Notification Regarding the Initial Listing of Two-Year, Three-Year, and Five-Year Bundle Futures and Option Contracts. CME Submission No. 14-217 (7 of 12)

Dear Mr. Kirkpatrick:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying terms and conditions for Two-Year Bundle futures, Three-Year Bundle futures, and Five-Year Bundle futures, and companion options for each of these three futures products, to be listed for trading on Sunday, 21 September 2014, for first trade date of Monday, 22 September 2014. In what follows:

- Section 1 summarizes and discusses futures contract terms and conditions.
- Section 2 summarizes contract terms and conditions for the companion options.
- Section 3 describes requisite amendments to CME Rulebook Chapter 5 in regard to position accountability and position reportability standards for these contracts, and non-reviewable ranges applicable to trading in these contracts on the CME Globex electronic trading system.
- Section 4 delineates standards for block trading in these contracts.
- Section 5 details the applicable CME Globex fees and CME Clearing fees.
- Section 6 addresses compliance of CME Rules and Rule amendments certified herein with the pertinent Core Principles for Designated Contract Markets ("Core Principles") set forth in the Commodity Exchange Act ("Act" or "CEA").

Appendixes A through F set forth CME Rulebook Chapters governing terms and conditions for the contracts certified herein, as follows:

Appendix A	454 for Two-Year Bundle Futures
Appendix B	454A for Options on Two-Year Bundles
Appendix C	455 for Three-Year Bundle Futures
Appendix D	455A for Options on Three-Year Bundle Futures
Appendix E	456 for Five-Year Bundle Futures
Appendix F	456A for Options on Five-Year Bundle Futures

Section 3 of this document is supplemented by Appendix G, which sets forth amendments to CME Rulebook Chapter 5 in regard to reportable position and position accountability levels, and CME Globex non-reviewable trading ranges.

Section 4 of this document is augmented by Appendix H, which sets forth requisite amendments to Section 12 for CME & CBOT Block Trade-Eligible Products in CME & CBOT Market Regulation Advisory

Notice RA 1405-3, 8 September 2014. Pursuant to Commission Regulation 40.6(a) CME is separately self-certifying the standards for block trading in these contracts in CME/CBOT Submission No. 14-365.

Section 1 – Contract Specifications for CME Bundle Futures

The Exchange introduced bundle combinations ("bundles") of CME Three-Month Eurodollar ("ED") futures in 1994. Each bundle is an intra-market combination of one each of a sequence of ED futures with consecutive March Quarterly delivery months (ie, March, June, September, December). For example, a 2-year, or 3-year, or 5-year bundle comprises a sequence of, respectively, 8, or 12, or 20 ED futures for delivery in consecutive March Quarterly months. Like other ED intra-market spreads or combinations, each bundle immediately decomposes into its constituent ED contracts upon being traded. Long (short) interest of one each of the component ED futures is booked immediately to the buyer (seller) of the bundle.

The Bundle futures certified herein will permit the buyer (seller) of a futures contract not merely to transact but also to hold long (short) exposure to the contract-grade ED bundle, in unitary form, as a single accounting line item. Only if a Bundle futures contract goes to delivery upon expiration does it decompose into its constituent ED futures.

Exhibit 1 summarizes Bundle futures contract specifications. (All times of day referenced there and elsewhere in this notification are Chicago time, unless otherwise noted.)

Exhibit 1 – Contract Specifications for CME Bundle Futures

Trading Unit	One bundle of CME Three-Month Eurodollar (ED) futures, with Bundle Tenor that meets the Delivery Standard. ***Bundle***: One each of a sequence of four (4) or more ED futures with consecutive March Quarterly Delivery Months, spanning a given Bundle Tenor, for a given Bundle Month. ***Bundle Month***: For a given bundle, the Delivery Month of the constituent ED contract nearest to delivery. ***Bundle Tenor***: / ***Number of constituent ED contracts with consecutive March Quarterly delivery months*** **2-Year**: 8 **3-Year**: 12 **5-Year**: 20
Delivery Months	March Quarterly months (March, June, September, December)
Price Basis and Contract Size	Price is quoted in IMM Index points, as the arithmetic average of prices of ED futures comprised in Delivery Standard bundle. *Example*: A Bundle futures price of 93.6700 points signifies an average ED contract interest rate of 6.33 percent per annum. ***Bundle Futures*** / ***0.01 IMM Index Points =*** **Two-Year**: $200 per contract **Three-Year**: $300 per contract **Five-Year**: $500 per contract
Minimum Price Increment	0.005 IMM index points. ***Bundle Futures*** / ***0.005 IMM Index Points =*** **Two-Year**: $100 per contract **Three-Year**: $150 per contract **Five-Year**: $250 per contract
Daily Settlement Prices	Average of daily settlement prices of Delivery Standard bundle's constituent ED contracts, rounded to fourth decimal place (0.0001) with tie values (i.e., unrounded values ending in 0.00005) rounded down.

Termination of Trading	***Last Day of Trading*** is 2nd London bank business day preceding 3rd Wed of Delivery Month. Trading in expiring Bundle futures terminates at time of ED futures daily settlement – typically 2pm -- on Last Day of Trading.
Delivery Standard	One (1) bundle of ED futures of specified Bundle Tenor (2-Year, 3-Year, or 5-Year) with Bundle Month identical to Bundle futures Delivery Month.
Delivery	CME Clearing shall assign a long (short) position of one (1) Delivery Standard bundle per expiring Bundle futures contract to holders of all long (short) positions remaining open following Termination of Trading. ***Final Settlement Price*** = Average of settlement prices of Delivery Standard bundle's constituent ED contracts on Last Day of Trading in expiring Bundle futures contract, rounded to fourth decimal place (0.0001) with tie values (i.e., unrounded values ending in 0.00005) rounded <u>down</u>.
ED Price Assignments in Delivery	For delivery of a bundle comprising *n* ED contracts, CME Clearing shall assign such constituent ED contracts at invoice prices determined as follows: (1) Each ED contract, excluding ED contract for nearest delivery month, shall be assigned at its respective daily settlement price. (2) ED contract for nearest delivery month (i.e., for delivery in the Bundle Month) shall be assigned at invoice price equal to: *n x (Final Settlement Price of expiring Bundle futures) minus* *(sum of invoice prices of n-1 most remote ED contracts determined in Step (1))*

Position Accountability and Reportability

Bundle Futures	***Position Accountability (Contracts)***	***Position Reportability (Contracts)***
Two-Year	1,250+	25+
Three-Year	800+	25+
Five-Year	500+	25+

Block Trade Thresholds

Bundle Futures	***RTH: 7am to 4pm (Contracts)***	***ETH: 12am to 7am (Contracts)***	***ATH: 4pm to 12am (Contracts)***
Two-Year	500+	250+	125+
Three-Year	330+	165+	80+
Five-Year	200+	100+	50+

Each block trade must be reported to the Exchange by the seller within 5 minutes of transaction during RTH, and within 15 minutes of transaction during ETH or ATH. Market participants may notify the Exchange of block transactions via CME ClearPort (Sun-Fri, 5pm to 4:15pm).

Trading Hours and Venue

Open Outcry: 7:20am to 2pm, Mon-Fri
CME Globex: 5pm to 4pm, Sun-Fri.
CME Globex Matching Algorithm: FIFO (F)

Bundle Futures	***CME Globex and Clearing Product Code***
Two-Year	BU2
Three-Year	BU3
Five-Year	BU5

Futures contracts described herein shall trade on and according to the rules of Chicago Mercantile Exchange Inc., pending certification of contract terms and conditions with the US Commodity Futures Trading Commission and completion of all regulatory review periods.

Unit of Trade

For any Two-Year (or Three-Year, or Five-Year) Bundle futures contract, the unit of trade is:

- a notional 2-year (or 3-year, or 5-year) floating-rate Eurodollar interbank time deposit,
- with principal amount of approximately $1,000,000,
- for spot (t+2) settlement on the third Wednesday of the Bundle futures contract delivery month,
- paying 8 (or 12, or 20) consecutive quarterly installments of three-month Eurodollar interbank term interest thereafter,
- with floating rate resets on IMM Monday (the Monday before the third Wednesday) of each March, June, September, and December.

The Bundle futures contract's notional unit of trade is represented, in effect, by the corresponding deliverable-grade bundle of ED futures, which comprises one each of ED futures for delivery in the nearest 8 (or 12, or 20) consecutive months in the March Quarterly cycle.

> *Example*: For hypothetical Two-Year Bundle futures for March 2014 delivery, the delivery standard would have been the 2-year bundle comprising one each of ED contracts for all March Quarterly months from March 2014 through December 2015, inclusive. See Exhibit 2 on page 6.

Settlement Prices

For any Bundle futures contract all settlement prices are made with reference to settlement prices of ED futures contracts comprised in the corresponding deliverable-grade bundle:

> On any day prior to the Bundle futures contract's last day of trading, the daily settlement price is the arithmetic average of that day's daily settlement prices for all such ED contracts.
>
> On its last day of trading, the Bundle futures contract's final settlement price is the arithmetic average of the final settlement price for the ED contract for the nearest ED delivery month, and that day's daily settlement prices for all other such ED contracts.

Delivery on Expiring Contracts

Trading in an expiring Bundle futures contract will terminate typically at 2pm Chicago time on the Monday before the 3rd ("IMM") Wednesday of the contract delivery month. To establish intent to make or take an expiring contract to delivery, a market participant has only to hold the position through termination of trading in the contract.

At close of business on the same day CME Clearing shall assign a long (short) position of one delivery standard bundle of ED futures per expiring Bundle futures contract to holders of all long (short) positions remaining open after termination of trade. Within any such deliverable-grade ED bundle, all but one of the ED futures exposures so assigned will be tradable contracts. The exception is the nearby ED future, which will be assigned purely as a formality: Having terminated trading earlier in the day, it will expire upon its final mark-to-market at close of business.

> *Example:* When the trading session commences for the Tuesday before IMM Wednesday in December, each party who has taken delivery on a newly expired December Five-Year Bundle futures contract will own long positions in 19 ED contracts -- one of each of the ED contracts in the deliverable-grade 5-year bundle, excluding the December ED future that expired the previous day (Monday before IMM Wednesday). Similarly, any party who has made delivery on a newly expired Two-Year Bundle future will own short positions of one each of the seven most deferred ED contracts within the deliverable-grade 2-year ED bundle.

Examples of Final Settlement, Delivery, and Marks-to-Market: March 2014 Bundle Futures

Consider final settlement of hypothetical Bundle futures for March 2014 delivery. Trading would have terminated at 2pm on Monday, 17 March 2014. Final settlement prices would have been determined on

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the basis of that day's settlement prices in ED futures. For the nearby March 2014 ED futures contract (EDH4) "ED Settlement Price" indicates the final settlement price, as established around 5:45am Chicago time upon publication of the 3-month ICE LIBOR value of the day. As shown in the second column of Exhibit 2, this was 99.7655 (equal to 100 minus 0.2345, the day's 3-month ICE LIBOR value rounded to four decimal places). For each of the other ED contracts shown in the exhibit (for delivery months from June 2014 through December 2018, inclusive) "ED Settlement Price" indicates the corresponding daily settlement price set by the Exchange at 2pm Chicago time.

Exhibit 2 -- Hypothetical March 2014 Bundle Futures Final Settlement Prices and Deliveries, 17 March 2014

		Two-Year (BU2H4)	Three-Year (BU3H4)	Five-Year (BU5H4)
Bundle Futures Final Settlement Price:		99.5132	99.1246	98.2760
ED Delivery Month	ED Settlement Price	Delivery Assignment Prices		
Mar-14	99.7655	99.7656	99.7652	99.7650
Jun-14	99.7450	99.7450	99.7450	99.7450
Sep-14	99.7200	99.7200	99.7200	99.7200
Dec-14	99.6700	99.6700	99.6700	99.6700
Mar-15	99.5700	99.5700	99.5700	99.5700
Jun-15	99.4150	99.4150	99.4150	99.4150
Sep-15	99.2250	99.2250	99.2250	99.2250
Dec-15	98.9950	98.9950	98.9950	98.9950
Mar-16	98.7400		98.7400	98.7400
Jun-16	98.4800		98.4800	98.4800
Sep-16	98.2150		98.2150	98.2150
Dec-16	97.9550		97.9550	97.9550
Mar-17	97.7200			97.7200
Jun-17	97.4850			97.4850
Sep-17	97.2700			97.2700
Dec-17	97.0600			97.0600
Mar-18	96.8750			96.8750
Jun-18	96.6950			96.6950
Sep-18	96.5350			96.5350
Dec-18	96.3850			96.3850

Data Source: IHS Global Insight

For each expiring Bundle future – Two-Year, Three-Year, or Five-Year – the Exchange would have computed the final settlement price as the arithmetic average of settlement prices for ED contracts in the corresponding deliverable-grade bundle. For expiring Two-Year Bundle Futures the raw final settlement price value would have been 99.5131875, equal to:

$$(99.7655 + 99.745 + 99.720 + 99.670 + 99.570 + 99.415 + 99.225 + 98.995) / 8$$

As shown in the top row of Exhibit 2**,** this raw average value would have been rounded to four decimal places, 99.5132. In like fashion, final settlements for Three-Year and Five-Year Bundle futures would have been set as 99.1246 and 98.2760, respectively.

For each Bundle futures contract *all ED exposures assigned in delivery, with one exception, would have been assigned at their respective settlement prices for the day*. In each case the exception was the nearby contract, EDH4, for which the delivery assignment price would have been set to ensure that the average price of all ED contracts assigned in delivery matched the Bundle futures final settlement price.

Example: As shown in the third column of Exhibit 2, a CME clearing member making delivery on a short position of one expiring Two-Year Bundle future would have been assigned short positions of one each of ED contracts for delivery in March 2014 through December 2015, inclusive. With the exception of EDH4, all would have been assigned at their respective 2pm daily settlement prices. EDH4 would have been assigned at an invoice price equal to:

(8 x 99.5132) minus (99.745 + 99.720 + 99.670 + 99.570 + 99.415 + 99.225 + 98.995)

Rounded to the four decimal places required of any ED futures settlement price, this becomes 99.7656.

This delivery price assignment mechanism ensures that for all but one of the ED futures positions made in any delivery, immediate marks-to-market will be zero. Because delivery price resolution is borne entirely by the assignment price for the nearby ED contract, an immediate mark-to-market may apply to it. In most instances this will be small.

Example, contd: Delivery on each March 2014 Two-Year Bundle futures contract would have resulted in assignment of one EDH4 at a price of 99.7656. Because EDH4's final settlement price was 99.7655, any clearing member firm taking delivery on long positions in expiring futures would have been immediately liable for a margin payment of 0.0001 IMM Index points, equal to 0.01 ED contract ticks, or 25 cents per contract ((99.7655 minus 99.7656) x ($2,500 per point)). Conversely, any clearing member making delivery on short positions of expiring Two-Year Bundle futures would have collected variation margin of 25 cents per contract on short exposures in EDH4 assigned in delivery.

Likewise, as shown in the right-most column of Exhibit 2, clearing members accepting delivery on long positions of expiring Five-Year Bundle futures would have been assigned, *inter alia*, long positions in EDH4 at a price of 99.7650. Upon mark-to-market against EDH4's final settlement price (99.7655) they would have collected margin of $1.25 per contract, equal to 0.0005 ED contract ticks ((99.7655 minus 99.7650) x ($2,500 per point)). Conversely, a clearing member making delivery on a short position of Five-Year Bundle futures would have paid variation margin of $1.25 per contract on short exposures in EDH4 assigned in delivery.

More generally, the maximum magnitude of any such immediate mark-to-market on nearby ED futures assigned in Bundle futures deliveries would be $1.00 per contract in the case Two-Year Bundle futures, $1.50 per contract in the case of Three-Year Bundle futures, and $2.50 per contract for Five-Year Bundle futures.

Section 2 – Contract Specifications for CME Options on Bundle Futures

By longstanding market convention, any bundle combination of ED futures is quoted and traded in terms of the arithmetic average of net changes in prices of the bundle's constituent ED futures contracts versus their respective previous daily settlement prices. Experience instructs that this price quoting convention does not conduce to listing of companion options. Because the Bundle futures certified herein trade instead in terms of the IMM Index ("100 minus rate") format familiar to users of ED futures, they should more readily accommodate listings of companion options. Exhibit 3 summarizes contract specifications of these options.

Exhibit 3 – Contract Specifications for CME Options on Bundle Futures

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Underlying Instrument	Each option is exercisable into one (1) CME Bundle futures contract.
Expiry Months	*Quarterly Options*: March Quarterly months (March, June, September, December) *Serial Options*: Non-March Quarter months (January, February, April, May, July, August, October, November)
Exercise Price Array	Integer multiples of 0.25 IMM Index points, from 5.50 IMM Index points above to 5.50 IMM Index points below the current at-the-money exercise price, plus integer multiples of 0.125 IMM Index points, from 1.50 IMM Index points above to 1.50 IMM Index points below the current at-the-money exercise price. ***At-the-money exercise price*** is the option exercise price closest to the previous daily settlement price of the corresponding underlying Bundle futures contract.
Minimum Option Premium Increment	0.005 IMM Index points.

Options on…	***0.005 IMM Index Points =***
BU2	$100 per option contract
BU3	$150 per option contract
BU5	$250 per option contract

Termination of Trading	***Last Day of Trading*** is Friday preceding 3rd Wed of Option Expiry Month. Trading in expiring options terminates with close of trading – typically 4pm -- on Last Day of Trading.
Option Exercise	American Style. Option may be exercised by purchaser on any day that option is traded. Option purchaser's clearing member firm must notify CME Clearing of intention to exercise no later than 7pm on day of exercise. All expiring options outstanding and unexercised as of Termination of Trading shall expire at 7pm on Last Day of Trading and, in the absence of contrary instruction, shall be automatically exercised.

Block Trade Thresholds

Options on…	***RTH: 7am to 4pm (Contracts)***	***ETH: 12am to 7am (Contracts)***	***ATH: 4pm to 12am (Contracts)***
BU2	1,250+	625+	325+
BU3	825+	400+	200+
BU5	500+	250+	125+

Each block trade must be reported to the Exchange by the seller within 5 minutes of transaction during RTH, and within 15 minutes of transaction during ETH or ATH. Market participants may notify the Exchange of block transactions via CME ClearPort (Sun-Fri, 5pm to 4:15pm).

Position Accountability and Reportability

Options on…	***Position Accountability (Futures-Equivalent Contracts)***	***Position Reportability (Futures-Equivalent Contracts)***
BU2	1,250+	25+
BU3	800+	25+
BU5	500+	25+

Trading Hours and Venue	*Open Outcry*: 7:20am to 2pm, Mon-Fri *CME Globex*: 5pm to 4pm, Sun-Fri. *CME Globex Matching Algorithm*: Eurodollar Option (Y) Option contracts described herein shall trade on and according to the rules of Chicago Mercantile Exchange, pending certification of contract terms and conditions with the US Commodity Futures Trading Commission.

Section 3 – Reportable Position Levels, Position Accountability Levels, and CME Globex Non-Reviewable Trading Ranges

In view of the essential role of delivery, a key organizing principle in the design of the Bundle futures certified herein is that regulatory parameters that bear upon trading in these contracts and their companion options shall be set at parity with those that apply to the corresponding deliverable-grade bundles of ED futures. Accordingly:

- Bundle futures and companion options shall not be subject to Position Limits.

- Bundle futures and companion options shall be subject to an initial Position Reporting Level of 25 contracts, as typically applies to newly-listed interest rate futures products. Exhibit G.1. (provided under separate cover) sets forth the corresponding amendments to the Interpretations Section of CME Rulebook Chapter 5.

- Bundle futures and companion options shall be subject to Position Accountability thresholds that derive from the 10,000 futures-contract-equivalent threshold for both single-delivery-month positions and all-delivery-month positions in CME ED futures and their companion options.

  For illustration, consider a 5-year bundle comprising 20 ED futures. The purchase (sale) of 500 or more such 5-year bundles would establish a long (short) position of 10,000 or more ED futures in all delivery months, thereby causing the buyer (seller) to be subject to Position Accountability. To ensure parity with this requirement, the Position Accountability threshold for Five-Year Bundle futures certified herein shall be 500 contracts. Corresponding amendments to the Interpretations Section of CME Rulebook Chapter 5 are set forth in Exhibit G.1. (provided under separate cover).

- Non-reviewable ranges certified herein for CME Globex trading in Bundle futures and companion options shall be analogous to those that apply to CME Globex trading in ED futures and their companion options. The requisite amendments to CME Rule 588.H. for Globex Non-Reviewable Trading Ranges are set forth in Exhibit G.2. in Appendix G.

Section 4 – Block Trading Standards

Standards for block trading in Bundle futures likewise shall be set at parity with established standards for block trading in the corresponding deliverable-grade bundle combinations of ED futures.

For example, during Exchange Regular Trading Hours (“RTH”) any ED futures intra-market spread or combination is eligible for block trading, provided that the total number of contracts entailed in the legs of such spread or combination is at least 4,000. A 5-year bundle transaction, comprising 20 ED futures per bundle, is eligible for block execution therefore if the trade size numbers 200 or more of such bundles. Accordingly, the minimum size threshold certified herein for block trades in Five-Year Bundle futures during RTH shall be 200 contracts.

Size requirements for block trading in options on Bundle futures shall be multiples of 2.5x of the size requirements for the corresponding Bundle futures, analogous to the minimum size proportionality that applies to block trading in options on ED futures versus block trading in ED futures.

Exhibit H in Appendix H sets forth enabling amendments to Section 12 of CME & CBOT Market Regulation Advisory Notice RA 1405-3, 8 September 2014.

Section 5 – CME Clearing Fees and CME Globex Fees

Fees for outright trades in Bundle futures

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As shown in the table below, fees for outright trades in Bundle futures are set at parity with fees for outright trades in corresponding deliverable-grade bundles of ED futures. Fee parity shall extend to the Exchange's current CME Globex fee discount for Non-Member trading of bundles.

> *Example*: For ED futures, the Exchange's posted all-in fee for outright trading by Customers of Member Firms (Non-Members) is $1.19 per contract, comprising Clearing fees of $0.64 plus the standard CME Globex fee of $0.55. The Exchange currently allows a reduced CME Globex fee for Non-Members of $0.10 per contract for any ED future traded outright via a bundle, making a *de facto* all-in fee of $0.74 per ED contract for ED futures traded via bundles. Fees for Bundle futures shall be at parity with this reduced all-in rate. For instance, as displayed in the bottom row of Exhibit 5, $5.92 (equal to 8 ED futures x $0.74 per ED contract) is the all-in fee a Non-Member would pay either to trade outright a 2-year bundle combination of ED futures or to trade outright a single Two-Year Bundle futures contract.

Bundle Futures Fees ($ per side (both buy side and sell side) per contract)

			All-In Fee for Bundle Futures		
CME Membership Type	***CME Clearing Fee***	***CME Globex Fee***	***Two-Year***	***Three-Year***	***Five-Year***
Individual Equity Members / Clearing Members / Rule 106.I Members / Rule 106.J Equity Member Firms / Rule 106.S Member Approved Funds	0.09	0.10	1.52	2.28	3.80
Rule 106.D Lessees / Rule 106.F Employees	0.27 / 0.30	0.10	2.96 / 2.40	4.44 / 3.60	7.40 / 6.00
Rule 106.R Electronic Corporate Member – Holding Member	0.34	0.10	3.52	5.28	8.80
Rule 106.R Electronic Corporate Member – Volume Incentive Program	0.49	0.10	4.72	7.08	11.80
Rule 106.H Firms / Rule 106.N Firms	0.34 / 0.49	0.10	3.52 / 3.92	5.28 / 5.88	8.80 / 9.80
Asian Incentive Program (AIP) Participants	0.34	0.10	3.52	5.28	8.80
International Incentive Program (IIP) Participants and International Volume Incentive (IVIP) Program Participants	0.34	0.10	3.52	5.28	8.80
Latin American Bank Incentive Program (LABIP) Participants	0.34	0.10	3.52	5.28	8.80
Latin American Commercial Incentive Program (LACIP) Participants	0.64	0.10	5.92	8.88	14.80
Latin American Fund Manager Incentive Program (FMIP) Participants	0.34	0.41	6.00	9.00	15.00
CTA/Hedge Fund Incentive Program Participants	0.64	0.10	5.92	8.88	14.80
CBOE Members (reduced for S&P Index and E-mini/E-micro S&P only)	0.64	0.10	5.92	8.88	14.80
Customers of Member Firms (Non-Members)	0.64	0.10	5.92	8.88	14.80

Fees for calendar spread trades in Bundle futures

The holder of a nearby bundle sequence of long (short) ED futures may transform it into a deferred bundle sequence by selling (buying) the nearby ED contract and buying (selling) the ED contract for delivery in the most remote March Quarterly month in the deferred bundle. Irrespective of the tenor of the bundle combination – whether 2-year, 3-year, or 5-year -- the fee cost of this synthetic transformation is the sum of outright fees for trading two (2) ED futures.

In view of this consideration, ***the all-in fee for a calendar spread trade in any Bundle futures contract shall be twice (2x) the corresponding fee for an outright trade in ED futures***. Such calendar spread fees shall apply only to Bundle futures traded via *bona fide* intra-commodity calendar spreads. Such calendar spread fees shall not apply to sequential outright trades, irrespective of whether they are made with the intent of legging into such calendar spread exposures.

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The table below exemplifies with CME Globex fees for 106.J Equity Member Firms and Customers of Member Firms (Non-Members).

All-in Fees for CME Globex Trading in Bundle Futures Calendar Spreads
($ per side (both buy side and sell side) per contract or per contract combination)

	ED Futures	*Two-Year Bundle Futures (~8 ED)*	*Three-Year Bundle Futures (~12 ED)*	*Five-Year Bundle Futures (~20 ED)*
Outrights				
106.J Equity Member Firms	0.19	1.52 (= 8 x 0.19)	2.28 (= 12 x 0.19)	3.80 (= 20 x 0.19)
Customers of Member Firms (Non-Members)	0.74	5.92 (= 8 x 0.74)	8.88 (= 12 x 0.74)	14.80 (= 20 x 0.74)
Calendar Spreads				
106.J Equity Member Firms		0.38 (= 2 x 0.19)	0.38	0.38
Customers of Member Firms (Non-Members)		1.48 (= 2 x 0.74)	1.48	1.48

Fees for outright trades in Bundle options

CME Globex fees for options on Bundle futures, as shown in the right-hand column of the table below, are identical to those for options on ED futures, e.g., 15 cents per option traded on CME Globex for Individual Equity Members, and 25 cents per option traded on CME Globex for Non-Member Customers of Member Firms.

Fees for Options on Bundle Futures ($ per side (both buy side and sell side) per contract)

	CME Clearing Fees			*CME Globex Fee*
CME Membership Type	*Two-Year*	*Three-Year*	*Five-Year*	
Individual Equity Members / Clearing Members / Rule 106.I Members / Rule 106.J Equity Member Firms / Rule 106.S Member Approved Funds	0.75	1.10	1.75	0.15
Rule 106.D Lessees / Rule 106.F Employees	2.21 / 2.46	3.27 / 3.63	5.38 / 5.98	0.15
Rule 106.R Electronic Corporate Member – Holding Member	2.79	4.12	6.77	0.10
Rule 106.R Electronic Corporate Member – Volume Incentive Program	4.02	5.93	9.76	0.10
Rule 106.H Firms / Rule 106.N Firms	2.79 / 4.02	4.12 / 5.93	6.77 / 9.76	0.10
Asian Incentive Program (AIP) Participants	2.79	4.12	6.77	0.10
International Incentive Program (IIP) Participants and International Volume Incentive (IVIP) Program Participants	2.79	4.12	6.77	0.10
Latin American Bank Incentive Program (LABIP) Participants	2.79	4.12	6.77	0.10
Latin American Commercial Incentive Program (LACIP) Participants	5.25	7.75	12.75	0.25
Latin American Fund Manager Incentive Program (FMIP) Participants	2.79	4.12	6.77	0.41
eFX Bank Incentive Program (BIP) Participants	5.25	7.75	12.75	0.25
CBOE Members (reduced for S&P Index and E-mini/E-micro S&P only)	5.25	7.75	12.75	0.25
Customers of Member Firms (Non-Members)*	5.25	7.75	12.75	0.25

Clearing fees for options on Bundle futures are approximately at parity with Clearing fees for options on ED futures, in the sense that all are comparably proportionate to the interest rate responsiveness of the underlying futures.

The table below illustrates this point by way of Clearing fees for Individual Equity Members and Customers of Member Firms (Non-Members). As figures in the fourth column demonstrate, Clearing fee levels for Individual Equity Members are uniformly around three eighths of one percent of a futures contract tick (i.e., approximately 0.00375 of 0.01 futures price points). Similarly, as figures in the rightmost column indicate, all Clearing fee settings for Non-Member Customers of Member Firms – both for ED futures and for Bundle futures -- reside in the neighborhood of 2.57 percent of a one futures contract tick (i.e., approximately 0.0257 of 0.01 futures price points).

Options on Bundle Futures and Options on ED Futures: Parity of CME Clearing Fees

Options on…	$ Value of Futures 01	Member Fees	Member Fees	Non-Member Fees	Non-Member Fees
		$ / Option	As Pct of Futures 01	$ / Option	As Pct of Futures 01
Two-Year Bundle Futures	200	0.75	0.38	5.25	2.63
Three-Year	300	1.10	0.37	7.75	2.58
Five-Year	500	1.75	0.35	12.75	2.55
ED Futures	25	0.09	0.36	0.64	2.56

Bundle Contracts and the ED Clearing Fee Volume Tier Discount Program

ED contracts currently are subject to a ***Clearing Fee Volume Tier Discount Program*** (“Program”), whereby any market participant whose trading activity in ED futures or options meets a certain average daily volume threshold is entitled to a lower Clearing fee rate, discounted from the base rate of $0.09 per contract, on trading volume in excess of such volume threshold.

In view of this consideration, ***trading activity in a Bundle futures contract (or its companion options) shall enter into the reckoning of Program participant trading volumes***, at parity with the ED futures exposure embedded in the corresponding deliverable-grade bundle. That is, trading volume in any Bundle contract shall be considered in terms of the number of ED futures in the deliverable-grade bundle.

> *Example*: If a Program participant trades 10 Two-Year Bundle futures per day in a given month, then 80 contracts per day of ED-equivalent trading volume (equal to 10 Two-Year Bundle futures x 8 ED per deliverable-grade bundle) would be added to her ED trading volume in determining whether her trading volume surpasses the Program’s prescribed trading volume tier threshold for the Clearing fee discount.

Moreover, the discounted Clearing fee per contract for any Bundle futures trading volume above and beyond the Program tier threshold shall be at parity with the discounted Clearing fee per ED contract.

> *Example*: The table below illustrates how Bundle futures trading activity would be incorporated into the Clearing Fee Volume Tier Discount Program for an Individual Equity Member who pays the baseline clearing fee of $0.09 per contract for trading volume up to and including 30,000 ED contract-equivalents per day, and who would be entitled to a discount of $0.02 per contract (ie, a reduced Clearing fee of $0.07 per contract) on the incremental 30,000 ED contract-equivalents traded per day (ie, contracts 30,001 through 60,000).

Bundle futures and the ED Clearing Fee Volume Tier Discount Program

Assume Member trades 28,000 ED and 250 Two-Year Bundle futures per day
(equal to 2,000 ED equivalents) up to the discount threshold @ $0.09 per ED (or ED equivalent),

then trades an additional 2,000 ED and 50 Two-Year Bundle futures per day (equal to 400 ED equivalents) beyond the discount threshold @ $0.07 per ED (or ED equivalent).

	Trading Volume (Contracts)	Applicable Clearing Fee ($ per contract)
Daily Volume at or below Threshold		
ED	28,000	0.09
Two-Year Bundle Futures	250	0.72 = 8 x 0.09
Daily Volume above Threshold		
ED	2,000	0.07
Two-Year Bundle Futures	50	0.56 = 8 x 0.07

Section 6 -- Compliance with Core Principles

The Exchange's Research Department and Legal Department have determined that the new product terms and conditions certified herein bear upon the following Core Principles for Designated Contract Markets:

Core Principle 2 – Compliance with Rules

Trading in the contracts certified herein shall be subject to CME Rulebook Chapter 4, which includes prohibitions against fraudulent, noncompetitive, unfair, and abusive practices. Additionally, trading in these contracts shall be subject to the Exchange's trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. Trading activity in these contracts shall be subject to monitoring and surveillance by CME Group's Market Regulation Department, which has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Core Principle 3 – Contracts Not Readily Subject to Manipulation

At first order of proximity, the supply of commodity deliverable into expiring Bundle futures – bundle combinations of CME ED futures – is subject to no limitation that would cause Bundle futures or companion options to be susceptible to attempted manipulation. This is so for three reasons.

First, the integrity of the Bundle futures contract expiration and assignment process does not rely in any way on extant supply of ED futures contracts. Any contract-grade bundle of ED futures, assigned in fulfillment of an expiring Bundle futures contract, is created *de novo*: The long (short) open interest holder in the Bundle future in delivery becomes the holder of long (short) interest in the corresponding bundle combination of ED futures, assigned by CME Clearing. Because CME Clearing has the capability to assign as many ED futures as may be needed to fulfill delivery on expiring Bundle futures contracts, there is effectively no physical limitation on the available supply of deliverable commodity. In consequence, there is no practical basis on which a would-be wrongdoer could manipulate or squeeze or congest a Bundle futures contract final settlement, or attempt to do so, by hoarding or cornering the supply of deliverable commodity.

Second, the final settlement price of an expiring Bundle futures contract relies directly on the daily settlement prices of ED contracts comprised in the corresponding deliverable-grade bundle. It is imaginable that a would-be wrongdoer might attempt to influence the setting of the Bundle futures contract's final settlement price through manipulation of daily settlement prices for such ED contracts. It is highly improbable, however, in view of the close regulatory scrutiny that applies both to ED futures market activity and to the determination of ED futures settlement prices. The probability that any such attempt to influence settlement prices would exert material impact is smaller still, given the massive scale of activity in this market. Daily trading volume in ED futures averaged 2.04 mln contracts in 2013, rising to 2.47 mln contracts during 2014 H1. Open interest

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burgeoned from 7.9 mln contracts at 2012 year-end to 10.2 mln at 2013 year-end, and stood at 11.6 mln contracts at the end of June 2014.

Third, reinforcing the integrity of the Bundle futures expiration and assignment process is that, unlike futures for physical delivery of commodities (eg, CBOT Treasury Note or Bond futures, or CBOT grain futures), there is no need for CME Clearing to assign a clearing member carrying short interest to make delivery to a clearing member carrying long interest, or vice versa. Given the nature of the deliverable grade – standardized combinations of ED futures contracts – CME Clearing is able to interpose itself directly as the central counterparty to all clearing members participating, long or short, in delivery.

At second order of proximity, whether Bundle futures or options are susceptible to manipulation rests upon the integrity of ICE Libor, the benchmark that anchors the ED futures assigned by CME Clearing in deliveries on expiring Bundle futures. Each ED futures contract delivers by cash settlement, through final mark-to-market to the contract final settlement price, which is determined in turn by reference to the US dollar London interbank offered rate at the 3-month term to maturity, as reflected in that day's setting of 3-month US Dollar ICE Libor.

Despite episodes of attempted manipulation and false reporting in recent years that have threatened to undermine public confidence in its reliability and robustness, Libor remains the primary gauge of the prevailing rate at which a leading bank can obtain unsecured funding in the London interbank market. The following paragraphs review the administration, definition, and calculation of Libor.

Administration of LIBOR

On 25 February 2013, HM Government empaneled the independent Hogg Tendering Advisory Committee for Libor (Committee), which was mandated by HM Treasury and the UK Financial Services Authority to oversee selection of a new administrator for Libor, and to recommend to the British Bankers' Association (BBA), on the basis of that selection, a replacement for the incumbent Libor administrator, BBA Libor Ltd.

On 17 April 2013, the Committee published an Invitation to Tender (ITT). After assessing bid responses in light of the ITT's criteria, the Committee concluded that NYSE Euronext Rate Administration Limited was best placed to achieve orderly transition to a more effective management regime for Libor and to restore Libor's credibility.

On 9 July 2013 it was announced that the BBA had accepted the Committee's recommendation that NYSE Euronext Rate Administration Limited should be the new Libor administrator.

On 31 November 2013 NYSE Euronext Rate Administration Limited was reorganized as ICE Benchmark Administration Limited (IBA Ltd), following the acquisition of NYSE Euronext by the Intercontinental Exchange (ICE). On 17 January 2014 the UK Financial Conduct Authority (FCA) confirmed formal authorization for IBA Ltd to succeed BBA Libor Ltd as administrator of Libor.

On 1 February 2014, IBA Ltd commenced operating as administrator of Libor. IBA Ltd is a UK-based company, regulated in the UK by the FCA. The transfer of administrative responsibility to it from BBA Libor Ltd fulfills one of the principal recommendations of the Wheatley Review of Libor, which was commissioned by HM Government in September 2012 to review the management of Libor in the wake of earlier findings of attempted manipulation of it.

ICE Libor Defined

For daily settings of US dollar Libor, IBA Ltd relies upon a panel of 18 contributor banks. Since 1 December 2011, these contributor banks are:

Bank of America	JP Morgan Chase
Bank of Tokyo-Mitsubishi UFJ Ltd	Lloyds Banking Group
Barclays Bank plc	Norinchukin Bank
BNP Paribas	Rabobank
Citibank NA	Royal Bank of Canada
Credit Agricole CIB	Royal Bank of Scotland Group
Credit Suisse	Société Générale
Deutsche Bank AG	Sumitomo Mitsui Banking Corporation
HSBC	UBS AG

The ICE Libor Code of Conduct defines ICE Libor for any given term to maturity as the rate at which a contributor bank could borrow funds at that term to maturity, were it to do so by asking for and then accepting interbank offers in reasonable market size just prior to 11 am London time. (See Section 3.1 of ICE Libor Code of Conduct at https://www.theice.com/publicdocs/IBA_Code_of_Conduct.pdf .) This definition is routinely reviewed by the Libor Oversight Committee, which ICE Benchmark Administration Limited is required to empanel and convene. (See Chapter 8 of FCA Market Conduct Sourcebook at http://fshandbook.info/FS/html/handbook/MAR/8.) Since 1 February 2014, the Libor Oversight Committee includes a representative of CME Group.

Calculation of ICE LIBOR

Since December 2012 Libor is a regulated benchmark under the laws of England and Wales. Accordingly, both the administration of Libor and the making of submissions of interest rate data for the purpose of setting Libor are deemed regulated activities, under the jurisdiction of the FCA. The methodological framework that Libor contributor banks are required to uphold is set forth in the Submission Methodology Annex of the ICE Libor Code of Conduct. (See ICE LIBOR Code of Conduct, pp 24-27, at https://www.theice.com/publicdocs/IBA_Code_of_Conduct.pdf)

Among strictures that apply to contributor banks is that the interest rate values they submit to the daily Libor survey must be explicable on the basis of, and with reference to, evidence drawn from a hierarchy of market activity data categories now known informally as the "Wheatley waterfall" --

(1) Contributing banks' **transactions** in:

> the unsecured interbank deposit market;
>
> other unsecured deposit markets, including but not limited to, certificates of deposit and commercial paper; and
>
> other related markets, including but not limited to, overnight index swaps, repurchase agreements, foreign exchange forwards, interest rate futures and options, and central bank operations.

(2) Contributing banks' **observations of third-party transactions** in the same markets.

(3) **Quotes by third parties** offered to contributing banks in the same markets.

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(4) In the absence of transaction data relating to a specific Libor benchmark, **expert judgment** should be used to determine a submission.

Data submitted by contributor banks are received and processed by Thomson Reuters, which remains the designated calculation agent for ICE Libor, and are used to calculate ICE Libor according to guidelines set forth in the ICE Libor Code of Conduct. A Thomson Reuters communication software application is installed at each contributor bank, enabling it to make its rate submissions confidentially.

Each morning between 11:00am and 11:10am London time, a benchmark manager responsible for the contributor bank's formulation of its rate submissions transmits them via the application to a rate-setting team at Thomson Reuters. The role of benchmark manager is recognized by the FCA as a Controlled Function (CF40). Accordingly, the benchmark manager must be a natural person approved by the FCA to exercise the controlled function relating to the oversight of the respective contributor bank's compliance with Section 8.2 of the FCA Market Conduct Sourcebook (MAR), as required by MAR Section 8.2.3R. (See ICE Libor Code of Conduct, especially Section 1 and Section 2. See also FCA Market Conduct Sourcebook, Chapter 8, at http://fshandbook.info/FS/html/handbook/MAR/8 .)

No contributor bank is permitted to see other contributor bank rate submissions during the submission interval. Before sending a contributor bank's rate submissions for calculation, Thomson Reuters perform a battery of automated and manual diagnostic tests to identify data points requiring scrutiny. These tests filter the submitted data for potential anomalies, including the following:

Any rate submission (for a given currency denomination and tenor) that moves more than 4 basis points per annum from the previous corresponding rate submission.

Any rate submission that "crosses the quote," ie, a rate submission that is below the preliminary ICE Libor value for today, but for which the previous corresponding rate submission was above the previous day's ICE Libor value (or vice versa).

Any rate submission that signifies a spike up or down relative to a linear interpolation of adjacent points on the term structure of the contributor bank's set of rate submissions for a given currency denomination.

Thomson Reuters analysts are instructed to confirm with the pertinent contributor bank any data point that these filters identify as unusual or anomalous.

With the primary data having been filtered and checked, each Libor value is calculated as an approximate interquartile mean: For any given interest rate tenor and currency denomination, Thomson Reuters rank the corresponding rate submissions in descending order, then trim away approximately the highest and lowest quartiles. For US Dollar ICE Libor the trimming process is as follows:

Number of Contributor Banks:	18
Trimming Methodology:	Exclude 4 highest rates and 4 lowest rates
Number of Contributor Banks on which US Dollar ICE Libor is based:	10

Remaining contributor bank rate submissions – approximately those within the interquartile range – are arithmetically averaged to create that day's Libor value. At the conclusion of the process, results are published via Thomson Reuters and other licensed data vendors, generally around 11:45am London time.

Core Principle 4 – Prevention of Market Disruption
Trading in contracts certified herein shall be subject to CME Rulebook Chapters 4 and 7, which include prohibitions on manipulation, price distortion, and disruption to the expiration and assignment process. As with any new product listed for trading on any CME Group designated contract market, trading activity in the contracts certified herein shall be subject to monitoring and surveillance by CME Group's Market Regulation Department.

Core Principle 5 – Position Limits or Accountability
The position accountability threshold for any Bundle futures contract or companion option contract shall be set at a level comparable in financial magnitude to the accountability threshold applicable to the corresponding bundle combination of ED futures deliverable into such Bundle future. For ED futures and options, 10,000 futures-contract-equivalents is the accountability threshold for both single-month and all-month positions. Accordingly, Bundle futures and options shall be subject to the single-month and all-month accountability thresholds discussed in Section 3 above and set forth in Appendix G (attached under separate cover).

Core Principle 7 – Availability of General Information
The Exchange shall publish on its website information in regard to contract specifications, terms, and conditions, as well as daily trading volume, open interest, and price information.

Core Principle 8 – Daily Publication of Trading Information
The Exchange shall publish contract trading volumes, open interest levels, and price information daily on its website and through quote vendors.

Core Principle 9 – Execution of Transactions
Contracts certified herein shall be listed for trading on CME Globex and in open outcry. Both trading venues provide for competitive and open execution of transactions. Additionally, CME Globex affords the benefits of reliability and global connectivity. The applicable CME Globex non-reviewable trading ranges shall be as discussed in Section 3 above and set forth in Appendix G.

Core Principle 10 – Trade Information
All requisite trade information shall be included in the audit trail and will suffice for the Market Regulation Department to monitor for market abuse.

Core Principle 11 – Financial Integrity of Transactions
Contracts certified herein shall be cleared by the CME Clearing House, which is registered with the Commission as a derivatives clearing organization, and which is subject to all CFTC regulations related thereto.

Core Principle 12 – Protection of Markets and Market Participants
CME Rulebook Chapters 4 and 5 set forth multiple strictures that preclude intermediaries from disadvantaging their customers. These Rules apply to trading in all of the Exchange's competitive trading venues and will apply to transactions in the contracts certified herein.

Core Principle 13 – Disciplinary Procedures

CME Rulebook Chapter 4 provides for the Exchange to discipline, suspend, or expel members or market participants who violate the rules of the Exchange. Trading in Bundle futures and companion options shall be subject to these provisions. The Exchange's Market Regulation Department has the authority to exercise its powers of enforcement, in the event that rule violations in these products are identified.

Core Principle 14 – Dispute Resolution

Disputes in respect of Bundle futures and companion options shall be subject to the arbitration provisions set forth in CME Rulebook Chapter 6, which allow all nonmembers to submit to arbitration claims for financial loss resulting from transactions on the Exchange. Pursuant to these provisions, any member named as a respondent in any such claim submitted by a nonmember is required to participate in arbitration proceedings. Additionally, the Exchange requires members to resolve via arbitration all disputes concerning transactions on the Exchange.

The Exchange certifies that the Bundle futures contracts and companion option contracts certified herein comply with the Act and rules thereunder, with no substantive opposing views to this proposal.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at http://www.cmegroup.com/market-regulation/rule-fillings.html.

If you require any additional information, please contact the undersigned at (212) 299-2200 or via e-mail at Christopher.Bowen@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Enclosures

Appendix A

CME Rulebook Chapter 454 -- Two-Year Bundle Futures

45400. SCOPE OF CHAPTER

This chapter is limited in application to trading of Two-Year Bundle futures. Procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange ("Rules").

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in other Chapters of the Rules.

Except as noted, all times referenced in this Chapter are Chicago times and are subject to change by the Exchange.

45401. CONTRACT SPECIFICATIONS

45401.A. Contract Grade

The contract grade for an expiring futures contract made under these Rules shall be one (1) Two-Year Bundle with Bundle Month identical to the delivery month for such expiring futures contract, subject to the following definitions:

1. **Two-Year Bundle**

A Two-Year Bundle shall be a futures combination comprising one each of eight (8) CME Three-Month Eurodollar (ED) futures (Chapter 452) for delivery in each of eight (8) consecutive months in the March-June-September-December ("March Quarterly") cycle.

2. **Bundle Month**

The Bundle Month for a given Two-Year Bundle (Rule 45401.A.1.) shall be the delivery month of the ED futures contract, comprised within such Two-Year Bundle, that is nearest to delivery (Rule 45202.A.).

45401.B. Delivery

Delivery shall apply to all positions in expiring contracts that remain open following Termination of Trading (Rule 45402.G.).

Each individual contract lot delivered shall consist of one Contract Grade Two-Year Bundle (Rule 45401.A.). To each long (short) expiring contract in delivery, CME Clearing shall assign long (short) positions of one each of the eight (8) ED futures contracts comprised within the Contract Grade. Such ED futures positions shall be assigned at prices determined as follows:

1. ED Futures Contracts Excluding the Nearest ED Delivery Month

ED futures contracts for the seven (7) consecutive ED delivery months following, and not including, the Bundle Month (Rule 45401.A.2.) shall be assigned at their respective Daily Settlement Prices on the Last Day of Trading in expiring futures (Rule 45402.G.).

2. ED Futures Contract for the Nearest ED Delivery Month

The ED futures contract for delivery in the Bundle Month shall be assigned at a price determined as:

(8 x (Final Settlement Price (Rule 45403.A.) of expiring Two-Year Bundle futures))

minus

(Sum of the 7 ED contract assignment prices determined in Rule 45401.B.1.).

45402. TRADING SPECIFICATIONS

The number of futures contract delivery months open for trading at any time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures for delivery in at least each of the two nearest months in the March Quarterly cycle.

45402.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours as may be determined by the Exchange.

45402.B. Trading Unit

The unit of trading shall be Eurodollar interbank time deposits in the amount of $1,000,000, for notional settlement on the third Wednesday of the futures contract delivery month, for a term of two (2) years, paying eight (8) consecutive installments of three-month Eurodollar interbank term interest, with notional resets of such three-month interest rate occurring on the second London business day preceding the third Wednesday of each March, June, September, and December up to, and not including, the month of notional maturity of such Eurodollar interbank time deposits.

45402.C. Price Increments

Contract price shall be quoted in terms of the IMM Index (Rule 45202.C.), as the arithmetic average of the prices of the eight (8) ED futures comprised within the Contract Grade (Rule 45401.A.). For example, a Bundle futures price of 95.670 would signify that the market consensus expectation of such average ED futures price is 95.6700, implying an arithmetic average ED contract rate of 4.33 percent per year (equal to 100.0000 minus 95.6700).

The minimum price increment shall be one half of one hundredth (0.005) of one IMM Index point, equal to $100 per contract. Contracts shall not be made on any other price basis.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0001 IMM Index points, equal to $2 per contract.

45402.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

All applicable position limits, position accountability levels, and reportable position 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.

45402.E. [Reserved]

45402.F. [Reserved]

45402.G. Termination of Trading

The Last Day of Trading in expiring futures shall be the Last Day of Trading in the ED futures contract (Rule 45202.G.) that is nearest to delivery within the Contract Grade Two-Year Bundle (Rule 45401.A.). Without limitation to the foregoing, the Last Day of Trading in expiring Two-Year Bundle futures typically shall be the second London bank business day preceding the third Wednesday of the contract delivery month (Rule 45402.).

Trading in expiring futures shall terminate at the time of daily settlement for ED futures on the Last Day of Trading. Without limitation to the foregoing, this typically shall occur at 2:00 pm.

45402.H. Contract Modifications

Specifications shall be fixed as of the first day of trading in a contract, *provided that* all deliveries must conform to government regulations in force at the time of delivery. If any U.S. government agency or body issues an order, ruling, directive or law pertaining to the trading or delivery of futures contracts made under 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 subjected to such government orders.

45402. I. [Reserved]

45403. SETTLEMENT PROCEDURES

Delivery on expiring futures shall be made on the Last Day of Trading, following Termination of Trading (Rule 45402.G.), in accord with Rules 45401.

45403.A. Final Settlement Price

The Final Settlement Price of an expiring futures contract shall be the arithmetic average of Settlement Prices on the Last Day of Trading (Rule 45402.G.) of the eight (8) ED futures comprised within the Contract Grade Two-Year Bundle (Rule 45401.A.). Without limitation to the foregoing, the Settlement Price for such ED contract for the nearest ED delivery month typically shall be that ED contract's Final Settlement Price, and Settlement Prices for all other such ED contracts shall be their respective Daily Settlement Prices.

Each such Final Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.

45403.B. Daily Settlement Price

The Daily Settlement Price of a contract on any trading day other than the Last Day of Trading (Rule 45402.G.) shall be the arithmetic average of Daily Settlement Prices of the eight (8) ED futures comprised within the Contract Grade Two-Year Bundle (Rule 45401.A.).

Each such Daily Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.

45404.-06. [RESERVED]

Appendix B

CME Rulebook Chapter 454A – Options on Two-Year Bundle Futures

454A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Two-Year Bundle futures. In addition to the rules of this chapter, transactions in such options shall be subject to the general rules of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times of day shall refer to and indicate Chicago time.

454A01. OPTIONS CHARACTERISTICS

454A01.A. Contract Months and Trading Hours

Options shall be listed for expiration on such dates as may be determined by the Exchange, subject to Rules 454A01.I., and shall be scheduled for trading during such hours as may be determined by the Exchange.

On the last day of trading in an expiring option (Rule 454A01.I.) trading in such option shall terminate at the same time as the close of trading on that day in such option's Underlying Futures Contract (Rule 454A01.D.).

454A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of a call, or an option to sell, in the case of a put, one (1) Two-Year Bundle futures contract for a given delivery month (Chapter 454).

454A01.C. Minimum Price Increments

The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point, signifying one (1) interest rate basis point per annum (Rule 45402.C.), shall represent $200 per option contract. For example, a quote of 0.33 represents an option price of $6,600 (equal to 33 basis points x $200 per option contract).

The minimum price increment shall be one-half of one hundredth (0.005) of one IMM Index point, equal to $100 per contract. Trade also may occur at a price of 0.0025 IMM Index points, equal to $50 per option contract, whether or not such trade results in the liquidation of positions for both parties to such trade.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0025 IMM Index points, equal to $50 per option contract.

Where the price of such option is quoted in volatility terms, the minimum price increment shall be 0.05 percent per annum (eg, 9.95 percent, 10.0 percent, 10.05 percent, 10.10 percent).

454A01.D. Underlying Futures Contracts

1. Options in the March Quarterly Cycle ("Quarterly Options")

For any option for which the month of expiration is in the March Quarterly cycle (ie, March, June, September, or December), the Underlying Futures Contract shall be Two-Year Bundle futures for delivery in such option's month of expiration. For example, for a given year, Two-Year Bundle futures for delivery in September shall be the Underlying Futures Contract for a September option.

2. Options Not in the March Quarterly Cycle ("Serial Options")
For any option for which the month of expiration is not in the March Quarterly cycle, (ie, January, February, April, May, July, August, October, November), the Underlying Futures Contract shall be Two-Year Bundle futures for delivery in the March Quarterly month next following such option's month of expiration. For example, for a given year, Two-Year Bundle futures for delivery in March shall be the Underlying Futures Contract for a January option or a February option.

3. Weekly Options
A weekly option shall be designated to expire on a given Friday, *provided that* no weekly option shall expire on any Friday that is also the scheduled last day of trading in a Quarterly Option (Rule 454A01.D.1.) or a Serial Option (Rule 454A01.D.2.). For any weekly option, the Underlying Futures Contract shall be Two-Year Bundle futures for delivery in a March Quarterly month following such option's date of expiration, as designated by the Exchange when such weekly option is listed for trading.

For an Underlying Futures Contract for a given delivery month, all companion Weekly Options shall expire prior to the expiration of Quarterly Options (Rule 454A01.D.1. and Rule 454A01.I.).

454A01.E. Exercise Prices

1. Twenty-Five Point Exercise Prices
Option exercise prices shall be stated in terms of the IMM Index for the Two-Year Bundle futures contract that is deliverable upon option exercise (Rule 45402.C.), and shall be stated in intervals whose last two digits are 00, 25, 50, and 75 ("twenty-five point exercise prices") for all IMM Index levels (eg, 88.00, 88.25, 88.50, 88.75).

At the commencement of trading in option contracts for a given expiration date, the Exchange shall list for trading put and call options at the exercise price that is nearest the previous day's settlement price of the respective Underlying Futures Contract ("at-the-money price" or "ATM price"). If the previous day's Underlying Futures Contract settlement price is midway between two eligible option exercise price levels, the ATM price shall be set as the higher of the two eligible exercise price levels. The Exchange also shall list for trading put and call options at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the ATM exercise price.

Thereafter, the Exchange shall add new put and call options to ensure that such options are listed for trading at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the ATM exercise price level that is set with reference to the most recent Underlying Futures Contract settlement price. New options may be listed for trading up to and including the Termination of Trading in such options (Rule 454A01.I.).

2. Special Listings of 12.5 Point Exercise Prices
Additional option exercise prices shall be stated in terms of the IMM Index for the Two-Year Bundle futures contract that is deliverable upon option exercise (Rule 45402.C.), and shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, and 87.5 ("12.5 point exercise prices") for all IMM Index levels (eg, 93.125, 93.375, 93.625, 93.875). The Exchange shall ensure that put and call options with 12.5 point exercise prices are listed for trading at all eligible exercise price levels in a range of 1.50 IMM Index points above and 1.50 IMM Index points below the ATM exercise price (Rule 454A01.E.1.).

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 00, 25, 50, or 75 (eg, 88.00, 88.25, 88.50, 88.75).

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

454A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

All applicable position limits, position accountability levels, and reportable position 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.

454A01.G. Nature of Options

The buyer of a put option may exercise such option at any time prior to expiration (subject to Rule 454A02.A.) to assume a short position in one Underlying Futures Contract (Rule 454A01.D.) at such option's exercise price (Rule 454A01.E.). Upon exercise by a put option buyer, the seller of such option shall incur the obligation to assume a long position in one Underlying Futures Contract at such option's exercise price.

The buyer of a call option may exercise such option at any time prior to expiration (subject to Rule 454A02.A.) to assume a long position in one Underlying Futures Contract at such option's exercise price. Upon exercise by a call option buyer, the seller of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.

454A01.H. [Reserved]

454A01.I. Termination of Trading

For any option contract made under these Rules, if the date for termination of trading under Rule 454A01.I.1. or Rule 454A01.I.2. is a scheduled Exchange holiday, option trading shall terminate on the immediately preceding Business Day. In the event that the market in the Underlying Futures Contract (Rule 454A01.D.) for such option does not open on the scheduled option expiration day, the option expiration shall be extended to the next day on which the market in such Underlying Futures Contract is open for trading.

1. Quarterly Options and Serial Options

Subject to Rule 454A01.I., for any Quarterly Option (Rule 454A01.D.1.) or Serial Option (Rule 454A01.D.2.) trading shall terminate at the close of trading on the Friday preceding the third Wednesday of the expiration month for such option.

2. Weekly Options

Subject to Rule 454A01.I., trading in any Weekly Option shall terminate at the close of trading on the Friday scheduled for option expiration (Rule 454A01.D.3.).

454A01.J. Contract Modification

Contract terms for any option shall be fixed when such option is initially listed for trading, *provided that* any such option must conform to government regulations that are in force at such time as such option may be exercised. If the U.S. government, or an agency or duly constituted body thereof, issues an order, ruling, directive, or law inconsistent with these rules, then such order, ruling, directive, or law shall be construed to become part of the rules, and all open and new option contracts shall be subject to such order, ruling, directive, or law.

454A01.K. [Reserved]

454A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options made under these Rules.

454A02.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 7:00 p.m. on the day of exercise.

An option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House, by the clearing member representing the buyer of such option, no later than 7:00 p.m. (or such other time as may be designated by the Exchange) on the last day of trading in such option (Rule 454A01.I.).

A call option shall be in the money if the Daily Settlement Price of the Underlying Futures Contract (Rule 454A01.D.) on the last day of trading in such option lies strictly above such option’s exercise price, and shall be out of the money if such Daily Settlement Price is at or below such option’s exercise price.

A put option shall be in the money if the Daily Settlement Price of the Underlying Futures Contract on the last day of trading in such option lies strictly below such option’s exercise price, and shall be out of the money if such Daily Settlement Price is at or above such option’s exercise price.

454A02.B. Assignment

For any given option contract, an exercise notice accepted by the Clearing House (in accord with Rule 454A02.A.) shall be assigned by the Clearing House through a process of random selection of clearing members carrying open short positions in such option contract. A clearing member to whom such exercise notice has been assigned shall be notified thereof as soon as practicable following such assignment.

The clearing member to whom such exercise notice has been assigned shall be assigned a short position in such option’s Underlying Futures Contract (Rules 454A01.D.) if such option is a call, or a long position in such option’s Underlying Futures Contract if such option is a put. The clearing member representing the option buyer making exercise shall be assigned a long position in such option’s Underlying Futures Contract if such option is a call, or a short position in such option’s Underlying Futures Contract if such option is a put.

Such futures positions shall be assigned at a price equal to the exercise price of such option contract, and shall be marked to market (in accordance with Rule 814) on the day on which the Clearing House accepts such exercise notice.

454A03. [RESERVED]

454A04. CORRECTIONS TO OPTIONS EXERCISES

Corrections to option exercises, including automatic exercises, may be accepted by the Clearing House after 7:00 p.m. and up to the beginning of final option expiration processing, *provided that* such corrections are necessary due to: (1) a *bona fide* clerical error, (2) un-reconciled Exchange option transaction(s), or (3) an extraordinary circumstance where the clearing firm and customer are unable to communicate final option exercise instructions prior to 7:00 p.m. The decision as to whether a correction is acceptable will be made by the President of the Clearing House, or the President's designee, and such decision will be final.

Appendix C

CME Rulebook Chapter 455 -- Three-Year Bundle Futures

45500. SCOPE OF CHAPTER

This chapter is limited in application to trading of Three-Year Bundle futures. Procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange ("Rules").

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in other Chapters of the Rules.

Except as noted, all times referenced in this Chapter are Chicago times and are subject to change by the Exchange.

45501. CONTRACT SPECIFICATIONS

45501.A. Contract Grade

The contract grade for an expiring futures contract made under these Rules shall be one (1) Three-Year Bundle with Bundle Month identical to the delivery month for such expiring futures contract, subject to the following definitions:

1. Three-Year Bundle

A Three-Year Bundle shall be a futures combination comprising one each of 12 CME Three-Month Eurodollar (ED) futures (Chapter 452) for delivery in each of 12 consecutive months in the March-June-September-December ("March Quarterly") cycle.

2. Bundle Month

The Bundle Month for a given Three-Year Bundle (Rule 45501.A.1.) shall be the delivery month of the ED futures contract, comprised within such Three-Year Bundle, that is nearest to delivery (Rule 45202.A.).

45501.B. Delivery

Delivery shall apply to all positions in expiring contracts that remain open following Termination of Trading (Rule 45502.G.).

Each individual contract lot delivered shall consist of one Contract Grade Three-Year Bundle (Rule 45501.A.). To each long (short) expiring contract in delivery, CME Clearing shall assign long (short) positions of one each of the 12 ED futures contracts comprised within the Contract Grade. Such ED futures positions shall be assigned at prices determined as follows:

1. ED Futures Contracts Excluding the Nearest ED Delivery Month

ED futures contracts for the 11 consecutive ED delivery months following, and not including, the Bundle Month (Rule 45501.A.2.) shall be assigned at their respective Daily Settlement Prices on the Last Day of Trading in expiring futures (Rule 45502.G.).

2. ED Futures Contract for the Nearest ED Delivery Month

The ED futures contract for delivery in the Bundle Month shall be assigned at a price determined as:

(12 x (Final Settlement Price (Rule 45503.A.) of expiring Three-Year Bundle futures))

minus

(Sum of the 11 ED contract assignment prices determined in Rule 45501.B.1.).

45502. TRADING SPECIFICATIONS

The number of futures contract delivery months open for trading at any time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures for delivery in at least each of the two nearest months in the March Quarterly cycle.

45502.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours as may be determined by the Exchange.

45502.B. Trading Unit

The unit of trading shall be Eurodollar interbank time deposits in the amount of $1,000,000, for notional settlement on the third Wednesday of the futures contract delivery month, for a term of three (3) years, paying 12 consecutive installments of three-month Eurodollar interbank term interest, with notional resets of such three-month interest rate occurring on the second London business day preceding the third Wednesday of each March, June, September, and December up to, and not including, the month of notional maturity of such Eurodollar interbank time deposits.

45502.C. Price Increments

Contract price shall be quoted in terms of the IMM Index (Rule 45202.C.), as the arithmetic average of the prices of the 12 ED futures comprised within the Contract Grade (Rule 45501.A.). For example, a Bundle futures price of 95.670 would signify that the market consensus expectation of such average ED futures price is 95.6700, implying an arithmetic average ED contract rate of 4.33 percent per year (equal to 100.0000 minus 95.6700).

The minimum price increment shall be one half of one hundredth (0.005) of one IMM Index point, equal to $150 per contract. Contracts shall not be made on any other price basis.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0001 IMM Index points, equal to $3 per contract.

45502.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

All applicable position limits, position accountability levels, and reportable position 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.

45502.E. [Reserved]

45502.F. [Reserved]

45502.G. Termination of Trading

The Last Day of Trading in expiring futures shall be the Last Day of Trading in the ED futures contract (Rule 45202.G.) that is nearest to delivery within the Contract Grade Three-Year Bundle (Rule 45501.A.). Without limitation to the foregoing, the Last Day of Trading in expiring Three-Year Bundle futures typically shall be the second London bank business day preceding the third Wednesday of the contract delivery month (Rule 45502.).

Trading in expiring futures shall terminate at the time of daily settlement for ED futures on the Last Day of Trading. Without limitation to the foregoing, this typically shall occur at 2:00 pm.

45502.H. Contract Modifications

Specifications shall be fixed as of the first day of trading in a contract, *provided that* all deliveries must conform to government regulations in force at the time of delivery. If any U.S. government agency or body issues an order, ruling, directive or law pertaining to the trading or delivery of futures contracts made under 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 subjected to such government orders.

45502. I. [Reserved]

45503. SETTLEMENT PROCEDURES

Delivery on expiring futures shall be made on the Last Day of Trading, following Termination of Trading (Rule 45502.G.), in accord with Rules 45501.

45503.A. Final Settlement Price

The Final Settlement Price of an expiring futures contract shall be the arithmetic average of Settlement Prices on the Last Day of Trading (Rule 45502.G.) of the 12 ED futures comprised within the Contract Grade Three-Year Bundle (Rule 45501.A.). Without limitation to the foregoing, the Settlement Price for such ED contract for the nearest ED delivery month typically shall be that ED contract’s Final Settlement Price, and Settlement Prices for all other such ED contracts shall be their respective Daily Settlement Prices.

Each such Final Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.

45503.B. Daily Settlement Price

The Daily Settlement Price of a contract on any trading day other than the Last Day of Trading (Rule 45502.G.) shall be the arithmetic average of Daily Settlement Prices of the 12 CME ED futures comprised within the Contract Grade Three-Year Bundle (Rule 45501.A.).

Each such Daily Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.

45504.-06. [RESERVED]

Appendix D

CME Rulebook Chapter 455A – Options on Three-Year Bundle Futures

455A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Three-Year Bundle futures. In addition to the rules of this chapter, transactions in such options shall be subject to the general rules of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times of day shall refer to and indicate Chicago time.

455A01. OPTIONS CHARACTERISTICS

455A01.A. Contract Months and Trading Hours

Options shall be listed for expiration on such dates as may be determined by the Exchange, subject to Rules 455A01.I., and shall be scheduled for trading during such hours as may be determined by the Exchange.

On the last day of trading in an expiring option (Rule 455A01.I.) trading in such option shall terminate at the same time as the close of trading on that day in such option's Underlying Futures Contract (Rule 455A01.D.).

455A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of a call, or an option to sell, in the case of a put, one (1) Three-Year Bundle futures contract for a given delivery month (Chapter 455).

455A01.C. Minimum Price Increments

The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point, signifying one (1) interest rate basis point per annum (Rule 45502.C.), shall represent $300 per option contract. For example, a quote of 0.33 represents an option price of $9,900 (equal to 33 basis points x $300 per option contract).

The minimum price increment shall be one-half of one hundredth (0.005) of one IMM Index point, equal to $150 per contract. Trade also may occur at a price of 0.0025 IMM Index points, equal to $75 per option contract, whether or not such trade results in the liquidation of positions for both parties to such trade.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0025 IMM Index points, equal to $75 per option contract.

Where the price of such option is quoted in volatility terms, the minimum price increment shall be 0.05 percent per annum (eg, 9.95 percent, 10.0 percent, 10.05 percent, 10.10 percent).

455A01.D. Underlying Futures Contracts

1. Options in the March Quarterly Cycle ("Quarterly Options")

For any option for which the month of expiration is in the March Quarterly cycle (ie, March, June, September, or December), the Underlying Futures Contract shall be Three-Year Bundle futures for delivery in such option's month of expiration. For example, for a given year, Three-Year Bundle futures for delivery in September shall be the Underlying Futures

Contract for a September option.

2. Options Not in the March Quarterly Cycle ("Serial Options")
For any option for which the month of expiration is not in the March Quarterly cycle, (ie, January, February, April, May, July, August, October, November), the Underlying Futures Contract shall be Three-Year Bundle futures for delivery in the March Quarterly month next following such option's month of expiration. For example, for a given year, Three-Year Bundle futures for delivery in March shall be the Underlying Futures Contract for a January option or a February option.

3. Weekly Options
A weekly option shall be designated to expire on a given Friday, *provided that* no weekly option shall expire on any Friday that is also the scheduled last day of trading in a Quarterly Option (Rule 455A01.D.1.) or a Serial Option (Rule 455A01.D.2.). For any weekly option, the Underlying Futures Contract shall be Three-Year Bundle futures for delivery in a March Quarterly month following such option's date of expiration, as designated by the Exchange when such weekly option is listed for trading.

For an Underlying Futures Contract for a given delivery month, all companion Weekly Options shall expire prior to the expiration of Quarterly Options (Rule 455A01.D.1. and Rule 455A01.I.).

455A01.E. Exercise Prices

1. Twenty-Five Point Exercise Prices
Option exercise prices shall be stated in terms of the IMM Index for the Three-Year Bundle futures contract that is deliverable upon option exercise (Rule 45502.C.), and shall be stated in intervals whose last two digits are 00, 25, 50, and 75 ("twenty-five point exercise prices") for all IMM Index levels (eg, 88.00, 88.25, 88.50, 88.75).

At the commencement of trading in option contracts for a given expiration date, the Exchange shall list for trading put and call options at the exercise price that is nearest the previous day's settlement price of the respective Underlying Futures Contract ("at-the-money price" or "ATM price"). If the previous day's Underlying Futures Contract settlement price is midway between two eligible option exercise price levels, the ATM price shall be set as the higher of the two eligible exercise price levels. The Exchange also shall list for trading put and call options at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the ATM exercise price.

Thereafter, the Exchange shall add new put and call options to ensure that such options are listed for trading at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the ATM exercise price level that is set with reference to the most recent Underlying Futures Contract settlement price. New options may be listed for trading up to and including the Termination of Trading in such options (Rule 455A01.I.).

2. Special Listings of 12.5 Point Exercise Prices
Additional option exercise prices shall be stated in terms of the IMM Index for the Three-Year Bundle futures contract that is deliverable upon option exercise (Rule 45502.C.), and shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, and 87.5 ("12.5 point exercise prices") for all IMM Index levels (eg, 93.125, 93.375, 93.625, 93.875). The Exchange shall ensure that put and call options with 12.5 point exercise prices are listed for trading at all eligible exercise price levels in a range of 1.50 IMM Index points above and 1.50 IMM Index points below the ATM exercise price (Rule 455A01.E.1.).

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 00, 25, 50, or 75 (eg, 88.00, 88.25, 88.50, 88.75).

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

455A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

All applicable position limits, position accountability levels, and reportable position 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.

455A01.G. Nature of Options

The buyer of a put option may exercise such option at any time prior to expiration (subject to Rule 455A02.A.) to assume a short position in one Underlying Futures Contract (Rule 455A01.D.) at such option's exercise price (Rule 455A01.E.). Upon exercise by a put option buyer, the seller of such option shall incur the obligation to assume a long position in one Underlying Futures Contract at such option's exercise price.

The buyer of a call option may exercise such option at any time prior to expiration (subject to Rule 455A02.A.) to assume a long position in one Underlying Futures Contract at such option's exercise price. Upon exercise by a call option buyer, the seller of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.

455A01.H. [Reserved]

455A01.I. Termination of Trading

For any option contract made under these Rules, if the date for termination of trading under Rule 455A01.I.1. or Rule 455A01.I.2. is a scheduled Exchange holiday, option trading shall terminate on the immediately preceding Business Day. In the event that the market in the Underlying Futures Contract (Rule 455A01.D.) for such option does not open on the scheduled option expiration day, the option expiration shall be extended to the next day on which the market in such Underlying Futures Contract is open for trading.

1. Quarterly Options and Serial Options

Subject to Rule 455A01.I., for any Quarterly Option (Rule 455A01.D.1.) or Serial Option (Rule 455A01.D.2.) trading shall terminate at the close of trading on the Friday preceding the third Wednesday of the expiration month for such option.

2. Weekly Options

Subject to Rule 455A01.I., trading in any Weekly Option shall terminate at the close of trading on the Friday scheduled for option expiration (Rule 455A01.D.3.).

455A01.J. Contract Modification

Contract terms for any option shall be fixed when such option is initially listed for trading, *provided that* any such option must conform to government regulations that are in force at such time as such option may be exercised. If the U.S. government, or an agency or duly constituted body thereof, issues an order, ruling, directive, or law inconsistent with these rules, then such order, ruling, directive, or law shall be construed to become part of the rules, and all open and new option contracts shall be subject to such order, ruling, directive, or law.

455A01.K. [Reserved]

455A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options made under these Rules.

455A02.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 7:00 p.m. on the day of exercise.

An option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House, by the clearing member representing the buyer of such option, no later than 7:00 p.m. (or such other time as may be designated by the Exchange) on the last day of trading in such option (Rule 455A01.I.).

A call option shall be in the money if the Daily Settlement Price of the Underlying Futures Contract (Rule 455A01.D.) on the last day of trading in such option lies strictly above such option's exercise price, and shall be out of the money if such Daily Settlement Price is at or below such option's exercise price.

A put option shall be in the money if the Daily Settlement Price of the Underlying Futures Contract on the last day of trading in such option lies strictly below such option's exercise price, and shall be out of the money if such Daily Settlement Price is at or above such option's exercise price.

455A02.B. Assignment

For any given option contract, an exercise notice accepted by the Clearing House (in accord with Rule 455A02.A.) shall be assigned by the Clearing House through a process of random selection of clearing members carrying open short positions in such option contract. A clearing member to whom such exercise notice has been assigned shall be notified thereof as soon as practicable following such assignment.

The clearing member to whom such exercise notice has been assigned shall be assigned a short position in such option's Underlying Futures Contract (Rules 455A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put. The clearing member representing the option buyer making exercise shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.

Such futures positions shall be assigned at a price equal to the exercise price of such option contract, and shall be marked to market (in accordance with Rule 814) on the day on which the Clearing House accepts such exercise notice.

455A03. [RESERVED]

455A04. CORRECTIONS TO OPTIONS EXERCISES

Corrections to option exercises, including automatic exercises, may be accepted by the Clearing House after 7:00 p.m. and up to the beginning of final option expiration processing, *provided that* such corrections are necessary due to: (1) a *bona fide* clerical error, (2) un-reconciled Exchange option transaction(s), or (3) an extraordinary circumstance where the clearing firm and customer are unable to communicate final option exercise instructions prior to 7:00 p.m. The decision as to whether a correction is acceptable will be made by the President of the Clearing House, or the President's designee, and such decision will be final.

Appendix E

CME Rulebook Chapter 456 -- Five-Year Bundle Futures

45600. SCOPE OF CHAPTER

This chapter is limited in application to trading of Five-Year Bundle futures. Procedures for trading, clearing, delivery, and settlement, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange (“Rules”).

Capitalized terms in this Chapter that are not otherwise defined in this Chapter shall have the meanings given to such terms in other Chapters of the Rules.

Except as noted, all times referenced in this Chapter are Chicago times and are subject to change by the Exchange.

45601. CONTRACT SPECIFICATIONS

45601.A. Contract Grade

The contract grade for an expiring futures contract made under these Rules shall be one (1) Five-Year Bundle with Bundle Month identical to the delivery month for such expiring futures contract, subject to the following definitions:

1. Five-Year Bundle

A Five-Year Bundle shall be a futures combination comprising one each of 20 CME Three-Month Eurodollar (ED) futures (Chapter 452) for delivery in each of 20 consecutive months in the March-June-September-December (“March Quarterly”) cycle.

2. Bundle Month

The Bundle Month for a given Five-Year Bundle (Rule 45601.A.1.) shall be the delivery month of the ED futures contract, comprised within such Five-Year Bundle, that is nearest to delivery (Rule 45202.A.).

45601.B. Delivery

Delivery shall apply to all positions in expiring contracts that remain open following Termination of Trading (Rule 45602.G.).

Each individual contract lot delivered shall consist of one Contract Grade Five-Year Bundle (Rule 45601.A.). To each long (short) expiring contract in delivery, CME Clearing shall assign long (short) positions of one each of the 20 ED futures contracts comprised within the Contract Grade. Such ED futures positions shall be assigned at prices determined as follows:

1. ED Futures Contracts Excluding the Nearest ED Delivery Month

ED futures contracts for the 19 consecutive ED delivery months following, and not including, the Bundle Month (Rule 45601.A.2.) shall be assigned at their respective Daily Settlement Prices on the Last Day of Trading in expiring futures (Rule 45602.G.).

2. ED Futures Contract for the Nearest ED Delivery Month

The ED futures contract for delivery in the Bundle Month shall be assigned at a price determined as:

(20 x (Final Settlement Price (Rule 45603.A.) of expiring Five-Year Bundle futures))

minus

(Sum of the 19 ED contract assignment prices determined in Rule 45601.B.1.).

45602. TRADING SPECIFICATIONS

The number of futures contract delivery months open for trading at any time shall be determined by the Exchange. Without limitation to the foregoing, the Exchange customarily shall list for trading futures for delivery in at least each of the two nearest months in the March Quarterly cycle.

45602.A. Trading Schedule

Futures contracts shall be scheduled for trading during such hours as may be determined by the Exchange.

45602.B. Trading Unit

The unit of trading shall be Eurodollar interbank time deposits in the amount of $1,000,000, for notional settlement on the third Wednesday of the futures contract delivery month, for a term of five (5) years, paying 20 consecutive installments of three-month Eurodollar interbank term interest, with notional resets of such three-month interest rate occurring on the second London business day preceding the third Wednesday of each March, June, September, and December up to, and not including, the month of notional maturity of such Eurodollar interbank time deposits.

45602.C. Price Increments

Contract price shall be quoted in terms of the IMM Index (Rule 45202.C.), as the arithmetic average of the prices of the 20 CME ED futures comprised within the Contract Grade (Rule 45601.A.). For example, a Bundle futures price of 95.670 would signify that the market consensus expectation of such average ED futures price is 95.6700, implying an arithmetic average ED contract rate of 4.33 percent per year (equal to 100.0000 minus 95.6700).

The minimum price increment shall be one half of one hundredth (0.005) of one IMM Index point, equal to $250 per contract. Contracts shall not be made on any other price basis.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0001 IMM Index points, equal to $5 per contract.

45602.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

All applicable position limits, position accountability levels, and reportable position 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.

45602.E. [Reserved]

45602.F. [Reserved]

45602.G. Termination of Trading

The Last Day of Trading in expiring futures shall be the Last Day of Trading in the ED futures contract (Rule 45202.G.) that is nearest to delivery within the Contract Grade Five-Year Bundle (Rule 45601.A.). Without limitation to the foregoing, the Last Day of Trading in expiring Five-Year Bundle futures typically shall be the second London bank business day preceding the third Wednesday of the contract delivery month (Rule 45602.).

Trading in expiring futures shall terminate at the time of daily settlement for ED futures on the Last Day of Trading. Without limitation to the foregoing, this typically shall occur at 2:00 pm.

45602.H. Contract Modifications

Specifications shall be fixed as of the first day of trading in a contract, *provided that* all deliveries must conform to government regulations in force at the time of delivery. If any U.S. government agency or body issues an order, ruling, directive or law pertaining to the trading or delivery of futures contracts made under 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 subjected to such government orders.

45602. I. [Reserved]

45603. SETTLEMENT PROCEDURES

Delivery on expiring futures shall be made on the Last Day of Trading, following Termination of Trading (Rule 45602.G.), in accord with Rules 45601.

45603.A. Final Settlement Price

The Final Settlement Price of an expiring futures contract shall be the arithmetic average of Settlement Prices on the Last Day of Trading (Rule 45602.G.) of the 20 ED futures comprised within the Contract Grade Five-Year Bundle (Rule 45601.A.). Without limitation to the foregoing, the Settlement Price for such ED contract for the nearest ED delivery month typically shall be that ED contract's Final Settlement Price, and Settlement Prices for all other such ED contracts shall be their respective Daily Settlement Prices.

Each such Final Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.

45603.B. Daily Settlement Price

The Daily Settlement Price of a contract on any trading day other than the Last Day of Trading (Rule 45602.G.) shall be the arithmetic average of Daily Settlement Prices of the 20 CME ED futures comprised within the Contract Grade Five-Year Bundle (Rule 45601.A.).

Each such Daily Settlement Price shall be rounded to the fourth decimal place (0.0001), with tie values (ie, unrounded values ending in 0.00005) rounded down.

45604.-06. [RESERVED]

Appendix F

CME Rulebook Chapter 456A – Options on Five-Year Bundle Futures

456A00. SCOPE OF CHAPTER

This chapter is limited in application to options on Five-Year Bundle futures. In addition to the rules of this chapter, transactions in such options shall be subject to the general rules of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times of day shall refer to and indicate Chicago time.

456A01. OPTIONS CHARACTERISTICS

456A01.A. Contract Months and Trading Hours

Options shall be listed for expiration on such dates as may be determined by the Exchange, subject to Rules 456A01.I., and shall be scheduled for trading during such hours as may be determined by the Exchange.

On the last day of trading in an expiring option (Rule 456A01.I.) trading in such option shall terminate at the same time as the close of trading on that day in such option's Underlying Futures Contract (Rule 456A01.D.).

456A01.B. Trading Unit

The trading unit shall be an option to buy, in the case of a call, or an option to sell, in the case of a put, one (1) Five-Year Bundle futures contract for a given delivery month (Chapter 456).

456A01.C. Minimum Price Increments

The price of an option shall be quoted in IMM Index points. Each 0.01 IMM Index point, signifying one (1) interest rate basis point per annum (Rule 45602.C.), shall represent $500 per option contract. For example, a quote of 0.33 represents an option price of $16,500 (equal to 33 basis points x $500 per option contract).

The minimum price increment shall be one-half of one hundredth (0.005) of one IMM Index point, equal to $250 per contract. Trade also may occur at a price of 0.0025 IMM Index points, equal to $125 per option contract, whether or not such trade results in the liquidation of positions for both parties to such trade.

For the purpose of Rule 812 for Final Settlement Price and Rule 813 for Daily Settlement Price, the minimum price increment shall be 0.0025 IMM Index points, equal to $125 per option contract.

Where the price of such option is quoted in volatility terms, the minimum price increment shall be 0.05 percent per annum (eg, 9.95 percent, 10.0 percent, 10.05 percent, 10.10 percent).

456A01.D. Underlying Futures Contracts

1. Options in the March Quarterly Cycle ("Quarterly Options")

For any option for which the month of expiration is in the March Quarterly cycle (ie, March, June, September, or December), the Underlying Futures Contract shall be Five-Year Bundle futures for delivery in such option's month of expiration. For example, for a given year, Five-Year Bundle futures for delivery in September shall be the Underlying Futures Contract for a September option.

2. Options Not in the March Quarterly Cycle ("Serial Options")
For any option for which the month of expiration is not in the March Quarterly cycle, (ie, January, February, April, May, July, August, October, November), the Underlying Futures Contract shall be Five-Year Bundle futures for delivery in the March Quarterly month next following such option's month of expiration. For example, for a given year, Five-Year Bundle futures for delivery in March shall be the Underlying Futures Contract for a January option or a February option.

3. Weekly Options
A weekly option shall be designated to expire on a given Friday, *provided that* no weekly option shall expire on any Friday that is also the scheduled last day of trading in a Quarterly Option (Rule 456A01.D.1.) or a Serial Option (Rule 456A01.D.2.). For any weekly option, the Underlying Futures Contract shall be Five-Year Bundle futures for delivery in a March Quarterly month following such option's date of expiration, as designated by the Exchange when such weekly option is listed for trading.

For an Underlying Futures Contract for a given delivery month, all companion Weekly Options shall expire prior to the expiration of Quarterly Options (Rule 456A01.D.1. and Rule 456A01.I.).

456A01.E. Exercise Prices

1. Twenty-Five Point Exercise Prices
Option exercise prices shall be stated in terms of the IMM Index for the Five-Year Bundle futures contract that is deliverable upon option exercise (Rule 45602.C.), and shall be stated in intervals whose last two digits are 00, 25, 50, and 75 ("twenty-five point exercise prices") for all IMM Index levels (eg, 88.00, 88.25, 88.50, 88.75).

At the commencement of trading in option contracts for a given expiration date, the Exchange shall list for trading put and call options at the exercise price that is nearest the previous day's settlement price of the respective Underlying Futures Contract ("at-the-money price" or "ATM price"). If the previous day's Underlying Futures Contract settlement price is midway between two eligible option exercise price levels, the ATM price shall be set as the higher of the two eligible exercise price levels. The Exchange also shall list for trading put and call options at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the ATM exercise price.

Thereafter, the Exchange shall add new put and call options to ensure that such options are listed for trading at all eligible exercise price levels in a range of 5.50 IMM Index points above and 5.50 IMM Index points below the ATM exercise price level that is set with reference to the most recent Underlying Futures Contract settlement price. New options may be listed for trading up to and including the Termination of Trading in such options (Rule 456A01.I.).

2. Special Listings of 12.5 Point Exercise Prices
Additional option exercise prices shall be stated in terms of the IMM Index for the Five-Year Bundle futures contract that is deliverable upon option exercise (Rule 45602.C.), and shall be stated in intervals whose last three digits are 12.5, 37.5, 62.5, and 87.5 ("12.5 point exercise prices") for all IMM Index levels (eg, 93.125, 93.375, 93.625, 93.875). The Exchange shall ensure that put and call options with 12.5 point exercise prices are listed for trading at all eligible exercise price levels in a range of 1.50 IMM Index points above and 1.50 IMM Index points below the ATM exercise price (Rule 456A01.E.1.).

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 00, 25, 50, or 75 (eg, 88.00, 88.25, 88.50, 88.75).

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

456A01.F. Position Limits, Exemptions, Position Accountability and Reportable Levels

All applicable position limits, position accountability levels, and reportable position 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.

456A01.G. Nature of Options

The buyer of a put option may exercise such option at any time prior to expiration (subject to Rule 456A02.A.) to assume a short position in one Underlying Futures Contract (Rule 456A01.D.) at such option's exercise price (Rule 456A01.E.). Upon exercise by a put option buyer, the seller of such option shall incur the obligation to assume a long position in one Underlying Futures Contract at such option's exercise price.

The buyer of a call option may exercise such option at any time prior to expiration (subject to Rule 456A02.A.) to assume a long position in one Underlying Futures Contract at such option's exercise price. Upon exercise by a call option buyer, the seller of such option shall incur the obligation to assume a short position in one Underlying Futures Contract at such option's exercise price.

456A01.H. [Reserved]

456A01.I. Termination of Trading

For any option contract made under these Rules, if the date for termination of trading under Rule 456A01.I.1. or Rule 456A01.I.2. is a scheduled Exchange holiday, option trading shall terminate on the immediately preceding Business Day. In the event that the market in the Underlying Futures Contract (Rule 456A01.D.) for such option does not open on the scheduled option expiration day, the option expiration shall be extended to the next day on which the market in such Underlying Futures Contract is open for trading.

1. Quarterly Options and Serial Options

Subject to Rule 456A01.I., for any Quarterly Option (Rule 456A01.D.1.) or Serial Option (Rule 456A01.D.2.) trading shall terminate at the close of trading on the Friday preceding the third Wednesday of the expiration month for such option.

2. Weekly Options

Subject to Rule 456A01.I., trading in any Weekly Option shall terminate at the close of trading on the Friday scheduled for option expiration (Rule 456A01.D.3.).

456A01.J. Contract Modification

Contract terms for any option shall be fixed when such option is initially listed for trading, *provided that* any such option must conform to government regulations that are in force at such time as such option may be exercised. If the U.S. government, or an agency or duly constituted body thereof, issues an order, ruling, directive, or law inconsistent with these rules, then such order, ruling, directive, or law shall be construed to become part of the rules, and all open and new option contracts shall be subject to such order, ruling, directive, or law.

456A01.K. [Reserved]

456A02. EXERCISE AND ASSIGNMENT

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of options made under these Rules.

456A02.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 7:00 p.m. on the day of exercise.

An option that is in the money, and that has not been liquidated or exercised prior to its termination of trading, shall be exercised automatically, in the absence of contrary instructions. Such contrary instructions must be delivered to the Clearing House, by the clearing member representing the buyer of such option, no later than 7:00 p.m. (or such other time as may be designated by the Exchange) on the last day of trading in such option (Rule 456A01.I.).

A call option shall be in the money if the Daily Settlement Price of the Underlying Futures Contract (Rule 456A01.D.) on the last day of trading in such option lies strictly above such option's exercise price, and shall be out of the money if such Daily Settlement Price is at or below such option's exercise price.

A put option shall be in the money if the Daily Settlement Price of the Underlying Futures Contract on the last day of trading in such option lies strictly below such option's exercise price, and shall be out of the money if such Daily Settlement Price is at or above such option's exercise price.

456A02.B. Assignment

For any given option contract, an exercise notice accepted by the Clearing House (in accord with Rule 456A02.A.) shall be assigned by the Clearing House through a process of random selection of clearing members carrying open short positions in such option contract. A clearing member to whom such exercise notice has been assigned shall be notified thereof as soon as practicable following such assignment.

The clearing member to whom such exercise notice has been assigned shall be assigned a short position in such option's Underlying Futures Contract (Rules 456A01.D.) if such option is a call, or a long position in such option's Underlying Futures Contract if such option is a put. The clearing member representing the option buyer making exercise shall be assigned a long position in such option's Underlying Futures Contract if such option is a call, or a short position in such option's Underlying Futures Contract if such option is a put.

Such futures positions shall be assigned at a price equal to the exercise price of such option contract, and shall be marked to market (in accordance with Rule 814) on the day on which the Clearing House accepts such exercise notice.

456A03. [RESERVED]

456A04. CORRECTIONS TO OPTIONS EXERCISES

Corrections to option exercises, including automatic exercises, may be accepted by the Clearing House after 7:00 p.m. and up to the beginning of final option expiration processing, *provided that* such corrections are necessary due to: (1) a *bona fide* clerical error, (2) un-reconciled Exchange option transaction(s), or (3) an extraordinary circumstance where the clearing firm and customer are unable to communicate final option exercise instructions prior to 7:00 p.m. The decision as to whether a correction is acceptable will be made by the President of the Clearing House, or the President's designee, and such decision will be final.

Appendix G

Reportable Position Levels, Position Accountability Levels, and CME Globex Non-Reviewable Trading Ranges

The Bundle futures contracts and companion option contracts certified herein shall not be subject to Position Limits. Such contracts shall be subject to a Position Reporting Level of 25 contracts, as typically applies to newly listed CME interest rate products. Such contracts shall be subject, moreover, to Position Accountability. Non-reviewable ranges for trading in such contracts on the Globex electronic trading platform shall resemble those that apply to CME ED futures and their companion options.

Exhibit G.1. (provided under separate cover) sets forth requisite amendments to the Interpretations Section of CME Rulebook Chapter 5 in respect of Position Reportability and Position Accountability, respectively. Exhibit G.2. sets forth requisite amendments to CME Rule 588.H. for Globex Non-Reviewable Trading Ranges

Exhibit G.2.
Amendments to CME Rule 588.H. Globex Non-Reviewable Trading Ranges
(Additions are shown in **underline** font.)

Interest Rate Futures – STIR (CME)

Instrument	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks
…	…	…	…	…
Two-Year Bundle Futures	BU2	2 1/2 basis points	2.50	5
Three-Year Bundle Futures	BU3	2 1/2 basis points	2.50	5
Five-Year Bundle Futures	BU5	2 1/2 basis points	2.50	5
…		…	…	…

Interest Rate Options – STIR Eurodollar and Euroyen TIBOR (CME)

Options on…	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	Bid/Ask Reasonability
…	…	…	…
Two-Year Bundle Futures	BU2		
Three-Year Bundle Futures	BU3	2 minimum ticks subject to minimum range of 1 tick	Greater of (option delta x underlying futures non-reviewable range) or (20% of fair-value premium up to underlying futures non-reviewable range) subject to minimum reasonability of 1 basis point
Five-Year Bundle Futures	BU5		
…		…	…

Appendix H

Block Trade Standards

Standards for block trading in the Bundle futures contracts certified herein shall be set at parity with those that apply to the corresponding deliverable-grade Bundle combinations of ED futures.

Size requirements for block trading in options on Bundle futures certified herein shall be 2.5x multiples of the size requirements for block trading in the corresponding Bundle futures. This approach is directly analogous to the proportionality that applies between size requirements for block trading in options on ED futures and size requirements for block trading in ED futures.

Exhibit H sets forth the requisite amendments to Section 12 for CME & CBOT Block Trade-Eligible Products, in CME & CBOT Market Regulation Advisory Notice RA1405-3 for Block Trades.

Any block trade in Bundle futures or in options on Bundle futures must be reported to the Exchange by the seller within 5 minutes of transaction during Regular Trading Hours, and within 15 minutes of transaction during European Trading Hours or Asian Trading Hours. (“Regular Trading Hours”, “European Trading Hours”, and “Asian Trading Hours” are as defined in CME & CBOT Market Regulation Advisory Notice RA1405-3 for Block Trades.)

Exhibit H
Amendments to Section 12. CME & CBOT Block Trade-Eligible Products,
CME & CBOT RA 1405-3, 8 September 2014
(Additions are shown in **underline** font.)

CME Products	Futures	Options	Flex Options
…	…	…	…
Two-Year Bundle (RTH)	500	1,250	n/a
Two-Year Bundle (ETH)	250	625	n/a
Two-Year Bundle (ATH)	125	325	n/a
Three-Year Bundle (RTH)	330	825	n/a
Three-Year Bundle (ETH)	165	400	n/a
Three-Year Bundle (ATH)	80	200	n/a
Five-Year Bundle (RTH)	200	500	n/a
Five-Year Bundle (ETH)	100	250	n/a
Five-Year Bundle (ATH)	50	125	n/a
…	…	…	…